



CHEL TENHAM

BOROUGH COUNCIL

Notice of a meeting of Cabinet

Tuesday, 14 October 2014
6.00 pm
Pittville Room - Municipal Offices

Membership	
Councillors:	Steve Jordan, John Rawson, Rowena Hay, Peter Jeffries, Andrew McKinlay, Jon Walklett and Chris Coleman

Agenda

	SECTION 1 : PROCEDURAL MATTERS	
1.	APOLOGIES	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING Minutes of the meeting held on 16 September	(Pages 1 - 10)
4.	PUBLIC AND MEMBER QUESTIONS AND PETITIONS These must be received no later than 12 noon on the fourth working day before the date of the meeting	
	SECTION 2 :THE COUNCIL <i>There are no matters referred to the Cabinet by the Council on this occasion</i>	
	SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE <i>There is one matter referred to the Cabinet by the Overview and Scrutiny Committee on this occasion</i>	
5.	SCRUTINY TASK GROUP - HIDDEN DEPRIVATION IN THE TOWN CENTRE Interim report of the scrutiny task group – Hidden deprivation in the town centre	(Pages 11 - 32)
	SECTION 4 : OTHER COMMITTEES <i>There are no matters referred to the Cabinet by other Committees on this occasion</i>	

		SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS	
6.		CABINET RESPONSE TO THE SCRUTINY TASK GROUP REVIEW ON HIDDEN DEPRIVATION IN OUR TOWN CENTRE Report of the Cabinet Member Healthy Lifestyles	(Pages 33 - 38)
7.		2 GLOUCESTER ROAD Report of the Cabinet Member Finance	(Pages 39 - 44)
8.		BUDGET MONITORING 2014-15 -POSITION AS AT TO END AUGUST 2014 Report of the Cabinet Member Finance	(Pages 45 - 60)
9.		BUDGET STRATEGY AND PROCESS Report of the Cabinet Member Finance	(Pages 61 - 76)
		SECTION 6 : BRIEFING SESSION • Leader and Cabinet Members	
10.		BRIEFING FROM CABINET MEMBERS	
		SECTION 7 : DECISIONS OF CABINET MEMBERS AND OFFICERS Member decisions taken since the last Cabinet meeting	
		SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION	

Contact Officer: Rosalind Reeves, Democratic Services Manager, 01242 774937
Email: democratic.services@cheltenham.gov.uk

Cabinet

**Tuesday, 16th September, 2014
6.00 - 7.15 pm**

Attendees	
Councillors:	Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Finance), Rowena Hay (Cabinet Member Healthy Lifestyles), Peter Jeffries (Cabinet Member Housing), Andrew McKinlay (Cabinet Member Development and Safety), Jon Walklett (Cabinet Member Corporate Services) and Chris Coleman (Cabinet Member Clean and Green Environment)
Also in attendance:	Councillor Tim Harman, Councillor Rob Reid and Councillor Chris Ryder

Minutes

1. APOLOGIES
None.

The Leader of the Council took the opportunity to welcome members of the LGA Peer Review Team who were in attendance.

2. DECLARATIONS OF INTEREST
There were no declarations of interest.

3. MINUTES OF THE LAST MEETING
The minutes of the meeting held on 15 July 2014 were approved and signed as a correct record.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS
There were no questions or petitions.

5. THE CHELTENHAM TRUST-CONTRACT AWARD
The Cabinet Member Healthy Lifestyles introduced the report which followed on from the update report presented to Cabinet in June recommending it note the intention to award a contract to The Cheltenham Trust from 1 October 2014. She highlighted that the project was not solely focussed on achieving savings for the Council but concerned protecting those important services which contributed to the delivery of the Council's corporate objectives.

The Cabinet Member explained that the contract would be for a period of 10 years which could be extended for an extra five and this linked to the Leases which were for 15 years with a break clause at 10 years. The management fee would be payable to the Cheltenham trust as set out in paragraph 8.1.6 of the report. In terms of net annual savings the Cabinet Member explained that these were £125k in 2014/15, £407k in 15/16 rising to £833k by 2018/19. These had exceeded original estimates as the Shadow Trust had developed its business

plan. The business plan had been through the Council's due diligence process and the detail of this was set out in section 12 of the report.

The Cabinet Member highlighted that this would be an outcomes based contract with three high level target outcomes as follows : 1. People in Cheltenham lead healthier, fulfilling and active lives; 2. People in Cheltenham are inspired to take part and gain valuable skills and experiences; 3. Cheltenham is seen as a world class place to live, work, study and visit. She noted that whilst the Trust was expected to deliver against the specification the Council did not intend to dictate how this was achieved. The draft heads of terms for support services were also outlined in the report and the Trust had considered its requirements in this respect and these were set out in section 7 of the report. In terms of performance management monitoring the Cabinet Member highlighted that informal strategic meetings with herself as Cabinet member, the Leader, the Chief Executive and Chair of Trustees had already taken place. It was important that these opportunities were built on with the independent body in delivering the future of these services for the people of Cheltenham and in her view partnership working was a crucial path to follow.

In summing up the Cabinet Member paid tribute to the commitment and enthusiasm of the Shadow Trust and thanked them and other officers involved in this project for their work.

Members recognised the efforts that had been made in realising this project and particular thanks were given to the Deputy Chief Executive, the Director Resources, the Project Manager and Legal and Property Services. The Trust would be taking over a very strong team of enterprising managers and a diverse board of Trustees. The Cabinet Member Finance highlighted the continuing commitment to work with the Trust particularly on the strategic approach to investment. Finally, the Leader informed the meeting that the Trust was still awaiting confirmation from the Charity Commission that The Cheltenham Trust had been registered as a charitable body. He paid tribute to the positive progress which had been made and wished the Trust all the very best in its work.

RESOLVED THAT

1. Subject to The Cheltenham Trust being registered as a charity by the Charities Commission before 1 October 2014,

1.1 It be agreed that the following services will be undertaken by The Cheltenham Trust, or where relevant its trading subsidiary, Cheltenham Leisure and Culture Limited:

- **Leisure@ Cheltenham**
- **Prince of Wales Stadium**
- **Town Hall**
- **Pittville Pump Room**
- **The Wilson (Cheltenham Art Gallery and Museum)**
- **Tourism Services and Tourist Information Centre**
- **Sport, Play and Healthy Lifestyles**

1.2 the proposed management fee, and the arrangements for varying it, as set out in sections 8.1 and 8.2 of this report be approved.

1.3 Authority be delegated to the Deputy Chief Executive, in consultation with the Cabinet Member for Healthy Lifestyles, S151 Officer and Borough Solicitor to finalise and complete the contract, leases, licences and all other relevant contracts and legal documentation as necessary to enable the Trust to commence business from 1 October 2014.

1.4 Authority be delegated to the Deputy Chief Executive, in consultation with the Cabinet Member for Healthy Lifestyles, S151 Officer and Borough Solicitor for the Council to enter into a service level contract with The Cheltenham Trust for the provision of property services as outlined in section 5.4.3 of this report.

2. in the event of The Cheltenham Trust not being registered as a charity before 1 October 2014, or another critical issue preventing the transfer of services by that date that

2.1 authority be delegated to the Deputy Chief Executive, in consultation with the Cabinet Member for Healthy Lifestyles, the Cabinet Member for Finance, S151 Officer and Borough Solicitor for the Council to complete the transfer, if all impediments are removed, at any date up to and including 1 November 2014.

2.2 In the event that services are not transferred in accordance with recommendation 2.1 that a further report be brought to the Cabinet meeting on 11 November 2014.

3 It be noted that The Cheltenham Trust has been granted Admitted Body status to the Local Government Pension Scheme and that, as previously advised to Cabinet in the June report, this Council will be liable for any pension deficit on former employees of the Council who transfer to the Trust.

6. ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY-UPDATE

The Cabinet Member Finance introduced the report which outlined the progress made in developing the Council's Asset Management Plan and Capital Strategy and made some initial proposals at this stage. He reminded members that the Council had recently benefited from a significant capital receipt as a result of the sale of North Place and Portland Street car parks and the Asset Management Plan and Capital Strategy would propose how these receipts would be used and set a continuing framework for capital investment.

The Cabinet Member Finance explained that there was a robust system for evaluating capital bids and establishing priorities which involved scoring against the Council's corporate objectives. It was also important to look at the return on investment as it was important that the project delivered in terms of the revenue budget. He reported that the Budget Scrutiny Working Group and Asset Management Working Group were being consulted in terms of refining the capital programme. It was also important to note the leisure and culture capital budget and the council would work with the Trust to get a view.

The Cabinet Member Finance reported that there were a number of significant workstreams that had yet to be concluded such as the accommodation strategy, Boots corner public realm, the car parking strategy and the investment in the cemetery and crematorium and so the capital investment/capital allocation required to deliver them had yet to be finalised. However, it was intended that the following projects were brought to Council for approval-High Street public realm improvement, car park investment and replacement of the Town Hall chairs.

The Leader added that it was important that the council supported those projects which were good for the town and many of the projects involved working with the county council in funding terms.

RESOLVED THAT

Council be recommended to approve:

- 1. The principles on which the new Asset Management Plan and Capital Strategy will be based and the methodology for prioritising capital projects, as outlined in sections 2 and 3 below.**
- 2. the funding of the projects outlined in paragraphs 4.2 to 4.4 below, totalling £891,700, to be funded from capital receipts.**

7. UPDATE ON CBC/CBH CONSULTATION AND PROPOSALS TO UPDATE THE CBH ARTICLES OF ASSOCIATION

The Leader introduced the report which updated members on the CBC/CBH consultation and proposals to update the CBH Articles of Association. He explained that there were three key areas which were consulted upon which were as follows :

- Extension of the management agreement to 30 years
- CBH Board size and composition-reduce the number of Board members and appoint future Board members based on the skills needed to meet the growth of CBH (this included reducing the number of Councillors from 5 to a minimum of 2).
- Development of the new CBH Business plan and services for the future which CBH might undertake

The Leader reported that the proposals had received positive feedback. Of current work programmes tackling anti-social behaviour had most support. Those consulted felt that repairs were undertaken to a good level and the priority for new projects should now be new affordable housing. The Leader explained that the report was in his name rather than the Cabinet Member Housing as he represented the shareholder interest and as the proposal concerned the articles of the company it was his role to request permission. In terms of the specific management agreement the details would be presented to Cabinet in December 2014.

The Cabinet Member Housing paid tribute to CBH and in particular to the Chair of the CBH Board for his contributions in taking the organisation forward. The additional services provided by CBH were really important to the tenants in the town. His comments were reiterated by other members who were confident in the service that CBH provided for tenants and the wider community in the town. Since self-financing had been introduced CBH had demonstrated that it was possible to invest in housing in progressive and innovative ways.

The Leader thanked the CBH board, past and present for its valuable work.

RESOLVED THAT

- 1. the outcome of the stakeholder consultation process be noted**
- 2. the Leader be authorised to take a decision, by way of a written resolution, to make the necessary amendments to the CBH Articles of Association and any subsequent amendments required by the HCA following CBH's Board meeting on 24 September 2014.**
- 3. A further report to agree the proposed variations to the CBH Management Agreement is brought back to Cabinet for approval in December.**

8. LOCAL COUNCIL TAX SUPPORT SCHEME

The Cabinet Member Finance introduced the report which sought approval to keep the Local Council Tax Support Scheme (LCTS) unchanged for 2015/16 and 2016/17. He explained that in 2013/14 the Council received approximately 90 % of the cost of the previous year's national council tax benefit scheme. CBC had been working closely with other local authorities in the county and adopted the LCTS and whilst the aspiration had been to agree a permanent scheme this was not possible at this stage due to delays in welfare reforms and policy changes arising from a general election in May 2015.

Members agreed that continuing the present scheme for a further two years was a sensible way forward.

The Leader reminded Cabinet that this report would be recommended to Council for approval.

RESOLVED THAT

Council be recommended to keep the Local Council Tax Support scheme unchanged for 2015/16 and 2016/17, other than the annual uprating of premiums, allowances, non-dependant deductions and any changes to the national pension age scheme that need to be reflected in the local working age scheme.

9. POLICY ON SEXUAL ENTERTAINMENT VENUES

The Cabinet Member Development and Safety introduced the report which provided feedback on public consultation which had taken place on whether it was appropriate for the Council to limit the number of Sexual Entertainment Venues (SEVs) it should licence in the borough. This consultation was in response to concerns raised at the granting of an SEV licence in the town centre which attracted significant local opposition. He reported that the outcome of the response was a preferred zero limit of SEVs in the defined areas which were consulted upon. The Cabinet Member Development and Safety also reminded members that a petition had been debated at Council in July.

He explained that the recommendation for Council to now consider within the context of the amended policy would be that each application be considered on a case by case basis in the central shopping area. Accordingly the appropriate number of SEVs for outside of the central area was nil. In his view this would reduce to a minimum the impact on residential areas. Licensing Committee had been consulted on the appropriate boundary. The Cabinet Member highlighted that any applicant for an SEV in the central shopping area would be reminded of the restrictions outlined in the policy in terms of properties with sensitive uses or in sensitive locations.

A member commented on discussions held at the recent Licensing Committee in terms of failing to acknowledge the risk in licensing SEVs and in so doing damaging the reputation of an area. Other members believed that the recommended approach was sensible.

RESOLVED THAT

- 1. the consultation feedback be noted**
- 2. the amendments to the policy as outlined in the draft policy attached at appendix 4 (and to include the redefinition of the central area as the central shopping area as shown in the map at appendix 4) be approved; and**
- 3. Council be recommended to adopt the amended policy**

10. FOOD SAFETY DELIVERY PLAN

The Cabinet Member Development and Safety introduced the report and explained that the Food Safety Service Plan was an annual operational plan giving details of how Cheltenham was going to execute its statutory food safety functions within the Public Protection service under the Director of Environmental and Regulatory Services. He reported that there had been little change but highlighted that the following targets applied for the percentage of interventions achieved for 2014-15:

- 100% of unrated new food premises inspected within 28 days of registration/opening
- Inspect 100% of Category A premises due for intervention
- Inspect 100% of Category B premises due for intervention
- Inspect 96 % of Category C premises due for intervention

- Inspect 94% of Category D and E premises due for intervention

The Cabinet member stated that Cheltenham could be confident that the Food Safety Plan was fit for purpose in order to maintain food safety in the town.

