



CHEL TENHAM

BOROUGH COUNCIL

Notice of an Extraordinary meeting of Council

Tuesday, 14 April 2015

6.30 pm

Council Chamber, Municipal Offices

Membership	
Councillors:	Simon Wheeler (Chair), Duncan Smith (Vice-Chair), Matt Babbage, Flo Clucas, Adam Lillywhite, Chris Mason, Dan Murch, Chris Nelson, John Payne, Max Wilkinson, Wendy Flynn, Andrew Chard, Paul Baker, Garth Barnes, Nigel Britter, Chris Coleman, Bernard Fisher, Jacky Fletcher, Colin Hay, Tim Harman, Rowena Hay, Sandra Holliday, Peter Jeffries, Steve Jordan, Andrew Lansley, Helena McCloskey, Andrew McKinlay, David Prince, John Rawson, Anne Regan, Rob Reid, Chris Ryder, Diggory Seacome, Malcolm Stennett, Klara Sudbury, Pat Thornton, Jon Walklett, Roger Whyborn and Suzanne Williams

Agenda

1.	APOLOGIES	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING Minutes of the meeting held on 30 March 2015	(Pages 3 - 22)
4.	COMMUNICATIONS BY THE MAYOR	
5.	COMMUNICATIONS BY THE LEADER OF THE COUNCIL	
6.	PUBLIC QUESTIONS These must be received no later than 12 noon on Wednesday 8 April 2015 and must relate to the nature of the business for which the meeting was called.	
7.	MEMBER QUESTIONS These must be received no later than 12 noon on Wednesday 8 April 2015 and must relate to the nature of the business for which the meeting was called.	
8.	ASSET MANAGEMENT PLAN Report of the Cabinet Member Finance	(Pages 23 - 40)
9.	ACCOMMODATION STRATEGY Report of the Cabinet Member Finance, Councillor John Rawson	(Pages 41 -

	(if Members wish to discuss any exempt information in the appendices the Cabinet will need to pass the resolution in the following agenda item and consider these in exempt session)	100)
10.	<p>LOCAL GOVERNMENT ACT 1972 -EXEMPT INFORMATION The Council is recommended to approve the following resolution if it wishes to discuss any of the exempt information related to agenda item 9 :-</p> <p>“That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3, Part (1) Schedule (12A) Local Government Act 1972, namely: Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p>	
11.	NOTICES OF MOTION	
12.	TO RECEIVE PETITIONS	
13.	ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION	

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

Andrew North
Chief Executive

Council

Monday, 30th March, 2015
2.30 - 3.30 pm

Attendees	
Councillors:	Simon Wheeler (Chair), Duncan Smith (Vice-Chair), Matt Babbage, Flo Clucas, Adam Lillywhite, Dan Murch, Chris Nelson, John Payne, Max Wilkinson, Wendy Flynn, Andrew Chard, Paul Baker, Garth Barnes, Nigel Britter, Chris Coleman, Bernard Fisher, Jacky Fletcher, Colin Hay, Tim Harman, Rowena Hay, Sandra Holliday, Peter Jeffries, Steve Jordan, Helena McCloskey, Andrew McKinlay, David Prince, John Rawson, Anne Regan, Rob Reid, Chris Ryder, Diggory Seacome, Malcolm Stennett, Klara Sudbury, Pat Thornton and Jon Walklett

Minutes

1. **APOLOGIES**
Apologies were received from Councillors Lansley, Mason and Whyborn.
2. **DECLARATIONS OF INTEREST**
There were no declarations of interest.
3. **MINUTES OF THE LAST MEETING**
The minutes of the meeting held on 26 February 2015 were approved as a correct record.
4. **COMMUNICATIONS BY THE MAYOR**
There were no communications from the Mayor.
5. **COMMUNICATIONS BY THE LEADER OF THE COUNCIL**
The Leader informed Members that Councillor Andrew Wall had stood down as Councillor for Battledown earlier in the month due to work commitments. He thanked Councillor Wall for his commitment and his contributions over the past years both as a councillor and as a Cabinet member.
6. **PUBLIC QUESTIONS**
There were 4 public questions and these are set out in the appendices to these minutes.
7. **MEMBER QUESTIONS**
There were 15 Member questions and these are set out in the appendices to these minutes.
8. **CORPORATE STRATEGY 2015-2016**

The Leader introduced the report and explained that the draft corporate strategy was an important document which set out a priority list of actions for 2015-16. The current strategy formed part of a five year plan which had now come to an end. The proposed document was a one year strategy which in his view was sensible given the current rate of change within the organisation. The strategy set out a proposed vision statement which was split into four priority outcomes. The document included background information, which set out what the council wanted to achieve and why, as well as who was responsible for delivery and measuring the range of direct service measures and outcome measures. The strategy would be reviewed on an annual basis to take into account the changing budgetary position. The key performance measures were included in order to make a useful contribution to the achievability of the measures.

The Leader wished to put on record his thanks to his Cabinet colleagues and officers. He also informed members that in drafting the strategy, discussions had been held with partners, including commissioned bodies, other councils and other parts of the public sector. He highlighted that it was important for the council not to undertake too much and this was being achieved by estimating the resources required and agreeing those with managers. The report had been considered by the Overview and Scrutiny Committee and its feedback was itemised in section 3.1 of the report. Cabinet had considered the report at its meeting on 17 February and was now recommending it for approval by Council.

Although not all elements of the strategy were within the authority's control, for example crime reduction and junction 10 of the M5, they had been included because of their importance to the town and the strong community interest.

During the debate, some Members raised concerns that although the strategy was a useful document, it was very similar to previous years and there was a risk that having been approved it would then sit on the shelf. The Leader and members of Overview and Scrutiny responded that it was up to all members to monitor the strategy as we went through the year, and to hold officers to account if the targets were not being met.

Councillor Regan was concerned about the high level of anti-social behaviour, and the large number of properties with category 1 hazards, and questioned whether the council had sufficient enforcement officers to deal with these issues. The Leader responded that this would be looked at as part of the REST project.

Councillor Stennett wanted to know how members of the community with protected characteristics under the Equality Act 2010 had been consulted. The Leader undertook to provide members with a written response after consultation with the Strategy & Engagement Manager.

Upon a vote it was unanimously

RESOLVED THAT the draft corporate strategy 2015-16 (Appendix 2) be approved and this be used as a basis for monitoring the council's performance over the next twelve months.

9. COUNCIL DIARY 2015-16

The Cabinet Member Corporate Services introduced the report on the Council Diary September 2015 to August 2016. There has been wide consultation with councillors and officers, and any feedback had been considered and the diary revised as appropriate.

One member proposed a slightly later start time for evening meetings to let members of the public take advantage of free parking after 6:00pm, and possibly improve public participation. The Cabinet Member suggested that chairs of some committees might like to trial this at their discretion and feedback for consideration in subsequent years.

Councillor Smith advised that he would like the council to hold a State of Cheltenham debate during his Mayoral year as set out in the Council's constitution.

Upon a vote it was unanimously

Resolved that the draft Council diary of meetings for September 2015 to August 2016 be approved.

10. ACCOMMODATION STRATEGY

This item has been deferred to an extraordinary meeting of Council on 14 April 2015.

11. ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY

This item has been deferred to an extraordinary meeting of Council on 14 April 2015.

12. NOTICES OF MOTION

None received.

13. TO RECEIVE PETITIONS

None received.

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

Simon Wheeler
Chair

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30 March 2015

Public Questions (4)

1.	Question from Carl Friessner-Day to the Leader, Councillor Steve Jordan
	<p>The recent report and conclusions drawn by Athey Consulting highlighted a number of concerns expressed by businesses in the Cheltenham area and the lack of confidence they have in Cheltenham's competitiveness; two of the major concerns being congestion and parking. This Council has recently presided over the selling of the North Place Car Park reducing capacity by over 300 places and under 'Civic Pride' are intending on reducing the town centre car parking further with the development of the Royal Well car park. In addition this Council leadership continues to support the Cheltenham Transport Plan, which according to the Atkins Model and other experts will increase congestion by increasing journey times by at least another 5% in the outer areas, adding further to business woes. Will this Council now heed the advice of the experts and the facts, and therefore abandon their plans for the further sell off of such land and abandon the Cheltenham Transport Plan which not only take jobs out of Cheltenham, but also force our population to get into cars to travel further for work?</p>
	Response from Cabinet Member
	<p>The comments referred to are drawn from page 20 of the Athey Consulting report, which was highlighting consultee feedback on Cheltenham as a business location. The same feedback highlighted major pluses such as the quality of life and Cheltenham's retail offer.</p> <p>The disposal of North Place & Portland Street car park was predicated on the long term requirement for 300 spaces in that location to be provided in a new multi-storey car park. Portland Street remaining open has validated this calculation as it retains approximately 300 spaces, although as a surface car park it is not necessarily the most efficient use of this land.</p> <p>I believe the second reference is to Chapel Walk car park, which will be considered as part of any wider remodelling of the Municipal Offices and Royal Well, but I am not aware of any intended parking reduction. In fact, CBC is in the process of acquiring the former Shopfitters' site, initially for use as a temporary car park, to help cater for any pressure on spaces in this part of town.</p> <p>The reference to traffic seems to ignore the fact that Cheltenham has a very high (77%) self-containment factor, with many people both living & working in Cheltenham. A 5% increase in journey times in some locations is not necessarily the crisis identified, particularly with continued improvements in public transport and connectivity e.g. the recently successful Cycle-Rail bid. What the report does suggest is creating new business parks, but recognises that options are limited within the CBC boundary. This is one of the reasons we are working with Gloucester and Tewkesbury on a Joint Core Strategy but will also seek to address it where possible in the Cheltenham Plan.</p>
2.	Question from Carl Friessner-Day to the Leader, Councillor Steve Jordan
	<p>Cheltenham currently employs above the national average in the retail sector, which is typified by low paid and part time work. With the town centre forecasted</p>