RESOLVED THAT

the Food Safety service plan for 2014-15 be approved

11. HEALTH AND SAFETY DELIVERY PLAN

The Cabinet Member Development and Safety introduced the report and explained that this was an annual plan detailing how Cheltenham was going to undertake its statutory health and safety regulatory functions. The targets had been met in 2013-14 and gave those in the town confidence that the Council was fulfilling the necessary statutory function to maintain safety in the town.

RESOLVED THAT

the Health and Safety Delivery plan for 2014-15 be approved

12. SCRUTINY TASK GROUP REVIEW - CEMETERY AND CREMATORIUM

The Cabinet Member Clean and Green Environment introduced the report which had been deferred from the June meeting of Cabinet. He once again thanked the Scrutiny task group for its report which was most valuable and he accepted the recommendations. In response to the concern raised in the scrutiny report that staff were "out on a limb" he confirmed that he would be meeting the team on a regular basis.

The Cabinet Member referred to the briefing note attached to the Cabinet papers. Lessons had been learned but there remained ongoing operational issues and he assured members that he was doing all he could to address these concerns and focus on the future.

He took the opportunity to update members on the tender process and reported that the advert for expressions of interests closed on Friday 12 September and 13 applications had been received. A shortlisting process was now underway and the draft tender brief would be finalised. As the Cabinet member responsible he was keen to see the tender brief and sign it. He had made a commitment to the working group and would also give them an opportunity to be involved in the sign off process. He anticipated that this process would be completed at the end of the week of 20 September. Thereafter there would be an invitation to tender on 8 October and on 31 October an evaluation and shortlisting process, with interviews anticipated between 3 and 7 November. Consultants would be appointed on 17 November.

The Leader of the Council thanked the scrutiny task group for its work and highlighted the recommendation to Cabinet to create a Cabinet member steering group to consider a longer term solution for the service, which included members of the Scrutiny Task Group.

RESOLVED THAT

1. **the officer response and comments in relation to the recommendations of the Cemetery & Crematorium Scrutiny Task Group, as set out within Appendix 2 be noted**
2. **the creation of a Cabinet Member Steering Group to consider a longer term solution for the Cemetery and Crematorium service, including members of the Scrutiny Task Group, to help ensure effective implementation be approved.**

13. MIXED PLASTICS BRING BANK RECYCLING

The Cabinet Member Clean and Green Environment introduced the report which provided an update on the mixed rigid plastic recycling trial at the 12 larger bring sites in Cheltenham. He explained that the 12 week trial had been a success and the recommendation was to implement this as a permanent recycling service enhancement and to close the 4 smaller infrequently used recycling sites.

Members welcomed the progress which had been made and in the future hoped that the service could be enhanced further.

RESOLVED THAT

the implementation of permanent mixed rigid plastic recycling at the 12 strategic bring sites used in the trial, as supported by the business case, listed in paragraph 1.5 of this report be approved and to approve the closure of the 4 smaller sites listed in paragraph 1.7 of this report.

14. UBICO-TERMS FOR NEW JOINERS AND CHANGES TO GOVERNANCE ARRANGEMENTS

The Leader introduced the report which set out the proposals for governance of Ubico including decision making at Board meetings and the financial terms for new joiners to the company.

The Leader explained that it was proposed that the articles would be amended as appropriate for practical reasons. He reported that all of those matters reserved for approval by shareholders were to be decided on a majority vote with some requiring a majority of not less than 75 %. The proposals also laid out the agreed cost of joining Ubico and this aspect of the proposals could not be delayed as 2 other councils were due to make a decision on joining in the next month. He stated that it was proposed that authority be delegated to the Director Resources, in consultation with himself to finalise and complete the Ubico Articles of Association and Shareholder Agreement on terms approved by the Borough Solicitor.

The Leader then made particular reference to the role of scrutiny in this process. He explained that the complication in the process was that there were two bodies, both Ubico and the Joint Waste Committee (which comprised 5 councils) with the latter looking strategically at waste collection. The Cabinet Member Clean and Green Environment managed the service level agreement and the Leader took decisions relating to the company. The Leader reported that it was custom and practice for Cheltenham to have a member observer on the board of Ubico, this however was not stipulated in the Articles. In terms of feedback from the recent scrutiny meeting it was accepted by all members that

having observers from each partner on the Ubico Board would become impractical with the addition of new partners going forward. However, scrutiny members were reluctant to sever any link between the Board and elected representatives and suggested that two members representing all partner authorities could be a satisfactory compromise. The Ubico board had offered briefing meetings to a broader group of members as an alternative way to improve scrutiny.

The Cabinet Member Clean and Green Environment acknowledged that there needed to be meaningful scrutiny but it was important to investigate how this could be best achieved. To that end the Leader suggested that an additional recommendation be proposed stating that a further review be undertaken by the Leader with regard to the informal member observer role at Ubico Board meetings. Members agreed with this approach.

RESOLVED THAT

- 1. the Leader be authorised to take a decision, by way of a written resolution, to amend the Ubico Articles of Association and the Shareholder Agreement, based on the terms outlined in section 2 of the report and detailed at Appendix 2.**
- 2. authority be delegated to the Director of Resources, in consultation with the Leader, to finalise and complete the Ubico Articles of Association and Shareholder Agreement on terms approved by the Borough Solicitor.**
- 3. the founder compensation payment of £45,333 to the founder councils for each new joiner to Ubico be approved, as set out in section 4 of the report.**
- 4. A further review is undertaken by the Leader with regard to the informal member observer role at Ubico Board meetings**

15. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Development and Safety made reference to the briefing note attached to the Cabinet papers relating to Rickshaws. He reported that the Taxi and Private Hire Services draft bill was not included in the Queen's speech and would therefore not be considered until after the next general election.

The Cabinet Member Healthy Lifestyles reported that the Wilson had hosted its first exhibition "Meet Rex" which had been highly successful. Since its opening on 5 October 2013 the Wilson had received 207 031 visitors compared to the 75 000 average number of visitors the Art Gallery and Museum had previously attracted.

The Cabinet Member also reported that the Sport and Play Development team had hosted 9000 children on their school summer activity programme during the summer holidays at 16 different venues across the town. She also highlighted that the Town Hall team had recently organised a successful Guinness book of world records attempt for the number of people involved in a jazz jive street dance.

The Cabinet Member Finance stated that the first phase of the refurbishment of the war memorial was now complete. Stakeholders had recently met to discuss Phase 2 which was a more ambitious project. A wide number of organisations and individuals were involved to help with fundraising for this project. He reported that the project team was working well and a conservator was due to be appointed to look at the programme of action for fundraising.

The Leader reported that the Gloucestershire Economic Growth Joint Committee had held its first meeting on Friday. Its role was to support the strategic economic plan of the Local Economic Plan. The Leader of Gloucestershire County Council was the chair with the Leader of CBC Vice Chair. The committee would shortly be appointing a new post which would be funded from the Gloucestershire business rates pooling scheme. He reported that a paper had been submitted to the group on the business rates pool and each Council was requested to look using its share of the pool to fund economic growth, in Cheltenham's case this was in the region of £154k for 2014/15.

16. DECISIONS TAKEN BY CABINET MEMBERS SINCE THE LAST MEETING

The Cabinet Member Finance reported that he had taken a decision on 22 July to enter into a contract with Winning Moves to allow images of council owned properties to be used in the Cheltenham Edition of Monopoly.

17. LOCAL GOVERNMENT ACT 1972- EXEMPT BUSINESS

18. EXEMPT MINUTES

The exempt minutes of the meeting held on 15 July were approved and signed as a correct record.

Chairman

Cheltenham Borough Council

Cabinet

14 October 2014

Scrutiny task group review – Hidden Deprivation in our Town Centre

Interim Report from O&S Committee

Accountable member	Councillor Tim Harman, Chair of the Overview and Scrutiny Committee
Accountable officer	Richard Gibson, Strategy and Engagement Manager
Executive summary	<p>At its meeting on 18 February November 2013, Overview & Scrutiny Committee commenced a review of Hidden Deprivation in our Town Centre. A Scrutiny Task Group (STG) was set up and the findings and recommendations of that Group are set out in detail in the attached Scrutiny Task Group Report.</p> <p>The committee considered the final report of the task group at its meeting on 3 April 2014. They felt that more work needed to be done on some of the recommendations before they endorsed them and forwarded them to Cabinet. They noted that the task group had not had time to consider education and health impacts, which had been in their original scope, and suggested they should go back and consider whether they wanted to do more work in this area.</p> <p>The task group were not able to organise a meeting before the elections and now the original members have either left the council or moved to the Cabinet. The chair of the task group, Councillor Chris Coleman was keen that the work of the task group was not lost because they had covered some important areas and come up with a lot of good ideas which could have a significant impact on improving living conditions for people living in the town centre.</p> <p>O&S considered the matter again at their meeting on 9 July 2014. They agreed that they should forward the report to Cabinet as it stands with a request that Cabinet give some guidance to O&S regarding which of the recommendations they would support further work being done. This work could be done by O&S setting up one or more scrutiny task groups.</p> <p>There are also some recommendations where the task group suggested they could be referred to other groups where work was already being done. These options were identified in the covering report which went to O&S in April attached as Appendix 1 and are covered in the first 4 recommendations in this report.</p> <p>To illustrate the need for some steer from Cabinet, recommendation 5 of the task group report asked the Council to move to licence all private rented sector accommodation in the borough. This could have significant policy, financial and legal implications as well as resource implications for its implementation. The O&S committee felt these issues could be further</p>

explored and quantified before asking Cabinet to make a decision but this additional work would not be worthwhile if Cabinet had no intention of moving down that path. This is why O&S are seeking some steer from Cabinet at this stage.

Recommendations

That Cabinet notes the Scrutiny Task Group Report on Hidden Deprivation in the town centre and :

- 1. The recommendations relating to the work of the Town Centre Neighbourhood Coordination Group (NCG) (1 and 12) are passed to the Group coordinator to action;**
- 2. The recommendations relating to the reducing alcohol related violence (2) and the late night levy (3) are passed to the relevant Cabinet Member to action;**
- 3. It be noted that the action relating to developing a collaborative approach to drug dealing (4) is already a commitment within the 2014-15 corporate strategy with the Deputy Chief Executive being the lead officer;**
- 4. The recommendation in respect of the housing advice service (6) is passed onto the relevant service manager to action in conjunction with County Community Projects;**
- 5. The recommendations in respect of operational matters (8,9 and 10) are passed to the Joint Waste Team and Ubico management team to investigate further and report back;**
- 6. Cabinet identify which of the remaining recommendations they would like to refer back to O&S for more detailed work before they consider them.**

Financial implications	Financial advice will be provided in due course and as appropriate on those actions set out in the recommendations which are agreed by Cabinet and taken forward. Contact officer: , @cheltenham.gov.uk, 01242
Legal implications	Legal advice will be provided in due course and as appropriate on those actions set out in the recommendations which are agreed by Cabinet and taken forward. Contact officer: peter.lewis@tewkesbury.gov.uk, 01684 272012
HR implications (including learning and organisational development)	HR advice will be provided in due course and as appropriate on those actions set out in the recommendations which are agreed by Cabinet and taken forward. Contact officer: , @cheltenham.gov.uk, 01242
Key risks	The key risks associated with any recommendations will be set out when they come back to Cabinet for approval.

Corporate and Community Plan implications	The recommendations from the STG could help the council deliver six of its corporate strategy outcomes: <ul style="list-style-type: none"> • Cheltenham has a clean and well-maintained environment. • Cheltenham’s natural and built environment is enhanced and protected. • Communities feel safe and are safe. • People have access to decent and affordable housing. • People are able to lead healthy lifestyles. • Our residents enjoy a strong sense of community and involved in resolving local issues.
Environmental and climate change implications	None identified at this stage
Property/Asset Implications	None identified

1. Background

1.1 As set out in the Executive Summary

2. Reasons for recommendations

2.1 To seek some steer from Cabinet before commencing any further work in this area

3. Alternative options considered

3.1 O&S did consider sending the set of recommendations as set out in the covering report to Cabinet but decided they needed more work on the potential implications.

4. Consultation and feedback

4.1 This report has been discussed with the former chair of the scrutiny task group Councillor Chris Coleman and the Strategy and Engagement Manager who supported the task group.

4.2 As this review crossed the portfolios of three Cabinet Members, Councillor Rowena Hay was designated by Cabinet as their lead member for this task group and she was consulted on the way forward set out in this report.

5. Performance management –monitoring and review

5.1 If further work is initiated by O&S it will be monitored by the O&S committee.

Report author	Contact officer: Rosalind Reeves, Democratic Services Manager, Rosalind.reeves@cheltenham.gov.uk, 01242 77 4937
Appendices	1. Risk Assessment 2. Task Group report (including its appendices)
Background information	None

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
	If the good work done by the STG is not brought to the attention of Cabinet there is a risk that it could be lost	Chair of O&s	August 2014	2	4	8	Reduce	Bring this report to Cabinet	31 September 2014	Rosalind Reeves	August 2014
	If the Cabinet does not give some steer to O&S at this stage there is a risk that further work could be wasted	Chair of O&S	August 2014	2	2	4	Reduce	Bring this report to Cabinet	31 September 2014	Rosalind Reeves	

Explanatory notes

Impact – 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)

Likelihood – 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)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

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SCRUTINY TASK GROUP REPORT

HIDDEN DEPRIVATION IN OUR TOWN CENTRE

APRIL 2014



1. INTRODUCTION

- 1.1 This report summarises the work of the Scrutiny Task Group (STG) set up to look at the issue of hidden deprivation in our town centre. The group met on 9 occasions and have brought back 12 recommendations for Scrutiny to consider covering four subject areas:
 - Crime and disorder
 - Housing
 - environmental quality
 - community integration
- 2.1 The review came about due to elected members becoming increasingly aware of the issues of deprivation that affect those people living in the town centre. Although it is well known that there are areas of “multiple deprivation” in Cheltenham (with parts of St. Pauls, St. Marks and Hesters Way in the 10% most deprived areas nationally), as the numbers of people living in the town centre are much smaller, this does not get picked up in the maps of deprivation. Hence the title – “hidden deprivation.”
- 3.1 The group hoped to consider the degree to which living conditions in the town centre were characterised by the following issues:
 - Crime and disorder associated with the night-time economy.
 - Transient communities which can impact on community resilience and cohesion.
 - Residents living in private rented accommodation in buildings that have been sub-divided into houses in multiple-occupation or in flats above shops.
 - Higher than average unemployment rates
 - Poor physical and mental health.
- 4.1 By undertaking the review, the group hoped that by having a better understanding of the issues may assist the council and partners in considering how services are delivered to people living in the town centre; and make changes so we are not disadvantaging these residents.



2. MEMBERSHIP AND TERMS OF REFERENCE

2.1 Membership of the task group were as follows:

- Councillor Chris Coleman (Committee Member)
- Councillor Barbara Driver (Committee Member)
- Councillor Paul McLain (Committee Member)
- Councillor Jon Walklett (Guest)
- Richard Gibson (Officer)
- Bernice Thomson (Co-Optee)
- Caroline Walker (Co-optee)

2.2 The terms of reference were agreed by the Overview and Scrutiny Committee on 18 February 2013



3. METHOD OF APPROACH

3.1 The scrutiny task group (STG) met on 9 occasions:

Date	Purpose	Invitees
May 2013	Agree terms and approach	None
June 2013	Crime and Disorder	C/Insp Steve Gillet (Police) Insp Tim Waterhouse (Police) Trevor Gladding (CBC)
September 2013	Private rented housing	Mark Nelson (CBC) Mike Redman (CBC)
October 2013	Walk-about	Khal Dhalech (CBC) Glyn Jones (CBC) Martin Levick (CBC)
November 2013	Review of progress and next steps	None
December 2013	Waste collection and environmental quality	Rob Bell (Ubico) Tammy Beach (Ubico) Scott Williams (Joint Waste Team) Yvonne Hope Public Protection (CBC)
January 2014	Attended Town Centre Neighbourhood Group (NCG) to discuss crime and disorder	None
February 2014	Review and draft submission for O+S	None
March 2014	Review and draft report for O+S	None



4. OUR FINDINGS AND RECOMMENDATIONS

Issue	Crime and disorder
What we did	<p>The STG reviewed crime data in the town centre.</p> <p>The STG discussed crime and disorder with C/Insp Steve Gillett and Trevor Gladding and the Scrutiny Task Group (STG) and attended the Town Centre NCG.</p>
What we found out	<p>In terms of crimes, shoplifting accounts for 25% of crime in the town centre, violence accounts for 13% of crime. Therefore key issues for the police are Shop lifting and the night time economy. But also aware of anti-social behaviour such as begging, street drinking, and cycling on pavements.</p> <p>The Town Centre Neighbourhood Coordination Group (NCG) is concerned about an apparent increase in visible drug dealing in the town centre and also issues like noise disturbances, domestic abuse and under-age drinking.</p>
What can we do about it and recommendations for scrutiny	<p>The council continues to support the Town Centre NCG in order that it can act as a forum for local residents and businesses to address crime and disorder issues in partnership with the police and CBC.</p> <p>The relevant cabinet member keeps an overview of the work of the reducing alcohol related violence project to ensure that it is effectively addressing levels of crime in the area associated with the night-time economy.</p> <p>The emerging outcomes for the Late Night Levy and any funding allocations reflect the need to reduce the impact of night-time economy on local residents.</p> <p>The council develops a more collaborative approach to tackling drug dealing through joining up enforcement and support agencies working on identified hot-spots</p>



Issue	housing
What we did	<p>The STG reviewed housing data in the town centre and discussed the situation with CBC officers - Mark Nelson and Mike Redman.</p> <p>The STG had a walk about around the town centre to identify housing related challenges.</p>
What we found out	<p>The service deals with 9,500 private rented properties, up 50% from 2006.</p> <p>Out of the 1,000 households in the town centre area; 64% of them are living in private rented accommodation. From the housing condition stock survey, the council knows that 38% of the private rented stock is non-decent; with 60% of this stock situated in the inner urban area.</p> <p>The main concerns for tenants are safety, security of tenure and the state of repair of their accommodation – generally being worse than in public sector rented accommodation. There is a perception that landlords can get away with poorer maintenance and management regimes as demand is higher than supply.</p> <p>In terms of statutory licensing, the council has to license any property if it's:</p> <ul style="list-style-type: none"> • Rented to 5 or more people who form more than 1 household • At least 3 storeys high <p>The council does not carry out additional licensing over the mandatory requirements; but consideration could be given to additional licensing. Other areas –such as the London Borough of Newham, have introduced selective licensing whereby all private rented sector property within a specified zone have to be licensed regardless of their occupation and size. Landlords without a licence may be prosecuted and may no longer be able to operate their business. The scheme was introduced to deal with problems of poor property management and anti-social behaviour (ASB).</p> <p>The move to licence all private rented property in Cheltenham was also identified by the Police as a positive step to help them reduce crime.</p> <p>The 50% increase in licensed premises outlined above has put significant pressures on the team to meet these statutory duties, the only discretionary work the team does is around taking action on vacant properties.</p>
What can we do about it and recommendations for scrutiny	<p>The council moves to licence all private rented sector accommodation in the borough accompanied with a pro-active approach to enforcement and brings forward plans to do this via the public protection and private sector housing commissioning review.</p>

	<p>The council ensures that residents are aware of and can access housing advice provided by CCP at Cheltenham First Stop.</p>
<p>Issue</p>	<p>environmental quality</p>
<p>What we did</p>	<p>The STG had a walk about around the town centre to identify environmental issues and any hot-spots.</p> <p>The STG also met with officers from Ubico, Joint Waste Team and Public Protection.</p>
<p>What we found out</p>	<p>There are a number of areas in the town centre where the quality and maintenance of the environment could be improved. The STG found graffiti in alleyways, fly-tipping, uncared for empty properties and flats where tenants have to keep rubbish indoors as there's no where to store rubbish outside.</p> <p>From discussions with officers the STG found out that certain roads now received a twice-weekly collection of food waste, general waste and recycling on a Tuesday and Friday.</p> <p>The group noted that communal waste and recycling collection points in Tescos had closed and that the one in North Place is likely to be shut whilst works take place in the New Year. The group felt that there should be more points in the town centre to help residents deal with rubbish more effectively and the corner of Grove Street, St. Pauls Street South and Henrietta Street could be possible locations – though the group would like to see waste points distributed across the whole town centre area.</p> <p>It was also noted that there are many people living in the area who might not have great English skills and who therefore might not understand the waste collection policy.</p>
<p>What can we do about it and recommendations for scrutiny</p>	<p>The council introduces a more pro-active enforcement regime to protect the environmental quality of the town centre – including planning enforcement, housing enforcement and street-scene - and brings forward plans to do this via the public protection and private sector housing commissioning review.</p> <p>The council, Ubico and the Joint Waste Team look into the possibility of installing more communal waste and recycling collection points across the town centre.</p> <p>The council, Ubico and the Joint Waste Team provide information on waste and recycling services in different languages and distribute these to houses and shops in the area.</p> <p>The council, Ubico and the Joint Waste Team explore how best to provide information to take-aways and shops in the area about trade waste collection arrangements.</p>

	The Public Protection team work with the Town Centre NCG to support community-led action environmental action in the town centre such as community litter picks
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Issue	community integration
What we did	The STG reviewed census data on the different groups living in the town centre and attended a town centre NCG where integration issues were discussed.
What we found out	Out of the 2,000 residents living in the area, 73% are white British, 15% are other white (European) – with around 9% of these coming from the Accession Countries. 3% are Asian. The Town Centre NCG have identified that BME communities in the town centre are socially isolated and have set up a social integration group.
What can we do about it and recommendations for scrutiny	The Town Centre NCG continues to act as a forum for integration and cohesion for residents and businesses in the town centre and that a presentation is made to Overview and Scrutiny after the community event on 7 th June 2014.



5. DETAILED RECOMMENDATIONS:

- 1. The council continues to support the Town Centre NCG in order that it can act as a forum for local residents and businesses to address crime and disorder issues in partnership with the police and CBC.**
- 2. The relevant cabinet member keeps an overview of the work of the reducing alcohol related violence project to ensure that it is effectively addressing levels of crime in the area associated with the night-time economy.**
- 3. The emerging outcomes for the Late Night Levy and any funding allocations reflect the need to reduce the impact of night-time economy on local residents.**
- 4. The council develops a more collaborative approach to tackling drug dealing through joining up enforcement and support agencies working on identified hot-spots**
- 5. The council moves to licence all private rented sector accommodation in the borough accompanied with a pro-active approach to enforcement and brings forward plans to do this via the public protection and private sector housing commissioning review.**
- 6. The council ensures that residents are aware of and can access housing advice provided by CCP at Cheltenham First Stop.**
- 7. The council introduces a more pro-active enforcement regime to protect the environmental quality of the town centre – including planning enforcement, housing enforcement and street-scene - and brings forward plans to do this via the public protection and private sector housing commissioning review.**
- 8. The council and the Joint Waste Team look into the possibility of installing more communal waste and recycling collection points across the town centre.**
- 9. The council and the Joint Waste Team provide information on waste and recycling services in different languages and distribute these to houses and shops in the area.**
- 10. The council, the Joint Waste Team and Ubico explore how best to provide information to take-aways and shops in the area about trade waste collection arrangements.**
- 11. The Public Protection team work with the Town Centre NCG to support community-led action environmental action in the town centre such as community litter picks.**
- 12. The Town Centre NCG continues to act as a forum for integration and cohesion for residents and businesses in the town centre and that a presentation is made to Overview and Scrutiny after the community event on 7th June 2014.**

6. NEXT STEPS

- 6.1 The STG acknowledges that it has not yet had chance to consider education and health and whether there are particular issues facing town centre residents. The group seeks advice about from O+S about whether the group should continue to meet to look into these issues or whether a revised STG terms of reference should be brought forward.**

Report author	Richard Gibson, Strategy and Engagement Manager
Appendices	<ol style="list-style-type: none">1. Terms of reference2. Map of the area



SCRUTINY TOPIC REGISTRATION

Date:	18 February 2013
Name of person proposing topic:	Councillor Barbara Driver
Contact:	01242 243862
Suggested title of topic:	Hidden deprivation in our town centre
What is the issue that scrutiny needs to address?	
<p>As elected members of the council we are aware that there are areas of multiple deprivation in Cheltenham. Parts of St. Pauls, St. Marks and Hesters Way are in the 10% most deprived areas nationally and parts of Oakley are not far behind.</p> <p>I am becoming increasingly aware of the issues of deprivation that affect those people living in the town centre – though as the numbers are much smaller, this does not get picked up in the maps of deprivation. Hence the title – “hidden deprivation.”</p> <p>I feel that living conditions in the town centre might be characterised by the following issues:</p> <ul style="list-style-type: none"> Crime and disorder associated with the night-time economy. Transient communities which can impact on community resilience and cohesion. Residents living in private rented accommodation in buildings that have been sub-divided into houses in multiple-occupation or in flats above shops. Higher than average unemployment rates Poor physical and mental health. <p>I would like to use the latest census data to understand more about living conditions in the town centre and also take time to interview local residents, businesses and work with other public sector partners (like the police) to build up our knowledge.</p>	
What do you feel could be achieved by a scrutiny review (outcomes)	
<p>At this stage, we would like to understand the issues facing people living in the town centre; we will bring our findings back to Scrutiny in July to get a steer on the next stage of the review.</p> <p>Having a better understanding of the issues may assist the council and partners in considering how services are delivered to people living in the town centre; and make changes so we are not disadvantaging these residents.</p>	
If there a strict time constraint?	No
Is the topic important to the people of Cheltenham?	Yes
Does the topic involve a poorly performing service or high public dissatisfaction with a service?	No
Is it related to the Council's corporate objectives?	Yes

Any other comments:

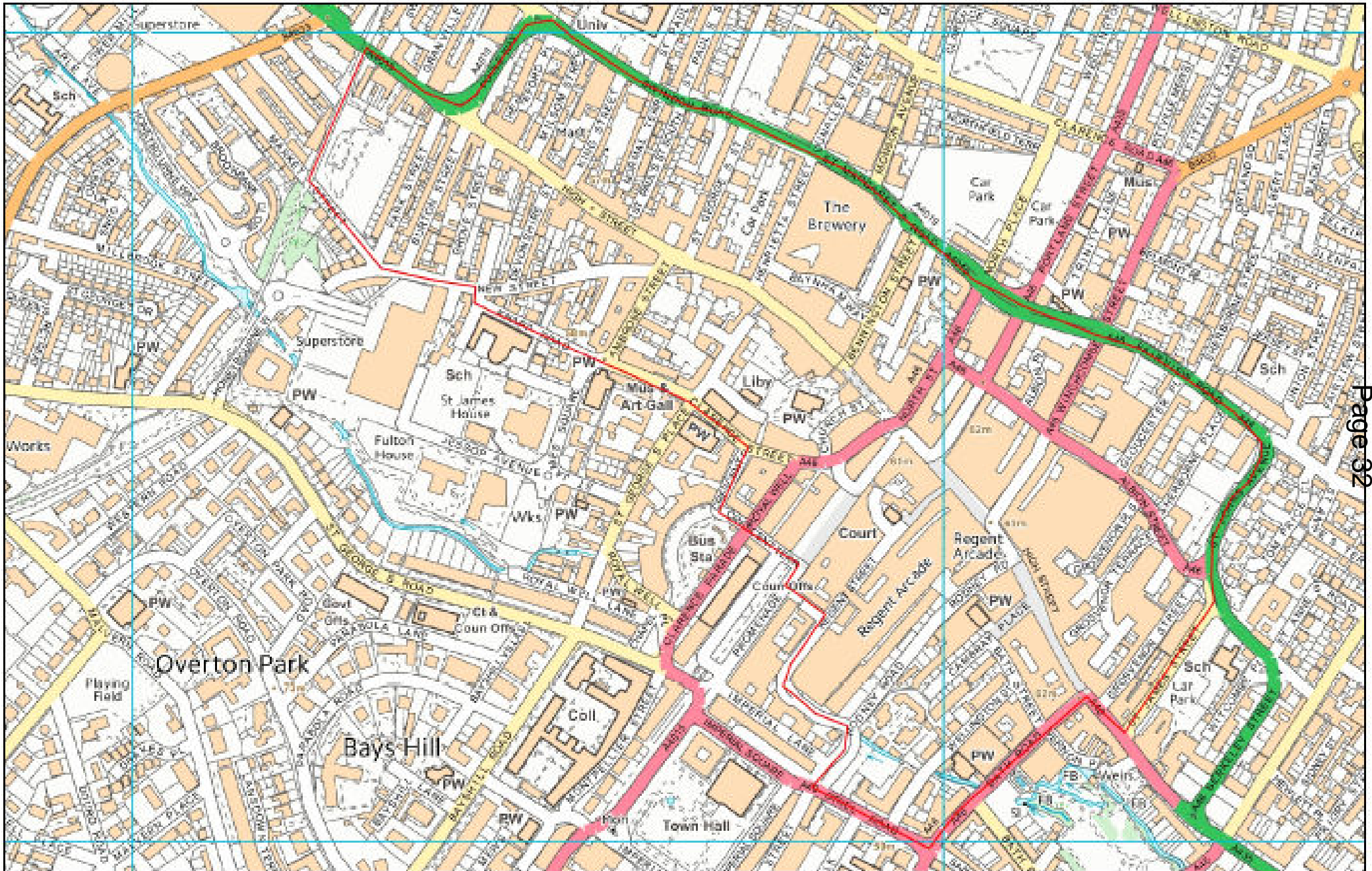
OFFICER IMPLICATIONS (for office use only)

Date:	1 Feb 2013
Officer name:	Richard Gibson
Officer title:	Strategy and Engagement Manager
Contact:	01242 235354

Please give your comments on this proposed topics, for example is there any other similar review planned or in progress, are there any potential resources constraints etc

Officers would support this review; and research carried out by the task group will help us with the planned commissioning review of private sector housing.