	to reduce by 22% by 2018, increased competition from surrounding areas including out of town shopping and Cheltenham's economy narrowly focused, has this Council's lack of economic vision created a ticking economic time bomb for our population which will now be difficult to address given other cities like Bath, Bristol and Gloucester have stepped up and shaped to the new economy?
	Response from Cabinet Member
	The Athey report clearly cites Cheltenham's successful retail centre as a strength and highlights the projection of a significant increase in employment in the sector by 2031. I'm not sure where the reference to the quoted 22% figure is taken from but Cheltenham clearly seems to be bucking the national trend in terms of inward investment. Given that we have both new developments and new retailers expressing an interest in the town, there seems no sign of this suggested figure coming true. What the Athey report also highlights is the need for other employment opportunities, particularly business parks.
3.	Question from Nic Pehkonen to Cabinet Member Development & Safety, Councillor Andrew McKinlay
	The Brewery developers have recently blocked off the High Street to traffic but they have placed their barriers on the one remaining pavement, reducing its width by almost half in places. This is particularly bad where the cycle route comes out of St George's Place and clearly little or no consideration has been given to cyclists or pedestrians who now have to share this narrow strip of pavement. I understand it will be like this until 26 June. I thought Cheltenham Borough Council wanted to promote active travel. This stretch of pavement is now very unpleasant and unsuitable for cyclists and pedestrians and no alternative cycle route has been put in place. Why have the developers been allowed to do this?
	Response from
	This is a question for GCC as the highways authority, which would have agreed the road closure on the basis of the proposed closure operational drawings. I will gladly take up this issue with GCC.
4.	Question from Nic Pehkonen to Cabinet Member Development & Safety Councillor Andrew McKinlay
	Since the closure of the High Street for the Brewery development over a week ago, shops such as Wilkinsons' and Woody's have seen a dramatic drop in footfall. It seems the Brewery's intention is to put all the shops in the High Street that sell things that people actually need on a day-to-day basis out of business, and to replace independent local businesses with the empty premises and chain restaurants that make up most of the existing Brewery development. Is this strategy something that Cheltenham Borough Council supports?
	Response from
	The reality is clearly far from this. The Wilkinsons' store will be retained as part of the new development; in fact, they will be one of the first tenants within Brewery II Phase 1. My understanding is that neither Wilkinsons nor Woodys are independent local businesses but part of multiples, but there is no intention of replacing them or other retailers with empty premises or chain restaurants. The Brewery II is predicated on maintaining and improving the retail offer in this part of town, which this Council has actively supported.

Member Questions (15)

1.	Question from Councillor Duncan Smith to Cabinet Member Finance Councillor John Rawson
	<p>At the Council meeting on February 13, I asked how much the authority was paying in pension contributions and received the answer of £3.7million. This means that 50 pence of every pound paid by the Cheltenham tax is being spent on staff pensions.</p> <p>Given that the pension fund deficit being faced by Cheltenham Borough Council is in the order of £50 million, when does he think that the pension fund will be fully funded?</p>
	Response from Cabinet Member
	<p>I can confirm that the budgeted pension contributions for 2015/16 are £3.716m. However I need to put this figure into some context. As indicated in Appendix 2 of the Council Tax resolution 2015/16, agreed by Council on 26th February 2015, the gross budget in respect of the General Fund amounts to £54,432,499. Therefore our pension commitments equate to 6.8% of the gross spend – not 50% as suggested in the Member's question.</p> <p>The state of our pension scheme depends very heavily on the state of the economy and the performance of the pension fund which is managed by Gloucestershire County Council. It is also affected by other factors such as the age profile of employees and longevity of pensioners. The Council's net liability, according to the actuarial assessment at 31st March 2014, was £57,182,000 which was an increase of £3,458,000 over the figure for 31st March 2013. This is principally due to the financial assumptions at 31st March 2014 being less favourable than they had been at 31st March 2013 because of falling real bond yields and poor asset returns. The figure will be updated when financial services staff prepare the statement of accounts for 2014/15.</p> <p>However, it is important to understand a little more about the nature of our pension liability before jumping to conclusions about the state of the pension scheme. The Council is required to account for retirement benefits when committed, even if the payment is many years in the future, in accordance with International Accounting Standard 19 (IAS 19). This represents the Council's commitment to increase contributions to make up any shortfall in attributable net assets, or its ability to benefit (via reduced future employer contributions) from a surplus in the pension scheme. We are therefore not so much "facing" a deficit as projecting one into the future; and a sustained revival in the state of the economy could change this situation very substantially.</p> <p>Quite obviously we cannot control or even predict the state of the UK or world economy or many of the other factors that impact on our pension scheme. For that reason it is impossible to say when the pension fund will be fully funded. However what we can do, and are doing, is to provide prudently for our future pension needs, taking into account the actuarial advice we are given.</p>

	<p>The actuary makes projections over a long term period (20 years) which allows councils to deal with the deficit in a measured way by increasing pension contributions gradually through a “stabilisation” process. By increasing pension contributions in the annual budget and the Medium Term Financial Strategy, as we are doing year by year, we are ensuring that we will be in a position to meet our obligations. In fact by 2018 we will be in a position whereby the annual payments into the fund exceed the payments to pensioners.</p> <p>In a supplementary question Councillor Smith asked on that basis how long would it take for the council to repay the £8 million.</p> <p>The Cabinet Member advised that the liability is a projection into the future over the next 20 years whereas the reference to 2018 is based on the current situation. It is a comforting situation that payments into the fund currently exceed payments out in any one year but there is a long term aim to the balance the fund and it is hoped that a recovering economy would assist that aim. The council would continue to take financial advice to ensure it was taking a prudent approach.</p>								
<p>2.</p>	<p>Question from Councillor Jacky Fletcher to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>								
	<p>Since transferring the stray dogs service to Worcestershire Regulatory Services what evidence do you have regarding whether the proportion of dogs reunited with owners has gone up, down or stayed the same, same with re-homing and destroying of dogs.</p>								
	<p>Response from Cabinet Member</p>								
	<p>The Council receives data relating to the stray dog service as part of its contract monitoring arrangements, and this shows an overall decrease in the number of stray dogs collected against the equivalent period in 2013-14 (45.3% reduction, n = 34/75).</p> <p>The table below provides more detailed information, but to summarise:-</p> <ul style="list-style-type: none"> • The proportion of dogs reunited with their owners has increased (by 45.3% against the equivalent period in 2013-14). • This has resulted in less dogs requiring re-homing, so the proportion of rehomed dogs has fallen by 64.7% in the equivalent period • Dogs who are not united with their owners are presumed re-homed once ownership is transferred to the service provider. The Council is notified of any known euthanasia issues in the seven days preceding this. <p>One case of euthanasia has occurred with the new service provider as the dog was a prohibited breed. No reports received of euthanasia for any other reason.</p> <table border="1" data-bbox="321 1675 1380 1858"> <thead> <tr> <th data-bbox="321 1675 529 1858"></th> <th data-bbox="529 1675 740 1858">Cheltenham Animal Shelter (24.07.13 – 15.03.14)</th> <th data-bbox="740 1675 1003 1858">Worcestershire Regulatory Services (24.07.14 – 15.03.15)</th> <th data-bbox="1003 1675 1380 1858">% change</th> </tr> </thead> <tbody> <tr> <td data-bbox="321 1858 529 1858"></td> <td data-bbox="529 1858 740 1858"></td> <td data-bbox="740 1858 1003 1858"></td> <td data-bbox="1003 1858 1380 1858"></td> </tr> </tbody> </table>		Cheltenham Animal Shelter (24.07.13 – 15.03.14)	Worcestershire Regulatory Services (24.07.14 – 15.03.15)	% change				
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Total no. of strays	75	41	45.3% decrease (n=34/75)
Reunited with owner	54.7 % (n=41)	68.3% (n=28)	31.7 % increase (n=13/41)
Presumed re-homed	45.3% (n=34)	29.3% (n=12)	64.7% decrease (n=22/34)
Known to be euthanased	0	2.4% (n=1) Legally required under Dangerous Dogs legislation 0 for any other reason	n/a (previous figure zero)

In a supplementary question Councillor Fletcher asked what was meant by 'Presumed re-homed'?

The Cabinet Member responded that this was the term used by Worcestershire who had a different reporting method. Their practice was to pass on dogs to other rehoming services specialising in specific breeds. He had no reason to believe that the figures were other than correct.

3. Question from Councillor Paul Baker to Cabinet Member Development and Safety, Councillor Andrew McKinlay

What consultation took place between Glos Highways and Cheltenham Borough Council regarding the timing of the resurfacing of the Promenade given that it took place at the same time as the closure of the High Street resulting in traffic chaos around the town ?

What consultation took place involving CBC to re-route buses through the Promenade pedestrianized area ?

Given the appalling re surfacing work carried out by Amey in the High Street as agent for Glos Highways what steps are CBC taking to have this work corrected and will the contractor suffer financial penalties ?

I understand that Amey, as the appointed contractor for Glos Highways are going to be underspent to the tune of £4m for the current financial year. Given the state of Cheltenham's roads and pavements this is an absolute disgrace. The choice of contractor and the management of the contract has been nothing short of shambolic and unfortunately impacts upon us here in Cheltenham as well as other parts of Gloucestershire.