Also, local partners have identified that there are large numbers of vulnerable people living in private rented sector accommodation and are willing to support the council take action to understand and do something to help.



Cheltenham Borough Council

Cabinet

14 October 2014

Scrutiny task group review – Hidden Deprivation in our Town Centre

The Cabinet Response

Accountable member	Councillor Rowena Hay, Cabinet Member Healthy Lifestyles
Accountable officer	Richard Gibson, Strategy and Engagement Manager
Executive summary	<p>As the covering report from Overview and Scrutiny explains O&S requested some further steer from Cabinet before doing any further work on this review.</p> <p>It was acknowledged when this task group was first set up that its remit covered several Cabinet portfolios and therefore Cabinet asked the Cabinet Member Healthy Lifestyles to be their Cabinet Lead for the task group.</p> <p>When the request was received from O&S in August for an interim report to be presented to Cabinet, the Cabinet Member Healthy Lifestyles agreed to co-ordinate a response from the Cabinet Members and this is set out in this report.</p> <p>There were a number of recommendations where the task group suggested they could be referred to other groups where work was already being done. Cabinet support all of these recommendations.</p> <p>Regarding recommendation 5, raising standards of private rented sector accommodation across the town is a Cabinet priority which is being progressed as a direct result of the prior commissioning review. A licensing scheme across the borough will be considered as an option within this piece of work. This will be considered as part of the commissioning review looking at Environmental and Regulatory Services (REST) and any recommendations will be brought to Cabinet in due course as part of this review.</p> <p>Similarly with recommendation 7, increased pro-active enforcement for all regulatory and environmental services was recognised during the public protection and private sector housing commissioning reviews. Regulatory and environmental services are being re-designed as part of the REST review so this recommendation can be further considered as part of this review.</p> <p>The Cabinet considers this response covers all the recommendations arising from the scrutiny review and they have no requests for scrutiny to do any further work at this stage.</p>

Recommendations

1. **Cabinet supports the O+S committee's proposal that the recommendations relating to the work of the Town Centre Neighbourhood Coordination Group (NCG) (1,11 and 12) are passed to the Group coordinator to action;**
2. **Cabinet supports the O+S committee's proposal that the recommendations relating to the reducing alcohol related violence (2) and the late night levy (3) are passed to the Cabinet Member Development and Safety to action;**
3. **Cabinet recognises that the action relating to developing a collaborative approach to drug dealing (4) is already a commitment within the 2014-15 corporate strategy with the Deputy Chief Executive being the lead officer;**
4. **Cabinet supports the O+S committee's proposal that the recommendation in respect of greater promotion of housing advice services (6) is passed onto the Housing and Communities Manager to action;**
5. **Cabinet recommends that the Scrutiny Task Group's proposals to licence all private rented sector accommodation in the borough (5) and introduce a more pro-active enforcement regime (7) are passed to the Cabinet Member Development and Safety and the Cabinet Member Housing to consider within the scope of the commissioning review looking at Environmental and Regulatory Services and its work-strand looking at private-rented sector housing;**
6. **Cabinet recommends that the Scrutiny Task Group's proposals in respect of Ubico operational matters (8,9 and 10) are passed to the Joint Waste Team and Ubico to investigate and they report back to the Cabinet Member Clean and Green Environment on their feasibility within existing operational budgets.**
7. **Cabinet thank the scrutiny task group for their report and do not request O&S to do any further work at this stage.**

<p>Financial implications</p>	<p>No additional budget requirements have been identified at this stage; it is anticipated that the recommendations can all be accommodated within existing operational budgets.</p> <p>Contact officer: Sarah Didcote Sarah.Didcote@cheltenham.gov.uk, 01242 264125</p>
<p>Legal implications</p>	<p>Legal advice will be provided in due course and as appropriate on those actions set out in the recommendations which are agreed by Cabinet and taken forward. In particular legal input will be provided to the commissioning review looking at Environmental and Regulatory Services and the proposed additional work-strand looking at the feasibility of licensing all private-rented sector housing in the borough.</p> <p>Contact officer: peter.lewis@tewkesbury.gov.uk, 01684 272012</p>

HR implications (including learning and organisational development)	None identified at this stage
Key risks	If Cabinet do not monitor progress against the stated recommendations, there is a risk that the Council will not be seen to be making good on its intentions to improve services for people living in the town centre.
Corporate and Community Plan implications	The recommendations from the STG could help the council deliver six of its corporate strategy outcomes: <ul style="list-style-type: none"> • Cheltenham has a clean and well-maintained environment. • Cheltenham’s natural and built environment is enhanced and protected. • Communities feel safe and are safe. • People have access to decent and affordable housing. • People are able to lead healthy lifestyles. • Our residents enjoy a strong sense of community and involved in resolving local issues.
Environmental and climate change implications	None identified at this stage
Property/Asset Implications	None identified

1. Background

1.1 As set out in the Executive Summary and report from O&S.

2. Reasons for recommendations

2.1 A response to the scrutiny task group report.

3. Alternative options considered

3.1 None identified at this stage.

4. Consultation and feedback

4.1 This response from Cabinet has been discussed with Cabinet Members and the Strategy and Engagement Manager who supported the task group.

4.2 The STG met on 9 occasions and involved a wide range of stakeholders including the coordinator of the Town Centre Neighbourhood Coordination Group. The recommendations have been shared with relevant members of staff.

5. Performance management –monitoring and review

5.1 O&S will monitor the implementation of these recommendations as part of their follow up programme.

Report author	Contact officer: Richard Gibson, Strategy and Engagement Manager Richard.gibson@cheltenham.gov.uk, 01242 235354
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Appendices	None
Background information	Report of the scrutiny task group

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
	If Cabinet do not monitor progress against the stated recommendations, there is a risk that the Council will not be seen to be making good on its intentions to improve services for people living in the town centre.	Richard Gibson	24 Sept 2014	3	2	6	Accept	Cabinet Member Healthy Lifestyles to bring a report back to O+S within 6 months reporting on progress.	31 March 2015	Richard Gibson	Commissioning Division Risk Register
<p>Explanatory notes</p> <p>Impact – 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)</p> <p>Likelihood – 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)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

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Cheltenham Borough Council

Cabinet

14 October 2014

2 Gloucester Road

Accountable member	Cabinet Member Finance, Councillor John Rawson
Accountable officer	David Roberts, Head of Asset and Property Management
Ward(s) affected	St Peters
Key Decision	No
Executive summary	<p>2 Gloucester Road is a new retirement development that is owned and being built by Rusty Shilling Limited. They are building 54 retirement flats with various ancillary recreational facilities for the flat owners. The proposed scheme is set to be completed by March 2015.</p> <p>The Council's planning department has stipulated that as part of the scheme a bridge from the block of flats onto the Honeybourne line needs to be constructed. This will allow the flat owners easy access onto the line and create a pleasant environment.</p> <p>In order for the bridge to be built, Rusty Shilling Limited needs the council's permission as owner of the Honeybourne line. The bridge will oversail onto the council's land as shown in green on the plan (see Appendix 2).</p> <p>Rusty Shilling Limited has also expressed an interest in acquiring a lease of the area highlighted blue on the plan, to ensure that it is kept tidy and well maintained in keeping with their retirement complex. This area is currently uncultivated scrub land which is very steep and hard to access.</p> <p>The land is identified as Open Space and a public notice has been advertised in accordance with S123(2A) of the Local Government Act 1972 and it is confirmed that no objections to the disposal were received</p>
Recommendations	<p>That Cabinet</p> <ol style="list-style-type: none"> 1. Agrees to declare surplus the parcels of open space land outlined in green and blue on the attached plan (attached as Appendix A) to approve the grant of a lease in respect of these two areas of land (together with necessary ancillary rights) to Rusty Shilling Limited for a term of 20 years: 2. Delegates authority to the Head of Property and Asset Management, in consultation with the Borough Solicitor, to agree the terms of the leases and authorises the Borough Solicitor to enter into such documents as she considers necessary or advisable to reflect the terms agreed, and upon such other terms as she considers appropriate to reflect the agreement reached.

Financial implications	<p>The lease of the land at 2 Gloucester Road will result in additional income of £100 per annum with any costs of maintaining the site being incurred by the tenant.</p> <p>Contact officer: Nina Philippidis, Accountant nina.philippidis@cheltenham.gov.uk, 01242 264121</p>
Legal implications	<p>As the land is public open space, the council is obliged to advertise its proposed disposal and consider any relevant objections before deciding whether or not to dispose.</p> <p>The council also has a statutory duty, when disposing of land by a lease of 7 years or more, to obtain the best consideration that is reasonably obtainable.</p> <p>Contact officer: Rose Gemmell , rose.gemmell@tewkesbury.gov.uk, 01684 272014</p>
Key risks	<p>There is a risk that the bridge falls into disrepair or the proposed tenant fails to keep the embankment tidy. The lease provisions would deal with these risks, the ultimate sanction being termination of the lease. The lease provisions will require a removal of the bridge (if the council requires) insofar as it oversails the council's property if the lease is terminated. Prior to such action being taken the council would have to consider the implications in respect of the planning permission.</p> <p>In the event of termination of the lease the responsibility for the embankments would return to the council</p>
Corporate and community plan Implications	None
Environmental and climate change implications	As set out in the report.

1.0 Background

- 1.1** Rusty Shilling Limited is building 54 retirement flats with on site recreational facilities. The site is situated in the corner of Gloucester Road and Tewkesbury Road and adjacent to the Honeybourne Line. They are aiming for the build to be completed in March 2015.
- 1.2** Part of the planning consent was that a bridge be built from the first floor accommodation onto the Honeybourne Line. The bridge will touch the wall leading onto the Honeybourne line but will not touch the walkways. The bridge is to allow residents of the retirement home easy access onto the Honeybourne Line as well as it creating an artistic feature. The bridge is designed to ensure that there will be no

interference with the future use of the Honeybourne Line, a route which is protected in the Local Plan and reserved for a potential bus/tram service

- 1.3 Rusty Shilling Limited have expressed a interest in acquiring a lease of the embankments coloured blue on the plan, they are intend to use these embankments for landscaping. The embankments are very steep and lead from their site to the Honeybourne Line. The areas are currently overgrown and are prone to litter. They would like to maintain this area as they consider that in its current condition it will detract from the development.
- 1.4 It is proposed that we lease the spaces shown blue and green on the plan to Rusty Shilling Limited for a term of 20 years. At a rent of a £100 per annum, with 5 yearly rent reviews and the Landlord will have a three month rolling break.
- 1.5 The land is Open Space and the appropriate Notice detailing the proposed leasehold disposals pursuant to S123 (2A) of the Local Government Act 1972 was placed in the Gloucestershire Echo on 8th August and 15th August. The Notices gave details of the proposed disposals and asked that if there were any objections to send them in writing to the Borough Solicitor by 9am on 29th August 2014. No objections were received.

2. Reasons for recommendations

To allow the developers of 2 Gloucester Road to create a more pleasant living environment for the residents of the retirement apartment and to keep the areas shown ion the plan in a clean and tidy state.

2.1 Alternative options considered

- 2.2 Cabinet could decide not to agree to the leasehold disposals contained but this would result in the area remaining over grown and littered and would lead to the developers seeking to get the planning consideration for the bridge dismissed.

2.3 Consultation and feedback

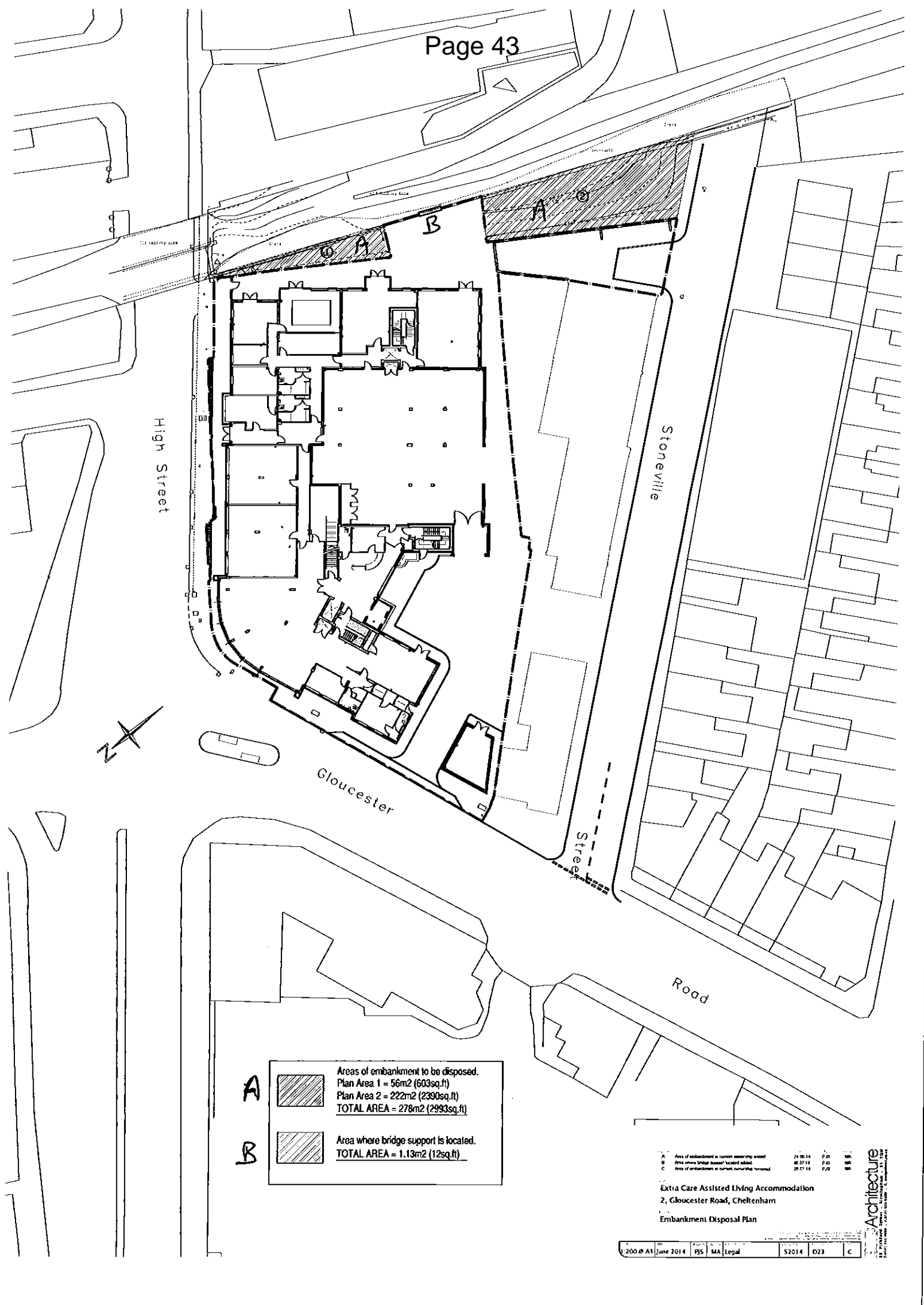
- 2.4 Ward members and senior council officers have been consulted about this proposal and no adverse comments received,


Performance management –monitoring and review


- 2.5 Not Applicable

Report author	Contact officer: Rebecca Conway rebecca.conway@cheltenham.gov.uk, 01242 775148
Appendices	1. Risk Assessment 2. Location Plan
Background information	1. None

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
	If the lease is not granted to the developers then they will not be able to fulfil their planning obligations.	DR	11 Sept 2014	2	1	2	Accept & Monitor	To ensure that the lease is satisfactorily completed and the subsequent works carried out correctly.	March 2015	RC	



A  Areas of embankment to be disposed.
 Plan Area 1 = 56m² (603sq.ft)
 Plan Area 2 = 222m² (2390sq.ft)
 TOTAL AREA = 278m² (2993sq.ft)

B  Area where bridge support is located.
 TOTAL AREA = 1.13m² (12sq.ft)

A	Area of embankment at current meeting street	24/05/14	PJB	BBS
B	Area where bridge support located adjacent	28/07/14	PJB	
C	Area of embankment at current cornering removed	28/07/14	PJB	

Extra Care Assisted Living Accommodation
 2, Gloucester Road, Cheltenham
 Embankment Disposal Plan

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Cheltenham Borough Council

Cabinet – 14th October 2014

Budget Monitoring Report 2014/15 – position as at August 2014

Accountable member	Councillor John Rawson, Cabinet Member for Finance
Accountable officer	Paul Jones, Head of Financial Services
Accountable scrutiny committee	All
Ward(s) affected	All
Key Decision	Yes
Executive summary	To update Members on the Council’s current financial position for 2014/15 based on the monitoring exercise at the end of August 2014. The report covers the Council’s revenue, capital, treasury management and the housing revenue account. The report identifies any known significant variations (minimum £50,000) to the 2014/15 original budget and areas with volatile income trends.
Recommendations	<ol style="list-style-type: none"> 1. To note the contents of this report including the key projected variances to the original 2014/15 budget, and the projected delivery of services within budget. 2. To authorise officers to take corrective action to ensure that the council delivers services within the overall budget for the year if, following the more detailed monitoring process currently being undertaken, a potential overspend is identified. 3. To approve a contribution from general balances of £20,000 to fund additional Joint Core Strategy costs in 2014/15, as recommended in paragraph 2.4.

Financial implications	As detailed throughout this report. Contact officer: Sarah Didcote, sarah.didcote@cheltenham.gov.uk, 01242 775154
Legal implications	None directly arising from the recommendations. Contact officer: Peter Lewis, Peter.Lewis@tewkesbury.gov.uk, 01684 272695

<p>HR implications (including learning and organisational development)</p>	<p>Service Managers and the HR Business Partners are continuing to monitor vacancies and recruitment. A request to recruit to a new or vacant post must be approved by the divisional Director, and all recruitment is based on a business case outlining the impact on the service delivery and/or loss of income generation if the post were to remain unoccupied. Capacity to deliver key projects is also being monitored, and regular updates are provided to the Senior Leadership Team.</p> <p>Contact officer: Julie McCarthy , julie.mccarthy @cheltenham.gov.uk, 01242 264355</p>
<p>Key risks</p>	<p>As outlined in Appendix 1.</p>
<p>Corporate and community plan Implications</p>	<p>Key elements of the budget are aimed at delivering the corporate objectives within the Corporate Business Plan.</p>
<p>Environmental and climate change implications</p>	<p>None.</p>

1. Background

- 1.1 This report provides the second monitoring position statement for the financial year 2014/15. The purpose of this report is to notify members of any known significant variations to budgets for 2014/15 and highlight any key issues, allowing Members to take action if required.
- 1.2 Financial Services carry out a regular budget monitoring exercise for services in liaison with Directors and cost centre managers. This identifies any major variations from the current approved budget that are anticipated to occur in the financial year. The current approved budget is the original budget 2014/15 agreed by Council on the 14th February 2014, subject to any amendments made under delegated powers (for example supplementary estimates, virement, etc). Possible significant variations to revenue budgets are outlined in this report.
- 1.3 A significant variance of an exempt nature is referred to at Appendix 4.

2. Net revenue position

- 2.1 The table below summarises the net impact of the variances identified at this stage in the financial year, projecting the position to the end of the financial year for all budget variances in excess of £50,000 and areas with volatile income trends, details of which are provided in paragraphs 2.2 to 3.1. A more detailed exercise will be undertaken and reported in the next budget monitoring report in December 2014.

Significant budget variances	Overspend / (Underspend) £	para. ref:
Built Environment		
Off Street car parking and fines– net shortfall of income	315,500	2.3
Joint Core Strategy – Contribution to additional costs (subject to recommendation reference no. 3)	20,000	2.4
Cemetery & Crematorium – shortfall in income	240,000	2.5
Cemetery & Crematorium – Cameo Fees	50,000	2.6
Leisure & Culture		
Art Gallery & Museum	50,000	2.8
Leisure & Culture Services	55,800	2.9
General		
General under spend in net budgets	(300,000)	2.10
Business Rates		
Business Rates Retention Scheme surplus	(294,000)	2.11
Treasury		
Interest – net surplus General Fund	(70,000)	3.1
Use of reserves	(67,300)	2.3
Total projected (under) / overspend for year	-	

Savings from employee costs

- 2.2** The 2014/15 original budget includes a target of £450k from salary savings to be made throughout the council from vacant posts arising during the year. Industrial action taken on 10th July 2014 by some GMB and Unison members of staff resulted in one day's loss of pay for staff involved, with further industrial action being planned for October. The resulting saving in employee costs will be used to contribute towards the central salary savings target.

An initial assessment of vacant posts (i.e. staff turnover) and restructures in the first five months of the year indicates that this target is likely to be achieved for the financial year.

Built Environment

Off-street Car Parking Income

- 2.3** The income position for off-street car parking to the end of August is falling short by around £175.6k, which equates to around 5% of target. However, a compensating surplus in fine income is also being generated, with income being around £29.6k up against target.

Since the Council's sale of North Place and Portland Street Car Parks, it has leased back North Place to continue car parking operations until development commences. The Council has continued to receive an income from North Place during 2014/15, although this is anticipated to cease by the end of October. Portland Street Car Park is currently being operated as a car park by its new owner until development starts and thus, the Council is not benefiting as anticipated from this usage being displaced to other car parks around the town. In addition, the Brewery Car Park has recently closed to allow redevelopment and so the Council will cease to receive its 50% share of income generated. However, the negotiation of the sale of this leasehold interest has resulted in the Council receiving all the income generated by this car park in the lead up to its disposal, which has mitigated the impact of this closure in the current financial year. Once development at North Place and Portland Street Car Parks commences, the Council will be in receipt of a guaranteed £350k of replacement income per annum from the developer, Augur Buchler.

Taking into account these structural changes and factoring in the current performance of individual car parks against previous trends, it is anticipated that car parking income will be £501,800 short of target, with fine income likely to be up by around £64.1k. The shortfall will be further offset by savings on NNDR and other miscellaneous budgets totalling £122.2k leaving a forecasted shortfall against income targets of around £315.5k. Future budget monitoring reports will provide updated positions with an increasing degree of accuracy.

Paragraph 3.1 refers to £70k additional interest mainly generated as a result of the North Place and Portland Street Car Park capital receipt. This will be used to partly offset the projected year end shortfall on car parking income.

An earmarked equalisation reserve has previously been created to cushion the impact of the expected fluctuation in income levels. The reserve stands at £350k and will be drawn upon at the year end, if necessary, to offset any projected shortfall in income.

Joint Core Strategy (JCS)

- 2.4** Cheltenham Borough, Tewkesbury Borough and Gloucester City Councils all contribute £60k per annum to the Joint Core Strategy (JCS). In previous years, any unspent funds have been transferred to an earmarked reserve for the JCS. However, in 2014/15 there are anticipated to be some significant areas of expenditure which will exhaust this reserve and the current year contributions. There are two key items: firstly, transport modelling work costing around £90k which had not previously been budgeted, and secondly examination costs, which although anticipated, have been difficult to estimate for, as the actual cost is dependent on the complexity

of the plan and the extent and nature of objections received. Each council is therefore being asked to provide an additional contribution of £20k in 2014/15 to support the continuation of the process. It is recommended that Cabinet approved this contribution, to be funded from general balances in 2014/15.

Cemetery & Crematorium

Income

- 2.5** The first five months of 2014/15 have seen a general downturn in income at the Cemetery & Crematorium in comparison with the same period in the previous financial year. This has been compounded by a loss in income arising from essential maintenance in July resulting in a two week shutdown of both cremators. Income to the end of August is down by £133.5k against budget; analysis has estimated this to be made up of a loss of income from essential maintenance of £43.5k and a general downturn in cremation and cemetery income of £90k. However, this is anticipated to be offset somewhat by a drop in gas usage and this will be kept under review.

Service analysis has shown that in the period April to July 2013 693 cremations were undertaken, whilst in the same period in 2014 only 500 which is a drop of 193 cremations; although around 79 of these are a result of the shutdown. Burials however are marginally up when reviewing the same period – 80 in 2013 compared to 99 in 2014.

Should this trend continue throughout the final seven months of the year, it is anticipated that outturn will be £240k (15%) short of target. This takes account of an estimated loss of further income from scheduled downtime for planned maintenance during October/November. This will be monitored closely and future budget monitoring reports will provide updated positions.

Cameo

- 2.6** In 2005 DEFRA introduced a requirement for the cremation industry to remove mercury from 50% of cremations. The national target, based on the available science, achieves a proportionate response for removing mercury from cremations, whilst not burdening the bereaved with excessive cost and the possibility of closing local crematoria. Along with the 50% target the principle of “burden sharing” was introduced, a process whereby Operators who could install abatement plant do so, and the cost is shared with those that could not install such abatement equipment. DEFRA recognised this as the most equitable way of achieving the target, whilst the cost or “burden” is shared by the entire sector. The mercury abatement equipment purchased from Crawford’s was not operational during 2013 and is not anticipated to be operational during 2014. As a result the Council will be required to make a payment to the “burden sharing scheme” called CAMEO in line with the principles outlaid by DEFRA. This had not been budgeted for as it was anticipated that the abatement equipment would be operational and the Council would therefore be an operator, whose abatement costs could be shared under the scheme. The payment to CAMEO is likely to be around £50k for the calendar year 2014.

Feasibility Study

- 2.7** The cremators were replaced in 2012 using the firm Crawford Equipment Europe Ltd. Following the installation of the cremators, a number of issues regarding the quality of the equipment supplied arose which were being managed in conjunction with the Crawford. However, in July 2013 Crawford entered into Voluntary Liquidation and thus were no longer in a position to continue working with the Council in remedying the issues. Since then remedial interim repairs have been undertaken to keep the cremators operational whilst work is being done to achieve a long term resolution of the situation. The Council had held back its final 5% retention payment of £30,812 from Crawford whilst issues were ongoing whilst carrying the obligation in its accounts as a creditor. However, since the company has gone into liquidation the Council has taken legal advice to confirm that the retention payment is no longer due. These funds will be reallocated to

fund a consultant to support on a feasibility study of options for the Cemetery & Crematorium, the requirement of which has already been supported by members.

Leisure & Culture

Art Gallery & Museums / Tourism

- 2.8** There is an expected net overspend for the year of £50k in the Art Gallery & Museum / Tourism services, made up of an overspend in employee costs of £46k, expected overspend in exhibition costs of £6k and an estimated shortfall in income of £38k. This is likely to be offset by expected savings in other supplies and services costs of £20k and additional net exhibition funding of £20k.

The employee costs overspend includes £26k decommissioning costs following the completion of the restructuring of the service upon the reopening of The Wilson in 2013. These costs formed part of the business case to generate restructure savings in 2012/13 and 2013/14.

Leisure & Culture Services

- 2.9** The original 2014/15 budgets approved in February 2014 included a reduction in the overall cost of the Leisure and Culture services budgets of £181.7k, based on the creation of The Cheltenham Trust on 1st October 2014. As the business case and arrangements have developed throughout the year, this expected saving has been reduced by £55.8k to £125.9k, mainly as a result of additional IT software licence requirements and the firming up of staffing and pension arrangements needed for the Trust. However, it should be noted that the total savings of £832.7k to be achieved by 2018/19 remain deliverable within this overall period.