Can I ask that the Leader writes to the County Councillor responsible asking for a full explanation of this underspend and the performance of the contractor and what is being done to address these issues. Further can I ask that we investigate

	<p>the logistics of taking back control of the maintenance of Cheltenham's roads and pavements.</p>
	<p>Response from Cabinet Member</p>
	<p>The Council was informed of the timing for the resurfacing of the Promenade by Amey through the Cheltenham Business Partnership Manager during w/c 9th February, when the Business Partnership Manager was requested to liaise with Montpellier and Promenade businesses regarding the planned closure.</p> <p>The rerouting of buses as a result of the Brewery works was discussed at co-ordination meetings and CBC staff understood that all rerouting would be via St Margaret's Rd/Henrietta Street - information was circulated to Councillors on that basis. Any discussion to use the Promenade may have been a later understanding between Stagecoach and GCC.</p> <p>The High Street resurfacing work was split into 2 phases, as the original works ran behind schedule. The first tranche of works is suffering from ponding, whilst the second phase (by a different contractor) is of a much better quality and no ponding was visible during heavy rainfall. CBC, through the Task Force Managing Director and Townscape Team, are lobbying GCC for relaying of the flexible buff running surface, to be replaced with a finer grained surface and an improved quality of workmanship (certainly for the first phase). It is understood that GCC is seeking relaying with improved workmanship.</p> <p>In a supplementary question Councillor Baker asked if given the shambolic service from GCC, the Cabinet Member would be taking it up with the County Councillor responsible and asking for a full account of the underspend? Would CBC investigate taking back control for Cheltenham Highways from GCC?</p> <p>The Cabinet Member accepted that the resurfacing of the High Street was not up to a high enough standard and the Leader had confirmed that he was happy to write to the GCC on this matter. Officers were actively following up any work which was not of an acceptable standard. He agreed that there were significant failings in the way highway service currently being provided in Cheltenham and a process would be initiated to ask questions and determine what was the best solution for the town in terms of service delivery.</p>
<p>4.</p>	<p>Question from Councillor Duncan Smith to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Can the Cabinet Member confirm if the free parking during race week was a success?</p> <p>What success criteria did he set prior to the event in order to make that judgement?</p> <p>How much did it cost in terms of additional cost to advertise the changes plus the cost of lost revenues?</p> <p>How many vehicles parked in our car parks were there in addition to the normal commuters and visitors that you would ordinarily expect in Race Week?</p>

	<p>What was the feedback from the town centre retail community and local businesses?</p>
	<p>Response from Cabinet Member</p>
	<p>The cost of advertising the free parking changes during race week was minimal and will be contained within existing supplies and services budgets.</p> <p>In 2014, parking revenue during March was reduced by £16,000 in total across all car parks compared to 2013 (5.7%). Similar figures will be reviewed once the full parking income for March 2015 is confirmed towards the middle of April. Parking income for the full year 2013-14 was up 2.5%, notwithstanding the dip in March.</p> <p>The free parking initiative has been welcomed by the Cheltenham Chamber of Commerce and the Cheltenham Business Partnership and was repeated this year at their request, as a more beneficial alternative to supporting free parking before Christmas during Small Business Week.</p> <p>The Regent Arcade car park is the best to measure the impact of free car parking, because the equipment is in place there to physically count vehicles.</p> <p>Regent Arcade reported a 16% increase in cars (1,061) over last year, when the number of vehicles was also up 22% on the previous year, the first year that free parking was introduced during race week. This equates to a compounded 41.5% increase over the same period in 2013, equivalent to 2,150 extra cars.</p> <p>Regent Arcade also reported a 6.42% increase in footfall within the arcade during race week, as compared to the same period in 2014 (up 5,622 year on year to 93,183).</p> <p>Feedback from the leisure sector was also extremely positive. Bars, restaurants, cafes, hotels and clubs said that it was an exceptional week for them. The retail sector anticipated a slower than normal week and it still was, but the overall view was that the free parking had worked better this year than last because it had been announced earlier. Some commented that the free parking should have been better signposted on-site at each car park and this is something we will look to improve on further next year.</p> <p>Town centre footfall counter information may have been skewed by work taking place at the Brewery where the High Street has been closed and as a result of the closure of North Place car park. Caution would therefore need to be exercised in making year-on-year comparisons, however weekly comparisons in 2015 including race week and the weeks immediately before and after were as follows:-</p> <p>w/c Monday 2nd March – 115,882 w/c Monday 9th March - 113,256 w/c Monday 16th March – 113,374</p> <p>The Thursday of race week showed footfall of 22,736, which was higher than the Thursday of either the week before, or the week after.</p> <p>Due to the range of variables, it is not possible to confirm a direct link between the</p>

	<p>success of the free parking initiative and the number of visitors to the town centre.</p> <p>In a supplementary question Councillor Smith wanted to know when the figures for March 2015 would be available and could he be assured that they would be made available to all Members. .</p> <p>The Cabinet Member replied that the figures should be available 2 weeks after the end of the month and he would ensure that they were circulated to all Members.</p>
5.	Question from Councillor Adam Lillywhite to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Can you please update us on negotiations and hopefully progress on the North Place scheme and in so doing tell us who is funding the hoarding that has been erected.</p>
	Response from Cabinet Member
	<p>The Council has been advised that the hoarding at North Place has been erected by Augur Buchler, the site owner.</p> <p>We understand that the developer Augur Buchler and Morrisons have triggered the dispute resolution process, (common to many commercial contracts) and that process is now in train. We are unable to provide any specific guidance upon the likely time-frame for final resolution.</p> <p>Meanwhile, we understand that the developer is actively looking at alternative options for the site.</p> <p>In a supplementary question Councillor Lillywhite asked how Cheltenham had fallen so far behind Gloucester as clearly there was no lack of demand but there appeared to be a lack of direction?</p> <p>The Cabinet Member did not agree that Cheltenham had fallen behind Gloucester and the number of cranes visible was evidence that development was taking place in the town. There had been a consistent direction for the last 15 years which had been supported by the previous administration.</p>
6.	Question from Councillor Adam Lillywhite to the Leader, Councillor Steve Jordan
	<p>Can you please outline why it has taken so long to commission the recent economic development report when the loss of major employers has been evident for several years, it is of particular concern that several of these companies wished to remain in Cheltenham.</p>
	Response from Cabinet Member
	<p>The economic development report referred to is intended as input to policy development as part of the Cheltenham Local Plan. Since the intention is to consult on phase 1 of the Local Plan in June/July this year the report would seem well timed. Issues around loss of major employers, Kraft in particular, were looked at by the Cheltenham Inward Investment Group that I set up in 2010 and involved local representatives from both public and private sectors.</p>
7.	Question from Councillor Anne Regan to Cabinet Member Healthy Lifestyles, Councillor Rowena Hay

	<p>English Tourism Week is a week long celebration of events from the 14th March till the 22nd of March, showcasing the visitors experience and raising the profile of our town.</p> <ol style="list-style-type: none"> 1. Can you inform the council what efforts were made to engage our town in this event 2. What advertising and marketing was undertaken during this week 3. What results have we achieved of visitor experience.
	<p>Response from Cabinet Member</p>
	<ol style="list-style-type: none"> 1. To celebrate English Tourism Week and Mothers' Day, the Press & Marketing Officer (Tourism) arranged for a 20% discount on pre-booked cream teas in the Wilson Café. In the past Cheltenham TIC have delivered a variety of English Tourism Week events such as free guided walks, Morris Dancers, Councillors serving behind the TIC desk. <p>This year involvement with ETW was quite low key – partly due to a smaller tourism team and a reduced budget for ETW, but also because the current TIC Team & Tourism Marketing Officer are focussed on various service improvements that they believe will deliver longer term benefits for Cheltenham. For example updating the style, content and functionality of the Visit Cheltenham website which will attract visitors to the town and enable online accommodation booking throughout the year. The website has been enjoying greatly increased visits in recent weeks, they are also developing a range of themed weekend accommodation packages and doing a survey of signage to and within the Wilson & TIC following visitor feedback. We are also working with Visit England on the new 'Modernising Visitor Information' Twitter project, which will link to national contacts and promotions and hopefully engage younger audiences. All of these initiatives are intended to attract more visitors to Cheltenham and improve their experience once they are here.</p> <p>The Team were disappointed to not do more for ETW this year and have already had a meeting Kevan Blackadder, Cheltenham Business Partnership Manager to discuss ideas for participating in ETW 2016, working in closer partnership with Cheltenham businesses.</p> <ol style="list-style-type: none"> 2. The afternoon tea offer was advertised on the Visit Cheltenham website and with flyers in the Wilson Reception. Regular Tweets and Facebook updates are also completed by the team throughout the week. 3. The Wilson Café has reported that there was excellent anecdotal feedback. One report said that 'It was particularly busy on Sunday with good service and very good food.' <p>In a supplementary question Councillor Regan asked if there was a tourism strategy and how many times had the tourism partnership met?</p> <p>The Cabinet Member responded that the Tourism Forum was newly formed after the delivery of the Tourist Information Centre moved to the Cheltenham Trust in October 2014. The forum had met once since then and the council still held the strategic lead for tourism. There had been a lot of activity and this will be reviewed along with plans for the next year when the Forum next meet. As CBC is no longer responsible for the delivery of the TIC, if Councillor Regan was not happy</p>

	with the service provided, she should inform officers and the Cabinet Member of her concerns.
8.	Question from Councillor Anne Regan to Cabinet Member Housing, Councillor Peter Jeffries
	Will the Cabinet Member Confirm or otherwise whether the 40 per cent target for affordable housing will be met as part of the development of the Odeon Site. If not can he indicate what steps he is taking to promote the vital need to secure sufficient affordable housing with developers across the town?
	Response from Cabinet Member
	<p>The former Baylis, Haines and Strange and Odeon sites were subject to viability assessment by the District Valuer Service and as a result were assessed not to be able to make an affordable housing contribution. This was a matter of public record when the applications were determined by the Planning Committee and supporting information is available on the Public Access portal, which is accessible via the Council's website.</p> <p>The delivery of affordable housing takes place through a variety of routes, including:</p> <ul style="list-style-type: none"> • development on publically owned land (e.g. St Paul's regeneration and the redevelopment of underused garage sites) • through the planning system on sites of 15 or more dwellings - which depends on the allocation and delivery of sites which can viably support affordable housing delivery in addition to other Section 106/infrastructure requirements • via Registered Providers (usually housing associations) delivering new dwellings, sometimes with grant subsidy from the Homes & Communities Agency <p>During the last complete financial year (2013/14) there was a net gain of 428 new homes in Cheltenham. Of these 152 were affordable homes. This means that 36% of all new homes built in Cheltenham were affordable.</p> <p>In terms of next steps, the Council is leading on an affordable housing partnership arrangement which will seek to maximise the provision of affordable housing across the Strategic Allocations as detailed within the Joint Core Strategy.</p> <p>The Partnership will work on a number of priorities, such as standardising 106 affordable housing provisions across neighbouring local authority boundaries and agreeing cross-boundary lettings arrangements. In particular, the Partnership is working closely with Registered Providers with a view to selecting Preferred Registered Providers.</p> <p>These Preferred Providers will be best placed to help developers deliver the affordable homes which the town and local people so desperately need. Not only will these Preferred Providers have to demonstrate that they have the capacity to delivery new affordable homes, they will also have to show they can manage these homes well and can engage with communities in a way that will</p>