Resources

Other general net underspend

- 2.10** This report forecasts the expected outturn position for the year based on activity in the first five months of the financial year. Only significant variances are reported which can lead to the overall position being adversely weighted. A review of the net position at 31st August for areas of income and expenditure not already itemised in this report indicates a likely net underspend of £200k. Projecting this forward to the end of the financial year suggests an anticipated net general underspend in supplies and services totalling £300k to offset against the significant variances already identified in this report and demonstrated in 2.1.

Business Rates Retention

- 2.11** The Final Outturn 2013/14 and Budget Monitoring Report to May 2014, reported to Cabinet and Council in July 2014, included details of the move to the local business rates retention scheme in April 2013. As reported, the move appears to be a positive one for this Council. The net positive variance for business rates in 2014/15 continues to be estimated to be £294k which takes account of the surplus achieved in 2013/14 less an adjustment on Section 31 Grants as a result of the doubling of the small business rate relief. Please refer to sections 6 and 15 of the Final Outturn and Budget Monitoring Report for further detail.

3. Treasury Management Activity

- 3.1** There is a predicted surplus of interest of £70k to report on Treasury Management within the general fund for 2014/15. The surplus is down to lending interest being forecast to be around £70k better off compared to the original budget set due to holding higher cash balances on a daily basis. At the backend of the 2013/14 financial year the Council received some large capital receipts from the sale of land and also had monies returned from Icelandic banks via an auction. Interest rates on the money markets have also risen slightly over the year, which has also enabled better results than expected.

Due to the closure of several car parks in the centre of town due to the sale of the land, any surplus interest will partially offset the shortfall in car park income for this year, as reported in paragraph 2.3.

4. Capital expenditure

- 4.1** There are no significant variances to the 2014/15 original capital budgets at this time. A detailed exercise will be carried out in November 2014 to ensure that these schemes are being delivered as planned within the allocated capital budgets.

5. Programme maintenance expenditure

- 5.1** All the work that has been planned for completion in 2014/15 remains as scheduled. However, a detailed exercise will be undertaken to ensure that the priorities in place remain appropriate.

6. Housing Revenue Account (HRA)

- 6.1** The HRA budget for 2014/15, approved in February 2014, showed a surplus of £124,900 for the year which would result in a balance of £3,663,700 to be carried forward in revenue reserves at 31st March 2015.

- 6.2** Variations to the budget for the current year following completion of the final accounts for 2013/14 were reported to Cabinet in July:-

- The outturn position for 2013/14 showed an increased level of reserve at 31st March 2014 of £4,204,600 (previously estimated at £3,538,800).
- Capital expenditure totalling £581,000, originally programmed for 2013/14, was delayed into 2014/15 increasing the budget for the current year to £8,320,000. Funding for that expenditure was carried forward in the revenue reserve.

- 6.3** No significant variations to the revenue budget have been identified to date apart from changes to revenue contributions to fund capital expenditure as explained below.

HRA - Capital

- 6.4** As detailed above the revised budget for capital expenditure for the year is £8,320,000. Current forecast for expenditure is £7,705,900, a potential reduction of £614,100 against that budget. This is primarily due to a reduction in the anticipated take up of pv panels and a delay in encapsulation works for two blocks of flats. Cheltenham Borough Homes is investigating the possibility of accelerating works originally programmed for 2015/16 to make use of the additional resources now available.

7. Council tax and Business rates collection

7.1 The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 2. This shows the position at the end of August 2014 and the projected outturn for 2014/15.

8. Sundry debt collection

8.1 The monitoring of the aged sundry debts and recovery is shown at Appendix 3.

9. Conclusion

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

9.2 It is clearly important to ensure that budgets continue to be closely monitored over the coming months with a view to taking action, if necessary, in order to ensure that the Council delivers services within budget.

10. Consultation

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

Report author	Contact officer: Paul Jones paul.jones@cheltenham.gov.uk, 01242 775154
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Council Tax and NNDR collection 3. Aged Debt Report August 2014 4. Exempt item
Background information	<ol style="list-style-type: none"> 1. Section 25 Report – Council 14th February 2014 2. Final Budget Proposals for 2014/15 – Council 14th February 2014

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	If we are unable to take corrective action in respect of reduced income streams then there is a risk that Council will not be able to deliver its budget	Cabinet	June 2010	3	3	9	Reduce	In preparing the budget for 2015/16, SLT to consider the options for offsetting reduced income streams by analysing and reducing the level of expenditure across the Council.	December 2014	SLT	Corporate Risk Register
2.	If the requirement to fund projected overspend from General Balances result in General Balances falling below the minimum range of £1.5m to £2m set by the s151 officer then it would reduce the Councils reserves.	Cabinet	June 2010	3	3	9	Reduce	In preparing the budget for 2015/16, an exercise to realign earmarked reserves will be undertaken in order to strengthen the level of General Balances.	December 2014	s151 officer	Corporate Risk Register

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**Council Tax and Business Rates
Collection Rates 2014-2015**

Business Rates 2014/2015

Current Year Charges - 2014/2015			
Monitoring Period	% Collected at 31.08.2014	Target 31.08.2014	2014/2015 Target
	49.68%	51.55%	98.50%
Comparison with 2013/2014	% Collected at 31.08.2013		% Collected 31.03.2014
	51.48%		98.40%

The collection rate is below the target and lower than at the same time last year. The position can fluctuate throughout the year and at this stage we are optimistic that we can achieve the year end target.

Previous Years Charges Outstanding in 2014/2015			
Monitoring Period	Amount outstanding at 31.08.2014	Target 31.08.2014	2014/2015 Target
	£1,100,006	£740,000	£480,000
Comparison with 2013/2014	Amount outstanding at 31.08.2013		Amount outstanding at 31.03.2014
	£820,700		£501,507

The arrears are higher than the target and also higher than at the same time last year. We are monitoring the position closely and working with any businesses having difficulty in paying. We are optimistic that we can achieve the year end target.

Council Tax 2014/2015

Current Year Charges - 2014/2015			
Monitoring Period	% Collected at 31.08.2014	Target 31.08.2014	2014/2015 Target
	50.02%	47.90%	98.20%
Comparison with 2013/2014	As at 31.08.2013		% Collected 31.03.2014
	47.90%		98.10%

The collection rate is higher than the target and higher than at the same time last year. We continue to monitor collection levels closely and are optimistic that we can achieve the year end target.

Previous Years Charges Outstanding in 2014/2015			
Monitoring Period	Amount outstanding at 31.08.2014	Target 31.08.2014	2014/2015 Target
	£1,524,107	£1,530,000	£1,040,000
Comparison with 2013/2014	As at 31.08.13		Amount o/s 31.03.14
	£1,392,297		£1,009,650

The arrears are below the target. Again, we are monitoring the position closely and working with council tax payers having difficulty in paying, but at the moment remain optimistic that we can achieve the year end target.

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Cheltenham Borough Council: Aged Debt Report - as at Tuesday 26 August 2014

CostC	CostC (T)	No. Outstanding Invoices	Value of Invoices in Payment Plans	Value of Invoices with Halted Recovery *	Value of Invoices with Legal	Value of Invoices awaiting Credit Notes **	Value of Invoices for Write Off ****	Customer Credits ***	Not Due	0-30	1-3 Mths	3-6 Mths	6 mth - 1 Yr	1 - 2 Yrs	2 Yrs+	Total
ADB103 Total	Cheltenham Depot	11	£17,250.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1,300.00	£1,300.00	£27,282.80	£2,612.48	£193.67	£0.00	£0.00	£49,938.95
AIR101 Total	Gloucestershire Airport	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£13,395.00	£0.00	£0.00	£0.00	£0.00	£0.00	£13,395.00
BAL100 Total	General Fund Balance Sheet	121	£3,883.84	£7,084.84	£0.00	£0.00	£0.00	£-8,081.71	£423.00	£7,048.95	£263.40	£74.41	£0.00	£0.00	£0.00	£10,696.73
BUC001 Total	Building Control - Fee Earning Work	6	£0.00	£1,123.20	£0.00	£0.00	£0.00	£0.00	£1,914.60	£5,850.00	£0.00	£0.00	£0.00	£0.00	£0.00	£8,887.80
CCM001 Total	Cemetery, Crematorium and Churchyards	259	£0.00	£30.00	£0.00	£0.00	£0.00	£-1.00	£41,419.00	£58,321.50	£19,729.00	£3,369.00	£4,286.00	£5,295.00	£680.00	£133,128.50
COR001 Total	Corporate Management	1	£0.00	£0.00	£0.00	£0.00	£1,049.50	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1,049.50
CUL102 Total	Town Hall Operations	16	£0.00	£176.00	£0.00	£10.00	£0.00	£0.00	£1,170.00	£49,983.62	£0.00	£0.00	£120.00	£0.00	£1,217.81	£52,677.43
CUL107 Total	Art Gallery & Museum Operations	118	£0.00	£804.40	£0.00	£0.00	£0.00	£0.00	£6,300.00	£0.00	£6,453.49	£54.00	£120.00	£0.00	£0.00	£13,731.89
CUL110 Total	Entertainment Events - detail coded	25	£0.00	£0.00	£7,355.60	£0.00	£0.00	£0.00	£25,340.40	£29,337.50	£480.53	£0.00	£114.00	£0.00	£0.00	£62,628.12
CUL111 Total	Cheltenham Festivals	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£9,712.13	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£9,712.13
ELE010 Total	Individual Electoral Registration	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£360.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£360.00
ENF101 Total	Cheltenham Environmental Fund- Townscape	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£4,800.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£4,800.00
FIE040 Total	Income and Expenditure on Investment Properties and Changes in Their Fair Value	88	£64,717.47	£4,504.46	£12,382.24	£0.00	£0.00	£-83.83	£5,384.17	£922.36	£364.79	£1,794.20	£4,321.83	£3,265.86	£260.00	£97,833.55
GBD001 Total	Community Welfare Grants	1	£0.00	£40,000.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£40,000.00
HLD102 Total	Ubico Intercompany Account	3	£26.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£7,841.65	£0.00	£0.00	£0.00	£1,206.67	£0.00	£9,074.32
HLD130 Total	Cheltenham Business Partnership	7	£2,000.00	£2,000.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£7,000.00	£0.00	£3,000.00	£500.00	£14,500.00
HOS004 Total	Housing Standards	5	£630.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£5,351.89	£0.00	£507.75	£0.00	£6,489.64
OPS001 Total	Parks & Gardens Operations	5	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£192.83	£1,291.20	£8,459.23	£0.00	£0.00	£0.00	£2,399.76	£12,343.02
OPS002 Total	Sports & Open Spaces Operations	13	£2,474.76	£174.19	£0.00	£2,842.29	£0.00	£0.00	£463.83	£506.15	£2,507.63	£3,859.00	£0.00	£0.00	£0.00	£12,827.85
OPS004 Total	Allotments	104	£36.00	£0.00	£0.00	£0.00	£0.00	£-79.00	£0.00	£0.00	£0.00	£463.00	£4,904.00	£52.00	£0.00	£5,376.00
OPS101 Total	Arle Road Nursery Operations	3	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£4,863.44	£0.00	£0.00	£4,863.44
PLP102 Total	Development Task Force	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1,674.57	£0.00	£0.00	£0.00	£0.00	£0.00	£1,674.57
PUB101 Total	Public Art	1	£0.00	£27,000.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£27,000.00
PUT101 Total	Royal Well Bus Node	3	£0.00	£0.00	£0.00	£1,615.50	£0.00	£0.00	£0.00	£0.00	£9,000.00	£49.92	£0.00	£0.00	£0.00	£10,665.42
REC001 Total	Sports Development	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£600.00	£0.00	£0.00	£0.00	£0.00	£0.00	£600.00
REC101 Total	Recreation Centre Operations	88	£13,082.85	£54,847.19	£4,036.45	£0.00	£0.00	£-432.00	£12,945.37	£5,030.84	£750.00	£831.00	£5,112.76	£783.99	£422.40	£97,410.85
REC102 Total	Prince of Wales Stadium Operations	8	£4,666.65	£0.00	£0.00	£0.00	£0.00	£0.00	£219.12	£1,700.80	£81.87	£35.00	£44.00	£215.00	£0.00	£6,964.44
REG001 Total	Environmental Health General	0	£4,455.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£4,455.00
REG003 Total	Animal Control	80	£223.00	£6,425.45	£0.00	£0.00	£0.00	£0.00	£1,161.00	£0.00	£160.00	£528.00	£75.00	£0.00	£127.00	£8,289.45
REG013 Total	Pollution Control	17	£0.00	£76.00	£0.00	£0.00	£0.00	£0.00	£796.00	£2,437.00	£0.00	£0.00	£0.00	£0.00	£0.00	£3,233.00
REG018 Total	Pest Control	18	£0.00	£54.00	£0.00	£0.00	£0.00	£0.00	£427.50	£0.00	£70.00	£10.00	£105.00	£16.00	£0.00	£622.50
RYC004 Total	Recycling Centres	3	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£35,579.10	£0.00	£0.00	£1,489.20	£0.00	£0.00	£37,068.30
SPP002 Total	Community Alarms	1015	£96,163.79	£1,190.36	£0.00	£1,138.36	£0.00	£-182.88	£373.74	£14.10	£82.30	£140.34	£13.76	£52.99	£0.00	£98,386.86
STC011 Total	Abandoned Vehicles	1	£0.00	£760.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£760.00
SUP003 Total	Human Resources	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£175.00	£0.00	£0.00	£0.00	£175.00
SUP036 Total	Project Management	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£2,496.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£2,496.00
SUP040 Total	Built Environment	3	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£50,000.00	£0.00	£161.00	£16,200.00	£0.00	£0.00	£0.00	£66,361.00
TRW001 Total	Trade Waste	337	£15,205.42	£3,409.16	£1,266.69	£86.40	£1.83	£-53.05	£507.04	£1,078.44	£5,911.73	£4,836.88	£773.55	£245.95	£0.00	£33,270.04
URB101 Total	Urban Design	1	£0.00	£977.90	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£977.90
WST001 Total	Household Waste	21	£0.00	£0.00	£81.25	£1,237.70	£0.00	£0.00	£38.95	£545.30	£0.00	£0.00	£0.00	£51.57	£321.45	£2,276.22
Total		2412	£224,814.78	£150,997.15	£25,122.23	£6,930.25	£1,051.33	£-9,715.47	£158,111.55	£240,980.30	£83,606.67	£48,907.12	£28,531.21	£14,692.78	£5,928.42	£979,958.32
HRA100 Total	Repairs and Maintenance	1137	£54,500.04	£61,171.05	£29,918.57	£71.13	£1,484.69	£-140.41	£2,019.32	£17,566.71	£4,333.19	£7,724.64	£18,036.50	£41,419.73	£95,272.77	£333,377.93
HRA210 Total	Non-dwelling Rents	135	£14,593.35	£793.33	£637.66	£0.00	£0.00	£-32.18	£40.00	£300.00	£2,400.00	£40.00	£0.00	£140.00	£20.00	£18,932.16
HRA221 Total	Service Charges to Leaseholders	204	£36,437.31	£49,316.19	£17,435.65	£0.00	£0.00	£-20.96	£39.65	£0.00	£0.00	£11,067.52	£14,522.08	£1,267.45	£0.00	£130,064.89
HRA235 Total	HRA Other Income	9	£0.00	£0.00	£0.00	£0.00	£0.00	£-40.00	£0.00	£0.00	£60.00	£60.00	£20.00	£0.00	£0.00	£100.00
Total		1476	£105,530.70	£111,280.57	£47,991.88	£71.13	£1,484.69	£-233.55	£2,098.97	£17,866.71	£6,793.19	£18,892.16	£32,578.58	£42,827.18	£95,292.77	£482,474.98
Grand Total		3888	£330,345.48	£262,277.72	£73,114.11	£7,001.38	£2,536.02	£-9,949.02	£160,210.52	£258,847.01	£90,399.86	£67,799.28	£61,109.79	£57,519.96	£101,221.19	£1,462,433.30
Previous month's position		3896	£27,472.58	£214,929.11	£73,279.58	£50,398.79	£14,677.06	£-7,935.12	£468,618.31	£165,903.76	£42,612.74	£74,981.18	£50,023.21	£65,141.41	£101,943.52	£1,342,046.13