	<p>ensure they will remain cohesive and sustainable.</p> <p>In a supplementary question Councillor Regan asked if, with 3,500 people on the waiting list, could the Cabinet Member give her the assurance that he will ensure that as many affordable homes are made available as possible.</p> <p>The Cabinet Member replied that he was applying a balanced approach. As delivering Affordable housing was difficult he was also aiming to reduce demand. This work needed to be done in partnership across the area of the JCS. Thus within the constraints of policy he was doing what he could to ensure their delivery.</p>
<p>9.</p>	<p>Question from Councillor Tim Harman to the Leader, Councillor Steve Jordan</p>
	<p>Cheltenham is a fantastic town with so much going for it but the report from Athey Consulting on the future economic prospects came as something of a shocker for those members who did manage to turn up for the recent seminar.</p> <p>Would the Leader of the Council inform the Chamber of any urgent steps that he proposes to address the disturbing aspects of the Consultants finding.</p> <p>Specifically</p> <ol style="list-style-type: none"> 1. Can he outline what strategy and timescale is he pursuing to bring forward measures to address these issues. 2. In the interests of securing a successful and prosperous future for Cheltenham would he accept my offer on the behalf of the Conservative Group to work together to progress a strategy so that we can avoid the current feeling that our Town is not open for business which was an expression that came from the Consultants at the Seminar.
	<p>Response from Cabinet Member</p>
	<p>It is a bit difficult to answer Cllr Harman's question without knowing what he found disturbing. The report identified many positive aspects of the economy in Cheltenham along with some issues that can be improved.</p> <p>As the report says the reality is that "Cheltenham has a strong and growing business base. Long-term growth in the business base is higher than the County and national average. In particular, Cheltenham has strong business survival rates." However as the report also says, "There is a business perception that Cheltenham is full". This would imply the issue is one of perception. However, since Cheltenham is surrounded by Green Belt and AONB, difficulty in finding employment sites in and around the town is hardly a surprise and is one of the reasons we are working with Gloucester and Tewkesbury on a Joint Core Strategy. Clearly this isn't an issue the council can solve by itself but is something I'm keen to tackle.</p> <p>A report to progress phase 1 of the Local Plan to consultation stage will go to cabinet on 14th April 2015. In addition I have asked Mike Redman to draw up an options paper to help prioritise the issues raised in the Athey report alongside other economic issues such as progressing a Business Improvement District with</p>

	<p>the Cheltenham Business Partnership and supporting the Cheltenham Tourism Forum.</p> <p>I would be delighted to accept Cllr Harman's offer of support. However, given his recent track record of supporting both the JCS and Cheltenham Transport Plan before doing a U-turn and opposing them for party political reasons forgive me if I treat it with scepticism.</p> <p>Councillor Harman stated that he was bitterly disappointed with the response. He did not specify which aspects of the seminar he found disturbing.</p> <p>The Leader advised that unless the Member could be more specific about what aspects he found disturbing he could not respond further and he emphasised that the report had been very positive in many areas.</p>
<p>10.</p>	<p>Question from Councillor John Payne to Cabinet Member Clean and Green Environment, Councillor Chris Coleman</p>
	<p>The Project Initiation Document (PID) for the Crematorium Appraisal Options project was reviewed by the Overview and Scrutiny Committee. The Committee noted the budget for this very important project was set at £30,812, a figure agreed by the Cabinet. Subsequent upon the appointment of the Consultant who will undertake this work, there has been a request to increase the budget.</p> <p>In recent times we have seen projects managed under Prince2 go over budget during their lifetime, but it is of concern that this particular project has gone over budget before it has started.</p> <p>Could the Cabinet Member please update members as to the extent of the increase, and the justification for it.</p>
	<p>Response from Cabinet Member</p>
	<p>The budget originally allocated was £30,812 and was the amount retained by CBC from our original contract with Crawford's (suppliers of our replacement cremators) when they went into liquidation.</p> <p>It was not an accurate estimate for the Option Appraisal project, as the scope for that had yet to be finalised.</p> <p>Since that time, we have been through a competitive tendering process to select the best experts to perform the study, based on a detailed tender brief. Some bidders' quotes were less than the available sum detailed above whilst others were greater. Each of the bidders were evaluated against criteria weighted 70:30 towards quality as opposed to cost. This reflected the recommendation of the Scrutiny Task Group that quality should be given more weighting than cost.</p> <p>During the tendering process, the Project Team and several of the bidders advised that we should consider commissioning additional surveys. Undertaking these surveys at a time when they can inform the feasibility study is likely to increase the quality of the final recommendations and reduce the risk of unexpected issues arising during implementation.</p> <p>Once we had established a preferred candidate for the study and completed</p>

	<p>provisional costings for the additional surveys, it was clear that the original budget allocation was going to be insufficient.</p> <p>In accordance with the process explained to the Overview and Scrutiny Committee, this was reported to Project Board. Subsequently, and in agreement with the Director Resources and the Cabinet Member for Finance, £22,000 was made available for this project. The total budget for the options appraisal is therefore now £52,812.</p> <p>Based on our current understanding of costs, this should be sufficient. However, the extent of surveys required is still under discussion based on the wish to mitigate significant risks.</p> <p>The Project Board has taken the view that it is vital to devote the right amount of resource to the project at an early stage in order that the recommendations emerging from the feasibility study are as robust and well informed as they can be. As the Scrutiny Task Group pointed out, the cost of a consultant is relatively small in comparison to the likely costs of the full investment needed but is vital to its overall success.</p> <p>In a supplementary question, Councillor Payne asked, having seen 2 major projects which had not gone according to plan in the last year – the Wilson and St Paul’s, whether officers delivering these projects were qualified in Prince 2?</p> <p>The Cabinet Member responded that he had every confidence in those involved and thanked officers, members of the working group and Cllr Payne as a member of that group, for their contribution. He undertook to respond to Cllr Payne’s precise question in writing.</p>
<p>11.</p>	<p>Question from Councillor Matt Babbage to Cabinet Member Healthy Lifestyles, Councillor Rowena Hay</p>
	<p>Can we have details of the grant behind the 1,700 CD-ROMs recently written off at a loss of £8,600 by The Wilson museum shop?</p>
	<p>Response from Cabinet Member</p>
	<p>A grant of £61,200 was secured from the Council for Museum Archives and Libraries “Designation Challenge Fund” in June 2001 towards a project which looked to celebrate a series of designs and drawing in the Art & Craft Movement Collection held at the Wilson. Part of the project included the production of CD Roms for schools and community groups to use for educational purposes and for visitors to purchase and enjoy at home. The CMAL was disbanded in 2012, and responsibilities transferred over to the Arts Council England.</p> <p>A large number of CD were produced and purchased in 2003 and whilst some were distributed and sold, 1,700 remained unsold. Technological advances over the past decade mean the images are of a very poor quality compared to modern images, and the CD Roms no longer work on most modern computers. As such there is no further likelihood of the CDs being purchased by the public.</p> <p>The CD Rom’s content and the intellectual property rights attached to the photos, are however still important to The Wilson, as it records the important collections held. We will therefore retain some of the CD Roms for our continued use, and</p>

	<p>options will be explored in the coming weeks to identify ways and potential costs of transferring the images onto more appropriate electronic storage media, or seeking external funding to replicate the 2003 project and saving new images onto more appropriate modern storage.</p> <p>In a supplementary question Councillor Babbage asked whether the Cabinet Member considered that grant funding was less important than tax payers' money and did she see any difference?</p> <p>The Cabinet Member said she was unable to respond to the question.</p>
12.	Question from Councillor Matt Babbage to Cabinet Member Healthy Lifestyles, Councillor Rowena Hay
	What is the council's policy is on stock management, following the need for The Wilson to write off £12,000 of stock from the museum shop?
	Response from Cabinet Member
	<p>The council's policy and procedures for stock management are set out in the council's financial rules (section F10 to F11) which cover the responsibilities for the care and custody of the stock; arrangements for stock takes and the requirement for information for the accounting, costing and financial records at the financial year end. The rules also cover the policy on stock write off, an extract of which is below.</p> <p>F11 Write-offs</p> <p>F11.1 Limit of the council to write off and/or dispose of obsolete stock, per individual item:</p> <ul style="list-style-type: none"> • Estimated residual value up to £250 - Directors or Heads of Service. • Estimated residual value over £250 - Section 151 Officer. <p>F11.2 At any one time up to £5,000 may be written out of stock records with the Section 151 Officer approval. If the accumulated amount to be written out exceeds £10,000 during the financial year, a report must be made to Cabinet. Individual amounts in excess of £5,000 shall be approved by Cabinet.</p> <p>Following its launch in October 2014, The Cheltenham Trust have updated its own year end stock take process, which covers the Wilson, & other venues operated by the Trust also any off site storage facilities.</p> <p>In a supplementary question Councillor Babbage asked how often stock was reviewed and when was museum stock last reviewed?</p> <p>The Cabinet Member responded that the last stock take was before the museum closed for redevelopment. A stock take should have taken place when the Wilson re-opened but didn't. Since the formation of the Cheltenham Trust in October 2014, stock control had been their responsibility so she could ask them how often they intended to do a stock take.</p>
13.	Question from Councillor Matt Babbage to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	What progress has been made on this council's recent commitment to improving broadband services for new housing developments?
	Response from Cabinet Member
	The provision of Broadband and telecommunications infrastructure is discussed in

	<p>the paper entitled 'Issues and Options Cheltenham Plan (part one)'. This will be considered by Cabinet on 14th April. The paper sets out that it will be vitally important to ensure Cheltenham's economy benefits from the continued enhancement of telecommunications and broadband infrastructure in the town, particularly roll-out of 3G and 4G mobile broadband, and enhancement of broadband accessibility, particularly in the more rural areas of Gloucestershire.</p> <p>Whilst part one justifiably recognises the importance of this infrastructure, it will be part two of the Cheltenham Plan that will provide the opportunity to assess and examine policy approaches and options available to the Council to help support and support the delivery of this infrastructure. This work is being led by the Planning Liaison Member Working Group – a cross party working group which is supporting officers in the preparation of the Cheltenham Plan.</p>
<p>14.</p>	<p>Question from Councillor Matt Babbage to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>What progress has been made on this council's recent commitment to improving broadband services for existing homes and businesses in Cheltenham who suffer from poor internet speeds?</p>
	<p>Response from</p>
	<p>Members are aware of the County Council's Fastshire broadband initiative. Council officers are in discussion with their County Council counterparts to see how this initiative can benefit Cheltenham residents. It must be noted however that this initiative is primarily focused on providing improved Broadband services in rural areas.</p> <p>The resolve passed by the full Council meeting on the 26 February 2015 has now been incorporated as part of the work plan in the development of the Cheltenham Plan part two. This will give the Council the opportunity to assess and examine the options available to the Council to help support the development of this infrastructure.</p> <p>In a supplementary question Councillor Babbage asked when the first broadband cabinet would be upgraded – this year or next and the likely completion date?</p> <p>The Cabinet Member responded that he did not know as this is primarily a GCC function. Whilst CBC can influence new developments, it has very little influence on existing developments and broadband providers. However CBC will create a map of blackspots with help from BT and Virgin and once this was available the council would be in a better position to lobby. There is the possibility of government funding after the election.</p>
<p>15.</p>	<p>Question from Councillor Matt Babbage to Cabinet Member Finance, Councillor John Rawson</p>
	<p>What funding has been set aside to meet this council's recent commitment to improving broadband services for both new and existing homes and businesses?</p>
	<p>Response from Cabinet Member</p>
	<p>The Council made it clear in its resolution of February 26th that it sees its contribution to providing high-speed broadband as being mainly through the Cheltenham Plan. It resolved that the Plan should include a policy regarding broadband in new developments, taking into account EU broadband directive 2014/61/EU. Ensuring that the Plan is adequately resourced was a major theme</p>

of the 2015 council budget and an additional £100,000 was provided for this purpose. The broadband policy is clearly one of a number of policies that will be worked on by officers and it would be difficult at this stage to isolate the specific cost of drawing up the broadband policy or to estimate what it might be.

The Council also committed itself to working with the County Council, its Fastershire project (“Faster broadband for Herefordshire and Gloucestershire”) and commercial providers to ensure that existing homes have an improved service. What is involved in this was not set out in any detail in the addendum which Cllrs Harman and Chard proposed, but the implication of the resolution is that this Council would act as an advocate and enabler rather than as a direct investor in infrastructure.

In a supplementary question Councillor Babbage asked how the council would ensure improved broadband was rolled out across town if they were not making additional funds available.

The Cabinet Member reiterated that the council had a limited role as enabler and advocate. He reminded members that the budget was approved by Council and endorsed by Cabinet. Although he was not sure that he agreed with putting in capital for infrastructure that was not borough council responsibility, other Members may feel it is appropriate to propose this at the Council meeting on 14th April.

Cheltenham Borough Council

Cabinet – 14 April 2015

Council – 14 April 2015

Asset Management Plan and Capital Strategy Update

Accountable member	Cllr John Rawson, Cabinet Member for Finance
Accountable officer	Mark Sheldon, Director of Resources
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>The Council's current Asset Management Plan expires in 2015. The Cabinet Member and officers have been preparing a new plan for some time but have deferred its consideration by the Cabinet and Council because of a fluid set of circumstances which impact upon it, including the Accommodation Strategy and the Cheltenham Transport Plan.</p> <p>The Council also invited CIPFA to review our approach to Asset Management which has helped shape future thinking about our approach including the role of members in making decisions and reviewing the performance of the property portfolio.</p> <p>This report now seeks to establish broad policies for managing the Council's assets and to make provisional allocations of the receipt from the sale of North Place and Portland Street car parks. It also proposes a Planned Maintenance Programme for 2015/16.</p>
Recommendations	<p>Cabinet resolves:</p> <ol style="list-style-type: none"> 1. To approve the Asset Management Policy (forming part of the Asset Management Plan) at Appendix 2. 2. To approve the revised Terms of Reference for the Asset Management Working Group at Appendix 3. <p>Cabinet recommends that Council:</p> <ol style="list-style-type: none"> 3. Approve the Planned Maintenance Programme for 2015/16 at Appendix 5. 4. Approves the provisional allocation of the receipt of North Place / Portland Street car parks to support key property investment aspirations at Appendix 4.

<p>Financial implications</p>	<p>As outlined in the report and appendices. A 10 year financial projection of the funding requirement for the AMP and PMP will be developed for approval as part of the budget setting process for 2016/17.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
<p>Legal implications</p>	<p>It is essential to have a clear and robust Asset Management Plan in place, in order for decision makers to have regard to such plan when exercising decision making powers.</p> <p>Reference to such plan would be made in the event that a decision by the Authority is challenged.</p> <p>Contact officer: Rose Gemmell , rose.gemmell@teWKesbury.gov.uk, 01684 272014</p>
<p>HR implications (including learning and organisational development)</p>	<p>The HR implications of the AMP have yet to be determined. The resourcing implications are assessed by project managers for individual projects which are considered by SLT quarterly and taken on board in developing the Council's annual corporate plan. There may be a need for additional resource to support property services which will be assessed over the next few months and considered as part of the financial outturn in July 2015.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
<p>Key risks</p>	<p>See Appendix 1</p>
<p>Corporate and community plan Implications</p>	<p>The capital investment proposals for investment have been assessed against the outcomes in the corporate plan.</p>
<p>Environmental and climate change implications</p>	<p>The environmental and climate change implications of the potential capital investment proposals for investment have been assessed. A number of them have the potential to make a positive contribution to the environment or climate change.</p>
<p>Property/Asset Implications</p>	<p>As outlined in the report and appendices</p> <p>Contact officer: David Roberts, david.roberts@cheltenham.gov.uk 01242 264151</p>

1. Background

1.1 The Council's current Asset Management Plan (AMP) expires in 2015. This plan included the Asset Management Policy; a description of the decision making process; terms of reference for the Asset Management Working Group (AMWG) and a schedule of the council's assets detailing the work streams associated with them over the course of the plan. The Cabinet Member and officers have been preparing a new plan for some time and have deferred its consideration by the Cabinet and Council as a result of a fluid set of circumstances around particular projects.

1.2 In reviewing the AMP, officers have reviewed the following:

- Council's Asset Management Policy.
- Methodology for considering requests for investment (including assessment criteria).
- Scoring mechanism and the decision making process for investment decisions.
- Corporate Landlord Role of Property Services.
- Building Manager responsibilities for council officers / partner organisations.
- Property service levels and standards.
- Property performance indicators.
- Transparency requirements.
- Approach to the development of the 10 year planned maintenance and equipment replacement programme.

This information will be published to officers in the form of Property Management Guidelines published on the Council's intranet. It will be used to support a new Building Managers Liaison Group which will bring together officers from across the Council and its partner organisations e.g. the Cheltenham Trust who, as leaseholder, have 'day to day' responsibilities for the management of certain council properties.

1.3 In tandem, the Council has been progressing the accommodation strategy but has, so far, been unable to conclude a deal for the acquisition of an alternative office location. This in turn has meant that the amount of pump priming funding required could not be finalised. Similarly, the trial of the Transport Plan which will ultimately determine whether and to what extent the Council invests in public realm at Boots Corner has been delayed resulting in uncertainty over the nature of the scheme requiring funding.

1.4 Despite this uncertainty, the Council is taking an opportunity to indicate broad direction of travel with its investment aspirations for its property portfolio.

2. CIPFA Review

2.1 In developing the AMP, the Cabinet Member and officers invited CIPFA to review the Council's approach to the management of its asset portfolio. This involved a review of the draft AMP and consideration of the decision making processes.

2.2 One of the key recommendations of the review was that the Council, rather than adopting a 'traditional' AMP, should consider approving an Asset Management Policy that sets out broad policies and principles, supplemented by an Asset Management Strategy that sets out the overall strategic direction for the property portfolio and provides 'more life, direction and purpose'. As a

first step towards implementing this approach, an updated Asset Management Policy is attached at Appendix 2.