* Value of Invoices with Halted Recovery - invoices with issues to be resolved before payment / further recovery action e.g. service disputed, bounced direct debits, with bailiffs, etc.

** Value of Invoices Awaiting Credit Note - credit notes have to be authorised on Agresso, until they are authorised the invoices remain outstanding but a complaint code is used to mark them appropriately.

*** Customer Credits - accounts where customers have paid in advance of an invoice, or in error.

**** No write offs to date.

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Cheltenham Borough Council

Cabinet – 14 October 2014

Budget strategy and process 2015/16

Accountable member	Cabinet Member for Finance, Councillor John Rawson
Accountable officer	Director of Resources (Section 151 Officer), Mark Sheldon
Accountable scrutiny committee	Budget Scrutiny working group
Ward(s) affected	All
Key Decision	Yes
Executive summary	The purpose of this report is to propose a broad strategy and outline a process for setting the budget, housing rents and council tax for 2015/16. It outlines a number of principles that need to be established at this stage to enable budget preparation to commence.
1. Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Approves the budget setting timetable at Appendix 2. 2. Notes the expected cut in government funding of £835k for 2015/16, the estimated funding gap of £902k and the large amount of work done so far to bridge this gap. 3. Approves the budget strategy outlined in section 5 and appendix 3. 4. Approves the increases in garden waste charges as at paragraph 5.15. 5. Requests the Section 151 Officer and the Cabinet Member for Finance to consider suggestions from the Budget Scrutiny Working Group in preparing the interim budget proposals for 2015/16 as outlined in section 5.
Financial implications	<p>This report sets out the budgetary process for 2015/16 and the general financial parameters under which the budget will be prepared.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</p>

Legal implications	The budget process is governed by the Budget and Policy Framework Procedure Rules (contained in the Council Constitution) and the process recommended in this report is designed to meet and exceed the requirements of those Rules. Contact officer: Peter Lewis, peter.lewis@teWKesbury .gov.uk, 01684 272012
HR implications (including learning and organisational development)	None at this stage, other than the need to ensure proper consultation with staff and trade unions in relation to the budget. Contact officer: Julie McCarthy, julie.mccarthy@teWKesbury.gov.uk, 01242 264355
Key risks	The Council, as part of its work on corporate governance, has a corporate risk management strategy and corporate risk register, which highlights key risks to the organisation in achieving business objectives. The high level risks will need to be addressed as part of the budget process and may require additional resources or the re-direction of existing resources to mitigate unacceptable levels of risk. These risks are regularly reviewed by the Corporate Governance Group and Cabinet and the Overview and Scrutiny Committee have the option to scrutinise any aspect of the risk register. See risk assessment at Appendix 1.
Corporate and community plan Implications	The annual budget aims to deliver the outcomes defined by the Council's corporate business plan and resourcing should be aligned to the delivery of corporate plan priorities.
Environmental and climate change implications	None arising from this report

1. Background

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

2. Budget / business planning timetable

- 2.1 The budget and policy framework requires that the Council publish a timetable setting out the key dates in the budget setting process. A draft budget timetable, attached for approval at Appendix 2, sets out the sequence of events leading up to the setting of the budget and council tax level for 2015/16.
- 2.2 The timetable allows sufficient time to consider alternative budget proposals or amendments put forward to the budget proposed by the Cabinet.

2.3 The following fundamental principles, established in previous budget rounds, are incorporated into the process of determination of the budget for 2015/16.

- Cabinet make timely decisions in order to assist the officers in presenting the budget proposals to Cabinet and Council in accordance with the timetable.
- Opposition parties work up alternative budget proposals, validated by GO Shared Services, in time for the initial budget meeting in February 2015.
- Members aim to set Cheltenham Borough Council's budget and council tax at the initial Council meeting.

3. The national funding scenario

3.1 Since 2009/10 the Council's core funding from the Government has been cut by some £4.2 million, from £8.8 million to £4.6 million.

3.2 On 5th February 2014, the Local Government Minister announced the final local government settlement for 2014/15 and the illustrative settlement for 2015/16.

3.3 The proposed levels of central government funding for this Council are set out in the table below. Overall 'core' central government funding (referred to as the settlement funding Assessment) was reduced by 12.3% in 2014/15 and a further 15.3% cut is proposed in 2015/16.

	2013/14 £m	2014/15 £m	2015/16 £m
Revenue Support Grant	3.731	2.921	2.015
Baseline Funding (Cheltenham's target level of retained Business Rates)	2.482	2.530	2.601
Settlement Funding Assessment	6.213	5.451	4.616
Actual cash (decrease) over previous year		(0.762)	(0.835)
% cash cut		(12.3%)	(15.3%)

3.4 New mechanisms have been introduced to redirect central government funding, principally New Homes Bonus and the Retained Business Rates scheme. These changes have forced local authorities to engage much more with what is happening on the ground in their areas (e.g. with the quantity of new housing development and the number of empty homes) and how this might impact on their funding. The way the funding mechanisms have been introduced also place much greater discretion in the hands of the local authority treasurer, and with that comes the ability to be much more tactical in how the system is operated - especially in making provisions for potential rate retention losses. Getting this wrong can result in big irrecoverable losses; getting it right can lead to an authority gaining significantly. And with these increasingly complex funding schemes, with funding streams from different places, comes a greater chance of getting it wrong.

3.5 Looking beyond the general election, some government policies are likely to change significantly and probably very quickly, but the downward pressure on local government funding is almost certain to continue. Accordingly, a further reduction in funding of 7-8% per annum has been built into our financial model for the years 2016/17 to 2018/19.

3.6 On a more positive note, the 2014/15 council tax freeze grant has been rolled up into the base

RSG and will therefore continue into the future.

4. 2015/16 and MTFS funding gap

- 4.1** Included in the budget presented to Council in February 2014 was an estimate of the Medium Term Financial Strategy (MTFS) which identified a funding gap of £1.351m for 2015/16 between what the Council will need to spend to maintain services and what it can spend assuming an illustrative council tax increase of 2%. The MTFS also identified a funding gap over the period of the MTFS (2015/16 – 2017/18) of £2.9m.
- 4.2** The MTFS projections have been updated, at Appendix 3, to reflect the best estimates of the financial pressures impacting on the Council, including an updated view on business rates income and the potential funding cuts after the general election. The updated estimate of the funding gap for 2015/16 is now £902k and the estimated MTFS gap over the period 2015/16 – 2018/19 is £3.388m.

5. Cabinet Budget Strategy

- 5.1** In the current exceptionally difficult national funding situation, the Cabinet's overriding financial strategy has been, and is, to drive down the Council's costs. Our aim is to hold down council tax as far as possible, now and in the longer term, while also protecting frontline services from cuts – an immensely challenging task in the present climate.
- 5.2** The key mechanism for carrying out this strategy is the Bridging the Gap (BtG) programme, which seeks to bring service costs in line with available funding. To date, this programme has been very successful in managing funding gaps, with over £7.5m generated annually from BtG work streams including service reviews, shared services, increased income generation and assets management initiatives. This achievement has made it possible to adopt a more strategic approach to identifying savings rather than relying on 'salami slicing' of budgets.
- 5.3** The BtG programme has also developed the 'Bridging the Gap Strategy' which indicates broadly how the Council may close the projected funding gap over the period of the MTFS. It includes savings targets rather than necessarily specific worked up projections of cost savings and includes the accommodation strategy (based on the high level option appraisal work); sharing ICT; asset rationalisation; future waste initiatives and savings targets for commissioning reviews.
- 5.4** The Cabinet believes this longer term approach to finding efficiencies, with increasing emphasis on shared services and the development of new models of service delivery through commissioning, is essential if we are to find the very substantial savings that are needed without having a damaging impact on services.
- 5.5** The starting point for constructing the 2015/16 budget has been a MTFS funding gap of £902k. A further year's freeze on parking charges would increase this by around £100k.
- 5.6** Bridging a gap of this size is a huge challenge for the Council, but the challenge is being met by an energetic and proactive approach to identifying budget savings, carried out as part of the BtG programme. This work has already made significant progress towards bridging the gap, having identified at this early stage potential savings of £602k, leaving £300k to find, assuming a 2% council tax increase.
- 5.7** The £602k of target savings are listed in Appendix 3. They include further savings from organisational change; savings resulting from the establishment of the Cheltenham Trust to manage leisure and culture services; and savings resulting in the expansion of Ubico to cover three district councils instead of two.
- 5.8** One of the major issues which the Cabinet and Council will need to consider in formulating the

2015/16 budget is what use it makes of New Homes Bonus money to support the budget. The growth of income from the New Homes Bonus, and the fact that it is being top-sliced from the RSG, mean that the Council has little alternative but to regard this money as an important part of its income stream. As New Homes Bonus income is projected to increase to £1.49m in 2015/16, one way of bridging the residual gap would be to take an additional £300k into the revenue budget. This would still leave substantial headroom between anticipated New Homes Bonus income and the amount (£700,000) currently being used to support the revenue budget.

- 5.9** Clearly work remains to be done towards building a robust base budget for 2015/16 and this may result in the funding gap increasing. In addition, the Government's final financial settlement may be worse – perhaps substantially worse – than currently indicated. It is therefore important that the work of identifying budget savings should continue up to the publication of the draft budget proposals and beyond.

2020 vision

- 5.10** Looking further into the future and bearing in mind the need to close the budget gap over the whole period of the MTFs, the 2020 vision for joint working with our GO partner councils is one potential means of delivering further savings.
- 5.11** The major efficiency savings from this programme would be gained by amalgamating services, achieving reductions in management and operational costs whilst retaining local democracy. Current estimates suggest that the programme could deliver £130k of efficiency savings in 2016-17, an additional £175k in 2017-18 and a further £460k in 2018-19, thus making a huge contribution to closing the medium term funding gap.

Council tax

- 5.12** For the past four years the Council has frozen its council tax precept at £187.12 a year for a Band D taxpayer. In proposing this course of action, the Cabinet has borne in mind the difficult economic and financial climate that many of our residents face. However, during the period of the freeze our own financial position as a Council has deteriorated sharply. Our core Government funding has been cut drastically, with further large cuts to come. In addition inflation has continued to affect many areas of the Council's costs.
- 5.13** Currently the Government is offering councils roughly half the cost of freezing council tax in 2015/16, in comparison with increasing council tax by 2%. Consequently the Cabinet and the Council will need to consider whether a further freeze is sustainable, or whether it will act against the interests of local residents by creating an increased risk of service cuts and/or larger tax increases in future years.
- 5.14** Government legislation, through the Localism Act, requires councils proposing excessive rises in council tax (over 2% in 2015/16) to hold a local referendum allowing the public to veto the rise. The Cabinet is not disposed to regard a tax increase of more than 2% as feasible, since any benefits to the Council's finances would have to be set against the very considerable cost of the referendum. Equally the Cabinet continues to recognise the financial pressures on many residents and its own responsibility to keep the tax level within reasonable bounds regardless of Government requirements.

Garden waste charges

- 5.15** While the Council's budget will provide for a general review of fees and charges broadly in line with inflation, proposals for reviewing garden waste charge need to be implemented at an earlier stage, as the renewals process for 2015/16 starts before the end of the current financial year. The number of residents is gradually increasing, with circa 14,400 signed up for 2014/15, suggesting

that the scheme is well liked by a growing number of householders. In line with our general policy of uprating fees and charges on an annual basis, the Cabinet is proposing to increase the charge by £1 to £38 per bin with effect from December 2014. However, we will still apply an 'early bird' discount of £2, making the effective charge £36 for prompt renewals.

Service growth

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

6. Budget Scrutiny Working Group

- 6.1** The cross party Budget Scrutiny Working Group will continue to support the budget process by:
- 6.2**
- Considering options for bridging the funding gap i.e. proposals for charging or reduction in expenditure
 - Reviewing the work programme for commissioning and options being considered
 - Developing members' scrutiny skills and understanding of financial matters
 - Developing the approach to budget consultation
- 6.3** This strategy report has already been considered by this Group and both the Cabinet Member for Finance and the Section 151 Officer are keen that this Group should play a significant part in developing and supporting the budget process.