- 2.3 CIPFA noted the engagement of members in the Asset Management Working Group (AMWG) in considering property issues. They suggested this group could do more to challenge the portfolio and its performance and make recommendations in respect of strategic direction for the Council assets. This is a helpful steer and consequently the terms of reference for the AMWG have been revised to reflect this suggestion at Appendix 3. These revised terms of reference are now recommended for the Council's approval. It is proposed that the AMWG will be consulted in the development of the Asset Management Strategy within the policy agreed by Council.
- 2.4 The CIPFA report and action plan will be shared with AMWG who will monitor the implementation of the actions arising from the review.

3. Capital receipts allocation

- 3.1 The Council received £7.8m from the sale of North Place / Portland Street car parks in January 2014 and, with further capital receipts, has a total of circa £8m available to finance capital investment. This is a 'once in a lifetime' opportunity to deliver some significant projects for Cheltenham which make a contribution to the local economy and the Council's Medium Term Financial Strategy (MTFS) funding gap.
- 3.2 In July 2014, as part of the financial outturn report, the Council published a list of potential projects which could be funded / part funded from this receipt which exceed the funding available.
- 3.3 Since then, work has been undertaken to refine the list, understand more fully the nature of the requests and evaluate the options against corporate plan and financial objectives. Some of the items better fit in the council's Planned Maintenance Programme (PMP) and have therefore been removed from the list and are now included in the PMP e.g. regular de-silting of Pittville Lake.
- 3.4 In addition, as part of the budget consultation process for 2015/16, the Council went out to consultation on some of the options. The consultation generated a good response from residents, the business community and specific interest groups e.g. the Civic Society. This was summarised in the budget report to Council in February 2015.
- 3.5 Having considered the options, the Cabinet is proposing taking this opportunity to set out its longer term aspirations for where property investment should be made. The allocation of this money may require further review including the development of business cases. In some cases the funding may not be required for a number of years, which provides the Council with an opportunity in the meantime to use the capital receipt to achieve the Council's corporate objectives.
- 3.6 The Cheltenham Trust submitted a revenue bid of £120k to fund the development of a number of key strategies which outline the 10 year vision for the development of the services and buildings now within the Trust. The strategies would support applications to major funding bodies e.g. the lottery or Arts Council. Further consideration of this is required and a source of financing has yet to be identified. Accordingly, it is proposed to defer a decision on support for this until the Council's financial outturn report in July 2015.

4. Planned Maintenance Programme

- 4.1 In approving the budget for 2015/16, the Council agreed to set aside £850k to support the planned maintenance programme (PMP) for 2015/16.
- 4.2 The PMP has been reviewed as part of the work to progress the AMP and a summary of the plan for 2015/16 is attached at Appendix 5 for approval. Work will continue to further update the PMP

to reflect recent condition surveys for the council property in order to arrive at a fully costed updated PMP for a 10 year period.

- 4.3** As part of this process, the Council is developing an equipment replacement programme to include the cyclical replacement of equipment required to deliver services. This will include not only services delivered directly by the Council, but those delivered by its partners e.g. Ubico and the Cheltenham Trust, where the Council is responsible for the replacement and funding of equipment. The programme will provide a comprehensive overview of future equipment needs and funding requirements over a 10 year period.

5. Reasons for recommendations

- 5.1** The Council needs to determine the policy and objectives from which it can develop a more detailed strategy for the use and management of its assets.

6. Alternative options considered

- 6.1** In reviewing the AMP, a number of options for use of the capital receipt from the sale of North Place and Portland Street car parks were considered including the potential to repay debt.

7. Consultation and feedback

- 7.1** Consultation has been undertaken with residents, the business community and specific interest groups e.g. the Civic Society. Internally the AMWG and Budget Scrutiny Working Group have also been consulted.

8. Performance management –monitoring and review

- 8.1** The AMWG will be used to monitor performance of the property portfolio.

Report author	Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Asset Management policy 3. Revised Terms of Reference for the AMWG 4. Cabinet’s key property investment aspirations 5. Planned Maintenance Programme for 2015/16
Background information	<ol style="list-style-type: none"> 1. Budget report to Council February 2015

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 council do not use the receipt from the sale of North Place and Portland Street car parks wisely, then it may not deliver a financial contribution to the MTFS	Mark Sheldon	11/3/15	4	3	12		Fully and objectively evaluate the financial implications of the options (including the development of business cases) for investment of the capital receipt.	31/3/2020	Mark Sheldon	
	If the council does not use the receipt from the sale of North Place and Portland Street car parks wisely, then it may not deliver the outcomes in the councils corporate plan	Mark Sheldon	11/3/15	4	3	12		Fully and objectively evaluate the options for investment of the capital receipt against the corporate plan outcomes.	31/3/2020	Mark Sheldon	
Explanatory notes											
<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>											

Cheltenham Borough Council - Asset Management Policy

Setting the Asset Management Policy in a corporate context

As part of the current review of the Council's corporate strategy, we have developed a proposed vision statement setting out our aspirational goals for the long-term future of Cheltenham.

Our vision is of a Cheltenham that delivers the very best quality of life for its people. We believe that the key elements in achieving this vision are to protect and enhance the built heritage and green spaces that have shaped the unique character of the town; to create the conditions in which businesses can thrive, innovate and provide good quality jobs; to make the town a world-class cultural and learning centre which is outward-looking and welcoming to visitors; to build strong, safe and healthy communities for residents and their families; and to accept our responsibility to present and future generations to live within environmentally sustainable limits.

The corporate strategy also focuses our efforts on three high level outcomes covering the issues that matter most to our residents, businesses and visitors. We also have a fourth, internal "transformation" outcome covering commissioning, asset management, business improvement and financial management. The outcomes are:

- Cheltenham's environmental quality and heritage are protected, maintained and enhanced.
- Cheltenham's economic and cultural vitality are sustained and increased.
- People live in strong, safe and healthy communities.
- Our Council is transformed so that we can continue to deliver our outcomes for Cheltenham and its residents.

The Council's management of its assets clearly has a role to play in achieving the corporate vision and the Asset Management Policy has been prepared with this in mind. The Policy also reflects the role that the property portfolio can have in helping to achieve the objectives of the Economic Development Strategy; and the important part that it can play in bridging the gap in future Council budgets.

Establishing a vision and clear objectives for Asset Management

VISION

Our vision for the Council's Asset Portfolio is:

'A fit for purpose property portfolio which drives delivery of our corporate vision and outcomes'

ASSET MANAGEMENT POLICY

Our specific asset management policy objectives are:

1. **To use our assets to sustain and grow Cheltenham's economic and cultural vitality and make a positive contribution to people's lives.**
 - To invest in quality, public realm renewal (supported by the Cheltenham Development Task Force) in order to improve the street scene, attract business and remain economically competitive.
 - To use our own investment programme to encourage and promote private sector infrastructure investment and lever in other funding in order to strengthen the local economy and the town's cultural offer.

- Page 30
- Wherever possible, to bring forward vacant sites for development to help businesses set up, invest and create employment in the town.

2. To maintain a 'fit for purpose' property portfolio to support service delivery

- To provide specialist property support and advice where appropriate to facilitate and improve service delivery, by implementing the corporate landlord model.
- To minimise the environmental impact of the portfolio, particularly water and energy use and the associated level of greenhouse gas emissions.
- To maintain the portfolio to a standard that complies with current legislation in particular, health and safety and to ensure that buildings are fit for purpose, sustainable and provide access for all members of the community, through our planned, routine and reactive maintenance programmes.

3. To make a positive contribution to the Council's financial position.

- To optimise the utilisation and rationalisation of property assets, thereby minimising the level of void and surplus property and associated maintenance spend.
- To optimise growth and regeneration opportunities through the release of surplus sites.
- To realise capital receipts from disposal of surplus property, where option appraisals demonstrate that retention is unviable or less financially attractive than alternative options.
- To optimise the rental income of existing non-operational investment properties, while also seeking opportunities to grow rental income through selective property investment.
- To minimise the management costs associated with holding property assets.
- To plan for the current and future spending on the portfolio.
- To demonstrate value for money in the management and maintenance of the portfolio, supported by effective procurement.
- To work with partners and other public bodies to ensure that the shared use of assets is explored and optimised wherever possible using a joined up approach to service delivery to improve outcomes for our customers and communities which will reduce property costs, generate income and better value for money.
- To explore opportunities to manage the portfolio differently where properties are performing poorly.
- To work closely with Cheltenham Borough Homes to refurbish properties, regenerate neighbourhoods and deliver new and affordable housing.
- To regularly review the Third Sector policy.

Asset Management Working Group (AMWG)

Terms of reference

- To serve as a forum for consultation on property decisions to support the formal decision making process in line with the constitution.
- To support and make recommendations on the strategic direction of the management of the Council's assets.
- To scrutinise and review the performance of the asset portfolio.
- To review and challenge the commercial property portfolio to ensure that assets are held which provide benefits and outcomes for the Council and the community and provide the most effective return, minimising cost and maximising return.
- To review the policy for property support to the third sector, voluntary and community groups and the financial implications for the council.
- The Working Group will have no delegated authority to make any decisions or commitments

Membership

- Cabinet Portfolio Member
- Other representative members of the political groups

The Head of Property Services, Director of Corporate Resources (Section 151 Officer) and solicitor will attend meetings of the Working Group, as well as other Cabinet members, strategic directors and officers as appropriate.

Meetings

- Regular meetings will be scheduled in the council diary
- Additional meetings may be convened if urgent items need to be considered ahead of Cabinet / Council meetings.
- The Group will elect its own chairman, who will not necessarily be the Cabinet Member responsible.