7. Budget Setting Process 2015/16 – key stages

- 7.1** In approaching the budget setting process for 2015/16, the Cabinet will endeavour to adhere to some well-established principles designed to deliver budget proposals in a timely manner following proper process, including:
- Early and clear direction input from Cabinet and Senior Leadership Team
 - Ensuring that Financial Services (GOSS) maintain a strong role in moderating the process
 - Director of Resources (Section 151 Officer) to lead and advise on strategic budget issues
 - Agree Cheltenham Borough Homes (CBH) management fee and Housing Revenue Account (HRA) budget as early as possible
 - Maintaining good communications between Chief Executive, Senior Leadership Team, Council Leader, Cabinet Member for Finance and Director of Corporate Resources (Section 151 Officer) over budget progress / issues.
 - Ensuring consultation with the recognised Trade Unions and that employees are aware.
 - Ensuring clarity of savings achieved from procurement.
 - Aligning the Senior Leadership Team behind a collective approach to resolving budget gap issue.
 - Including the Overview and Scrutiny Committee and the Budget Scrutiny Working Group in the budget process

- 7.2 The proposed key stages in the process for setting the budget for 2015/16 are summarised in the timetable at Appendix 2 and are detailed below. The timing of events may change as the process develops.

Publication of budget timetable

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

Budget preparation

- 7.4 Between October and November 2014, the Cabinet Member for Finance and officers will work with the Cabinet towards the creation of 'interim budget' proposals which will make the following assumptions:

- The projection will be for a standstill budget, prepared under a general philosophy of no growth in levels of service. Inflation for contractual and health and safety purposes will only be allowed where proven at the appropriate inflation rate.
- There has been a Local Government pay freeze for three consecutive years (2010/11, 2011/12 and 2012/13) with staff pay inflation of 1% allowed for in 2014/15 in line with the capping level proposed in the spending review. Given the period of pay restraint, funding for 2% award has been allowed for in 2015/16.
- The current MTFs assumes inflation on fees and charges at an average rate of 2% annually over the 5 year period. This increase will be assumed in the preparation of the standstill budget and any deviation from this will form part of the interim budget proposals. At this stage the Cabinet is minded to continue to freeze car parking charges.
- The impact of prevailing interest rates on the investment portfolio will be assessed in preparing the budget. The Treasury Management Panel will consider the position in respect of treasury management activity during the budget setting cycle.
- An assessment of the charges to be made to Cheltenham Borough Homes and the Housing Revenue Account will be incorporated in the budget proposals, including assessing the impact on the General Fund of the changes to the housing subsidy system.
- A council tax increase of 2% has been used for modelling purposes.
- Proposals for service growth will be included, though only for invest to save schemes.
- An updated assessment of the MTFs will be included, incorporating the financial assessment of the Business Plan tasks and any updated estimates for future funding pressures and sources of income.
- The net cost of service assumes a staff vacancy rate of 3% of gross pay budget. Historically, this target (£450k) has been held centrally with in-year budget virements taking place during the course of the year. In order to aid transparency and to give budget holders targets at individual service level it is proposed that this target is allocated across the business. This gives managers clear cash targets within which they have to manage. It is important to recognise that budget holders will not be penalised for failing to meet this target if they benefit from having a full establishment in any given financial year.

Publication of initial budget proposals

- 7.5 The Cabinet will present its initial budget proposals and publish them for consultation in line with the advertised plan. The initial budget proposals will include all general fund revenue, capital and

housing revenue account estimates to meet a balanced budget, together with assumptions made on future council tax and rent levels.

Budget Consultation

- 7.6** As a result of the very extensive budget consultation exercise carried out in 2010, a residents' focus group was formed which has met annually since to consider budget proposals. It is the Cabinet's intention to repeat this again this year. In addition to the formal budget consultation, some targeted consultation around specific issues, particularly those arising from commissioning, may be undertaken and to inform decisions in respect of the use of capital from the sale of North Place and Portland street car parks.
- 7.7** The formal budget consultation period will be no less than four weeks and will take place during December 2014 to January 2015. The Cabinet will seek to ensure that the opportunity to have input into the budget consultation process is publicised to the widest possible audience. During the consultation period all interested parties will be welcome to provide feedback on the initial budget proposals. Groups, businesses, tenants, residents, staff and trade unions will be encouraged to comment on the initial budget proposals at this time. They will be asked to identify, as far as possible, how alternative proposals complement the Council's business plan and community plan, how they will be financed, and how they will help the Council to achieve best value. Presentations will be made to key business groups as part of the consultation process.
- 7.8** The Budget Scrutiny Working Group and Overview and Scrutiny Committee will be invited to review the interim budget proposals in the meetings scheduled for January 2015 and feed any comments back to the Cabinet.
- 7.9** Whilst the Cabinet will be as flexible as possible, it is unlikely that any comments received after the consultation period can be properly assessed to consider their full implications and to be built into the budget. Accordingly, if alternative budget proposals are to come forward, this should happen as early as possible.
- 7.10** All comments relating to the initial budget proposals should be returned to the Section 151 Officer by the end of the consultation period for consideration by the Cabinet in preparing their final budget proposals. Consultation questionnaires will be available in key locations and for completion on line via the Council's website. Comments can be e-mailed to moneymatters@cheltenham.gov.uk.

Assessment of alternative Budget Proposals

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

Final Budget Proposals and Council Approval

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

2015.

8. Housing Revenue Account

- 8.1** Draft proposals for the Housing Revenue Account will also form part of the same process for considering the General Fund revenue and capital budgets.
- 8.2** The financial projections contained in the HRA Business Plan are currently being updated to reflect revised estimates for:
- Need to spend on stock investment and maintenance,
 - Stock numbers,
 - Rent and service charge income.
- 8.3** The revised projections will be available to inform decisions on the level of management and maintenance and capital investment in 2015/16 (to include fees payable to Cheltenham Borough Homes and administrative charges from Council Divisions).
- 8.4** The HRA financial strategy adopted by the Council in recent years has been to seek ongoing efficiency savings in management and maintenance, to retain a contingency balance of approximately £1 million on the account and use any surplus resources to fund capital investment in the stock.
- 8.5** Future investment will focus on retaining the decency standard and further neighbourhood works including the potential to build new social housing using the funding 'headroom' following the abolition of the housing subsidy system.

9. Reasons for recommendations

- 9.1** The Council is required to agree a budget process and timetable.

10. Alternative options considered

- 10.1** The process for considering alternative budgets is set out above.

11. Consultation and feedback

- 11.1** The consultation process is described fully above. In view of the size of the challenge the Council faces in setting the 2015/16 budget, consultation has already commenced with trade unions.

12. Performance management – monitoring and review

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

Report author	Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123
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Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Budget timetable3. Funding gap projection
Background information	<ol style="list-style-type: none">1. RSG projections 2015/16 – 2018/192. MTFS 2015/16 to 2018/19

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
CR3	If the Council is unable to come up with long term solutions which bridge the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision	Director of Corporate Resources Mark Sheldon	1/9/2010	4	4	16	Reduce	The budget strategy projection includes 'targets' for work streams to help close the funding gap. SLT are working with Cabinet on further work streams to close the residual projected funding gap for 2015/16 and over the period of the MTFS.	On-going	Mark Sheldon	1/9/2010
	If funding streams including New Homes Bonus and Revenue Support grant do not meet expectations or are reduced further then the budget gap may increase above current projections.	Director of Corporate Resources Mark Sheldon	28/9/12	3	4	12	Reduce	Section 151 Officer to update Cabinet with latest information during the budget process. Section 151 Officer to take prudent view of income levels used in budget projections.	On-going	Mark Sheldon	

	If income streams resulting from the introduction of the business rates retention scheme in April 2013 are impacted by the loss of major business and the constrained ability to grow the business rates in the town then the MTFS budget gap may increase.	Director of Corporate Resources Mark Sheldon	14/09/2012	3	4	12	Accept & Monitor	<p>The council joined Gloucestershire pool to share the risk of fluctuations in business rates revenues retained by the council.</p> <p>Monitoring of the position to August 2014, indications suggest that the pool has been effective in retaining business rates in Gloucestershire.</p> <p>Work with members and Gloucestershire LEP to ensure Cheltenham grows its business rate base.</p>	<p>On-going</p> <p>On-going</p>	<p>Jayne Gilpin</p> <p>Mike Redman</p>	
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Budget / Business Planning Process 2015/16 – Timetable of key stages / dates

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July - November 2014	SLT / Service Managers work with the Bridging the Gap programme to identify options for savings and additional income
9th October 2014	Budget Working group - review the draft budget strategy before the reporting to Cabinet in October
14th October 2014	Cabinet approve the budget strategy - guidelines, timetable and estimated funding gap for 2015/16 and the Cabinet's approach to the budget / MTFS
17th October 2014	Deadline to submit taxbase calculation - applicable date is 18th October 2014 (CTB1 figure used in RSG calculation).
23rd October 2014	Joint Consultative Committee - briefing on funding projections and estimated budget gap and strategy for closing the gap
4th November 2014	Budget Working group - consider input to interim budget proposals and report direct to Cabinet
17th November 2014	Treasury Management Panel to consider budget estimates for treasury management budget assumptions
22nd November 2014	Deadline for preparation of a 'standstill budget' on basis of no growth incorporating interim standstill budget projections / management fees for partner organisations (e.g. Ubico, Lesire & Culture Trust, CBH and shared services). In addition, proposals for savings / income and growth to be identified for the council and its partner organisations.
1st December 2014	Recalculate taxbase figure for Section 151 Officer sign off under delegated powers and production of briefing note for Cabinet Deputy
15th December 2014	Report to Council - Council Tax Discounts on Empty Properties for 2015/16
16th December 2014	Cabinet present interim budget proposals for consultation incorporating partner organisations budgets including proposals for growth, savings and levels of fees and charges and projection of the Medium Term Financial Strategy (MTFS)
19th December 2014 to 18th January 2015	Cabinet consult on interim budget proposals including Overview and Scrutiny committee, public and the business community
January 2015	Finance Settlement
6th January 2015	Budget Working group - review consultation and make recs to O&S committee on budget
9th January 2015	Recalculate taxbase, if necessary, and confirm or amend figure under delegated powers
9th January 2015	Advise all precepting authorities (including parishes) re. relevant taxbase figures
12th January 2015	O&S Committee consider recommendations from budget working group and forward to Cabinet/Council
19th January 2015	Treasury Management Panel – consider final recommendations to Cabinet in respect of treasury management activity
23rd January 2015	Deadline for preparation of final council budget incorporating final proposals for savings / income and growth from partner organisations.
30th January 2015	Approve final NNDR1 estimate and advise County Council and DCLG
30th January 2015	Deadline for submission of alternative budget proposals to Financial Services for validation.
10th February 2015	Cabinet present final budget proposals including response to consultation exercise

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13th February 2015	Council meet to approve Cheltenham Borough Council budget only - approve proposed Council or alternative budget (approved in principal)
16th February 2014 (currently anticipated)	Police Authority approve budget and council tax level
16th February 2015	Special council meeting (if required) – meets the requirement for the proper officer to call a council meeting to discuss objections to an alternative budget within 7 days of receipt of objections.
18th February 2015	County Council due to approve budget and set Council Tax level
26th February 2015	Council meet to approve the Council tax resolution (includes GCC and police tax) – last day for Council to approve any proposed budget
28th February - 3rd March 2015	Council tax charge calculation / bill file creation
27th February 2015	Final amendments to council tax leaflet/sign off for printing
4th March 2015	Billing information sent to printers
6th - 9th March 2015	Council tax booklets to be delivered to printers/CBC
By 16th March 2015	Bills to be issued (14 days notice required before first payment - some payments due on 1st April)

*Throughout the process, GOSS and senior managers will work with trade unions for the purpose of ensuring genuine consultation around proposals which may have HR implications.

BRIDGING THE GAP STRATEGY								
	Approved Savings	2014/15	2015/16	2016/17	2017/18	2018/19	Total	
MTFS Gap		1,409,200	902,000	1,186,500	655,500	644,500	3,388,500	
Total Current MTFS Funding Deficit		1,409,200	902,000	1,186,500	655,500	644,500	3,388,500	
Organisational changes								
Staff restructures								
- Customer services / facilities management re-organisation		34,300					0	
Built Environment Management Restructure		12,100					0	
Senior Management Team review		156,400	43,600				43,600	
Shared Services								
Additional waste target			45,400				45,400	
Efficiency gain on procurement							0	
- Bank Tender			5,000				5,000	
Commissioning								
L&C Review - trust savings		125,900	281,700	231,500	150,500	43,000	706,700	
ICT Review - per business case to Cabinet 11/12/12		121,300	80,000				80,000	
ICT Review - server room rationalisation / infrastructure savings		31,000	7,000				7,000	
Ubico		117,000						
Green Environment		20,000						
Public Protection & Private Sector Housing Review			120,000	45,000			165,000	
Joint Management Unit for Waste					100,000		100,000	
Income								
Planning fee income rise 15%								
BRR additional income through pooling				50,000	50,000		100,000	
BRR additional income through growth above 3%				100,000	100,000		200,000	
Fees & Charges Review inc. concessions				30,000			30,000	
Asset Management								
Remove annual increase contribution to Programme Maintenance Reserve								
Rationalisation of asset portfolio					30,000		30,000	
Accommodation Strategy				100,000		100,000	200,000	
Other								
Supplies & services savings								
1. Corporate training budget	*	2,000					0	
2. LGA - reduced membership costs	*		300				300	
3. Target saving		10,000	10,000				10,000	
Additional recharge to HRA / CBH post HRA reform & revision to SLAs							0	
Reduction in Everyman Grant	*	5,000	5,000				5,000	
Reduction in grant to Oakley & Hesters Way Regeneration Partnerships	*	4,000	4,000				4,000	
Additional allotment sites	*						0	
Reduction in revenue contribution to capital outlay (RCCO)		200,000					0	
Use of NHB to support Base Budget		450,000					0	
Cheltenham Borough Homes contribution to Community Development		64,400					0	
Efficiency savings Target yet to be identified		55,800	300,000	630,000	225,000	501,500	1,656,500	
Total Savings/Income over MTFS		1,409,200	902,000	1,186,500	655,500	644,500	3,388,500	
shortfall / (surplus) against MTFS Funding Gap		0	0	0	0	0	0	

* Denotes savings previously approved.

NB: traffic lights denote risk associated with delivery

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