Reporting Structure

- Briefing Notes will be prepared for Cabinet where the AMWG considers it appropriate
- Where items require a decision reports will be prepared and submitted either to the Cabinet Member, Cabinet or full Council under the appropriate procedure in the constitution.

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New capital projects

The “wish list” of new capital projects which was drawn up last summer has been through a number of processes, namely:

- It has been assessed against corporate objectives.
- It has been assessed for deliverability, likely costs and potential return on investment.
- It has been submitted to a public consultation process as part of the 2015 budget.

As a result of this process, the 10 most deliverable and well-supported projects are as follows (in order of public preference):

1. Town Hall redevelopment scheme (estimated at £2.4 million)
2. New sports and play hub at the Prince of Wales Stadium (£1.843 million)
3. New public square at Boots Corner (£2 million)
4. Improved facilities for community sport and new gym facilities at leisure@Cheltenham (£433,000)
5. Relocation of the council HQ to another office building to cut the council’s ongoing accommodation costs (£2.5 million)
6. Investment in the crematorium to replace the cremators and improve facilities (£1 million)
7. Improvements in car parking provision (£3.7 million)
8. Investment in the Pittville Park play area (£300,000)
9. Small scale renewable energy initiatives including solar panels on council-owned buildings (£1 million)
10. Permanent electricity supply to Imperial and Montpellier Gardens for events (£180,000)

On these projects, the Cabinet’s view is as follows:

1. Town Hall redevelopment

The opportunity to move forward with a redevelopment of the Town Hall, in order to make it a 21st century venue, is too good to miss. Our aim here would be to contribute £2.4 million of council capital in order to attract grants from the Heritage Lottery Fund and trusts and also maybe from commercial partners. However, further work needs to be done to work up a detailed scheme, to cost it, and to fully explore the business case. The Cabinet therefore proposes to allocate the £2.4 million in two separate amounts, of which £400,000 will be committed immediately for further detailed work in order to design a scheme that is robust and detailed enough to present to external funders; and £1.8 million will be held in reserve as the Council’s contribution to the works, with the intention of topping this up to £2 million, pending a detailed scheme being approved.

2. New sports and play hub

The Cabinet supports this scheme in principle but would like to see further work carried out on it to establish a business case and explore whether the additional income stream from the new facilities could support prudential borrowing.

3. New public square at Boots Corner

In supporting the Cheltenham Transport Plan, the Council committed itself to funding public realm works in and around Boots Corner. It may be some time before the precise nature of the road arrangements at Boots Corner is known. However it is important that the Council should stand ready to meet its commitment; and for that reason the Cabinet proposes that £2 million should be held in reserve for this scheme.

4. Improved facilities for community sport and new gym facilities

As with the sports and play hub, the Cabinet supports this scheme in principle but would like to see further work carried out on it to establish a business case and explore whether the additional income stream from the new facilities could support prudential borrowing.

5. Relocation of the council HQ

This relocation has been a key element in the Council's medium term financial strategy for some years. The current accommodation strategy was supported almost unanimously (with only one abstention and no votes against) when it came to Council last March. The Council is working to deliver an annual saving target of £200,000. Work has been in hand to identify suitable accommodation for the past three years. If it can be found, at an acceptable price and in a way that meets the Council's other agreed requirements, it is likely that the acquisition cost would be met by a combination of a contribution from capital and prudential borrowing. The Cabinet therefore proposes that £2.5 million should be held in reserve for this project.

6. Investment in the crematorium

There is clearly going to be a requirement to invest in the crematorium to replace the cremators in the next few years and this may also be an opportunity to improve the facilities more generally. Part of the cost of this investment could potentially come from prudential borrowing, as the facility has very substantial income-earning potential. However the Cabinet proposes that the Council should also earmark £1 million from capital for this project.

7. Improvements in car parking provision

Part of the rationale for this item was that the Council might consider decking one of the surface car parks in the town centre, with the intension of releasing an existing surface car park/s for potential redevelopment. This will be the subject of a separate car parking strategy review.. The Council has also committed to creating a temporary new car park on the Shopfitters/Synagogue Lane sites. Work will continue to secure the new public car park which the new owners of the North Place site are committed to providing.

8. Investment in the Pittville Park play area

This project was initiated with a view to creating a state of the art play area capable of attracting not just families from across the town but visitors from a wide area outside it. It is seen as a £490,000 scheme with £300,000 being contributed by the Council and £190,000 by other funders. This scheme has the benefit of being deliverable more quickly than some of the bigger projects on the list. It is also different from the other leisure proposals on the list in catering more directly for the needs of families with young children. The Cabinet proposes that £300,000 be allocated to this project.

9. Small scale renewable energy initiatives

The Cabinet wishes to explore this further as a 'invest to save' initiative but is not proposing at present to allocate capital to it, as there may be other ways of funding it.

10. Permanent electricity supply to Imperial and Montpellier Gardens

This proposal was originally suggested as a way of relieving residents from the noise and other damage caused by the use of heavy generators at events in the gardens. However, the two local organisations FISG and FOMBAG have now objected strenuously to the idea. At the same time, work recently done by our property maintenance officers has revealed that the work is likely to be more costly and complicated than was at first thought, with a cost estimated at £300k for the two gardens. It would also involve creating a substantial permanent building at each location, with a resulting visual impact. The proposal is not therefore being proceeded with, though further discussions will certainly take place with interested parties including FISG, FOMBAG and Cheltenham Festivals and alternative solutions may come forward.

The Cabinet's proposals in summary

To summarise the Cabinet's proposals to Council, they are:

- (i) To allocate £400,000 for preliminary work on the Town Hall redevelopment scheme; and to hold a further £1.8 million in reserve as the Council's contribution to works, subject to the Council approving a detailed scheme and a business case.
- (ii) To hold £2 million in reserve for public realm improvements pending the completion of the Cheltenham Transport Plan process.
- (iii) To hold £2.5 million in reserve for relocation of the council HQ.
- (iv) To hold £1 million in reserve for investment in the crematorium, pending the Council approving a detailed proposal including a business case.
- (v) To allocate £300,000 for investment in the Pittville Park play area.

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Appendix 5 - Planned Maintenance Programme 2015-2016

Summary By Budget Category

Budget Definitions

PMR Planned Maintenance Revenue
 FFE Furniture, Fixtures & Equipment
 MCS Minor Capital Schemes

Sum of Estimated Cost				Financial Year	Priority	Budget Code	
				2015/16			2015/16 Total
				1			
Property Name	Asset Use	Element	Description	PMR	FFE	MCS	
All Properties (H&S)	All	All	Consequential works from FRAs/ risk management inspections	15,000.00			15,000.00
			Professional Services to prepare new asbestos registers for all Operational buildings	25,000.00			25,000.00
			Professional Services to prepare new legionella registers for all Operational buildings	25,000.00			25,000.00
	Infrastructure	Fixings	Replacement of advertising banner lamp post brackets/ fixings	20,000.00			20,000.00
Beeches Pavilion	Leisure	Doors	Redecorations to doors/frames, including minor repairs	1,500.00			1,500.00
		RWGoods	General repairs to rainwater goods	500.00			500.00
		Walls	Redecoration to render, including minor masonry/render repairs	1,500.00			1,500.00
Civic Amenity Centre	Industrial	Equipment	Replacement of compactors		75,000.00		75,000.00
		Fixtures	Repainting of all Borough re-cycling storage bins		4,000.00		4,000.00
			Replacement of 'Battery' storage containers Replacement of re-cycling storage bins		4,000.00 10,000.00		4,000.00 10,000.00
Naunton Park Pavilion	Leisure	All	Refurbishment of sports changing room facilities	100,000.00			100,000.00
Pittsville Boat House	Leisure	Woodwork	Redecorations to timber frame, cladding, doors and windows, inc. minor repairs	3,000.00			3,000.00
Pittsville Pump Room	Leisure	Mechanical	Replacement of front entrance door curtain	5,000.00			5,000.00
Pittsville Recreation Centre	Leisure	Drainage	Replacement of flood water discharge pipework	45,000.00			45,000.00
		Floors	Replacement of vinyl floors to Squash Courts	5,000.00			5,000.00
Pittsville Swimming Pool	Leisure	Transportation	Repairs to poolside spectator access lift for disabled patrons	4,000.00			4,000.00
Prince of Wales Stadium	Leisure	Control Systems	Fire detection systems upgrade (all areas)	20,000.00			20,000.00
		Electrical	Emergency lighting upgrade (all areas)	15,000.00			15,000.00
		Surfaces	Re-formation of ground levels/ replacement of defective car park grasscrete panels	80,000.00			80,000.00
Promenade Long Gardens	Leisure	Electrical	Reconfiguration of historic lighting electrical supplies to CBC metered supply	10,000.00			10,000.00
Royal Well Bus Station	Community	Any	Removal of existing waiting rooms & provision of new waiting concourse/ shelters			50,000.00	50,000.00
Town Hall	Leisure	Covering	Replacement of flat roof covering over Catering Office	24,000.00			24,000.00
		Mechanical	Replacement of 2Nr roof extract fans serving the Buffet Room Replacement of air handling unit/system serving Buffet Room	4,500.00 5,000.00			4,500.00 5,000.00
		Walls	General repairs to external stonework	5,000.00			5,000.00
Tramway Cottage	House	Doors	Replacement of front door and associated furniture/ironmongery	1,000.00			1,000.00
Christmas Illuminations	Leisure	Lighting	Replacement LED lighting festoons and lamp-post sails	5,000.00			5,000.00
St Mary's Churchyard	Community	Walls	50% contribution to rebuilding of boundary wall	10,000.00			10,000.00
Arle Nursery	Workshop	Equipment	Irrigation System repairs Thermal Screens repairs	5,000.00 5,000.00			5,000.00 5,000.00
		Roof	General repairs to glazing/seals including cleaning	7,000.00			7,000.00
		RWGoods	Clean box gutter and re-seal mastic joints as necessary	1,000.00			1,000.00
		Structure	Replace polythene sheeting to poly-tunnel (rolling programme)		2,500.00		2,500.00
Municipal Offices	Office	Equipment	Replacement of AV equipment with iGel compatible TV screens		2,500.00		2,500.00
		Scaffolding	Scaffolding for remedial repairs to front elevation fascia stonework	3,000.00			3,000.00
		Stonework	Remedial repairs to front elevation fascia stonework	9,000.00			9,000.00
Central Depot	Industrial	All	Professional services to carry out CAD measured building survey	12,000.00			12,000.00
		Mechanical	Replacement of central heating pumps	5,000.00			5,000.00
		Surfaces	General repairs to access roads/kerbs	10,000.00			10,000.00
Cheltenham Crematorium	Other	All	Professional services to carry out CAD measured building survey	5,000.00			5,000.00
		Equipment	Replacement of Ash Processor equipment		24,000.00		24,000.00
St. George's Road Car Park	Car Park	Surfaces	Surface patch-repairs to macadam warring course and line painting	20,000.00			20,000.00
High Street Car Park	Car Park	Surfaces	Surface patch-repairs to macadam warring course and line painting	10,000.00			10,000.00
St. James's Street Car Park	Car Park	Surfaces	Surface patch-repairs to macadam warring course and line painting	10,000.00			10,000.00
Town Centre East Car Park	Car Park	Surfaces	Relining of all levels to accommodate larger parking spaces			100,000.00	100,000.00
			Rolling programme - deck surface/ expansion joint repairs & line painting	40,000.00			40,000.00
All Properties (Pavilions)	Leisure	Doors	Replacement of 'pass' keys and lock cylinders (all Pavilions and key-holders)	2,000.00			2,000.00
Sub Totals:				574,000.00	122,000.00	150,000.00	846,000.00

**Cheltenham Borough Council
Cabinet - 14 April 2015
Council - 14 April 2015
Accommodation strategy**

Accountable member	John Rawson, Cabinet Member for Finance
Accountable officer	Mark Sheldon, Director of Resources
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>The Council has had a long term aspiration to relocate to modern, more flexible office accommodation which meets both existing and future needs, improves customer experience and provides better value for money for the tax payers of Cheltenham. This was restated at the Council meeting of 31st March 2014.</p> <p>The report and supporting business case outlines the case for relocation and considers how each option meets the Council’s desired outcomes.</p>
Recommendations	<p>Cabinet resolves:</p> <ol style="list-style-type: none"> 1. To acknowledge that remaining in the Municipal Offices is not a viable option for the future. 2. To acquire the freehold interest in the property described in Appendix 3, at a price not exceeding the budgets set out in Appendix 3, and subject thereto authorises the Head of Asset and Property Management to negotiate terms for the acquisition and the Borough Solicitor prepares such documents as she considers necessary or appropriate to conclude the acquisition 3. To authorise officers to investigate options for the future of the Municipal Offices, including the process for securing a partner to enter into a joint venture for the redevelopment of the Municipal Offices as per section 5 of the report. <p>Cabinet recommends that Council:</p> <ol style="list-style-type: none"> 4. Allocates the budgets for financing the acquisition and refurbishment as detailed in Appendix 2 and 3.

Financial implications	<p>As outlined in the report and supporting business case.</p> <p>Contact officer: Mark Sheldon <u>Mark.sheldon@cheltenham.gov.uk</u> 01242 264123</p>
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<p>Legal implications</p>	<p>The Authority has a statutory power to acquire property for the purposes of its operation. There is a general obligation to act prudently with regard to the price paid and the asset acquired. Any acquisition would be subject to legal checks to ensure the Authority obtains good title.</p> <p>Stamp Duty Land Tax (SDLT) will be payable on the purchase price (currently 4% where the purchase price is £500,000 or more). VAT implications would also have to be considered.</p> <p>It is too early to make specific legal comments in respect of the possible future of the Municipal Offices. Any disposal of the freehold, or lease of more than 7 years, would have to be at best consideration unless the Secretary of State's consent is obtained (whether general or specific). Detailed legal comments will be forthcoming when clearer proposals for the building are available.</p> <p>Contact officer: Rose Gemmell, rose.gemmell@tewkesbury.gov.uk 01684 272014</p>
<p>HR implications (including learning and organisational development)</p>	<p>The programme will require significant HR resource which has yet to be properly assessed. An office move will have a significant impact on staff which will require engagement and consultation with directly employed staff, the recognised trade unions and our shared service / service delivery partners.</p> <p>Contact officer: Julie McCarthy, julie,mccarthy@cheltenham.gov.uk 01242 264355</p>
<p>Key risks</p>	<p>See risk assessment at Appendix 1 and Appendix 4.</p>
<p>Corporate and community plan implications</p>	<p>The options are assessed against the Council's corporate plan objectives in the business case at Appendix 2.</p>
<p>Environmental and climate change implications</p>	<p>The proposals have the potential to reduce the Council's carbon footprint through the relocation to a purpose built office which can be adapted to deliver environmental benefits.</p> <p>The decision between new build and use of an existing building needs to consider the benefits of utilising an asset that may become vacant against potential energy savings from new build technologies.</p>
<p>Property/Asset Implications</p>	<p>The Council has an obligation to demonstrate value for money for taxpayers and best consideration in terms of any purchases it makes. The Net Present Value demonstrates clearly that, financially, the option which minimises cost for the council is the acquisition of a town centre office. The rationale is outlined in the business case.</p> <p>Contact officer: David Roberts, david.roberts@cheltenham.gov.uk 01242 264151</p>

An equalities impact assessment of the preferred option is outlined at Appendix 5.

1. Background

- 1.1** Cheltenham Borough Council (CBC) has had a long term aspiration ***‘to relocate to modern, more flexible office accommodation which meets both existing and future needs, improves customer experience and provides better value for money for the tax payers of Cheltenham’***. The Budget Strategy assumes a savings target from the accommodation strategy project of £100k in 2016/17 rising to £200k per annum by 2017/18.
- 1.2** At the full Council meeting held on 31st March 2014, members agreed to widen the brief for an alternative office location to include ‘new build’ and to consider an ‘out of town’ location. At this meeting members expressed widespread support for a move away from the Municipal Offices, potentially bordering on frustration that this strategy is taking so long to come to fruition. In the minutes of the meeting, it was noted by the Cabinet Member for Finance that there had been a change in attitude from both the public and councillors over the last three years in favour of relocating the council offices. The policy outlined in the report received almost unanimous support from members, with just one abstention being recorded and no votes against.
- 1.3** The accommodation strategy also has the potential to assist in the delivery of the Corporate Strategy. Given that key elements of this strategy include enhancing the built environment, building strong and sustainable communities and contributing to wider economic benefit, it can be seen that relocation could add value to all elements. The release and re-use of the Municipal Offices would certainly add greater value to the economic performance of the town than a half occupied public building. Equally, the Council retaining a central location adds value by retaining office based employment, which evidence suggests helps support the vitality of the High Street and retail core.
- 1.4** CBC has operated from a cluster of former houses (originally 5 but ultimately 13) for nearly a century. Fit for purpose office space could deliver significant benefits especially in terms of the total quantum of space required to deliver services. Equally modern flexible spaces can assist in greater integration between delivery teams, currently extremely difficult because of the cellular nature of the building.
- 1.5** Officers have been exploring various options over a considerable period of time with some being discounted at an early stage. These include:
- (i) Having a split site with an out of town solution and a town centre “shop” presence. This is not justifiable on cost and staffing grounds as the scale of overall operation diminishes and a retail style presence would be prohibitive on cost grounds.
 - (ii) Separating the existing Municipal Offices vertically. This would be hugely costly as all of the service and utility runs are horizontal and even if achieved still results in old cellular space in contradiction of the vision set out in 1.1 above.
- 1.6** The detailed business case at Appendix 2 and financial appraisal at Appendix 3 (part of which is exempt as a result of commercially sensitive information), articulate the case for the relocation by CBC. In summary, relocating to new offices provides a range of potential benefits including
- Delivering the Medium Term Financial Strategy (MTFS) savings target.
 - Contributing towards the delivery of the outcomes in the Corporate Strategy.
 - Creating a fit for purpose office base for CBC and, potentially, space for partners in a public hub model.
 - Adopting a commercial approach to property holdings, by having space from which to develop a rental income stream and (depending upon location) to facilitate regeneration.
- 1.7** Further work has been carried out on the 2020 vision approach across the four authorities of CBC, Cotswold, Forest of Dean and West Oxfordshire which is helping to clarify the

organisations' direction of travel. This work is in its early stage but the need for a CBC presence in Cheltenham will continue into the future. The options under consideration offer the potential for more flexible space which may expand or reduce according to changing future needs and help to drive out savings across the 4 partner councils through accommodation rationalisation.

2. Update on work streams

- 2.1** Work has been undertaken to estimate the Council's future space requirements based on projected staffing numbers in 2016/17 taking into account service changes, shared service arrangements, the potential to work flexibly i.e. hot-desking which has resulted in a reduced estimate of space requirement to 30,000 ft². The Municipal Offices is 65,000 ft², hence currently the Council could be occupying less than half of the building.
- 2.2** CBC has been keen to adopt a more commercial approach to its office space. However, attempts to offer empty space within the Municipal Offices to other tenants including public sector partners have been greatly hampered by the inflexibility and tired nature of the building and the lack of car parking space, which make it an unattractive option.
- 2.3** Further investigation has been undertaken into existing buildings including the Quadrangle, John Dower House, ex. Kraft HQ, the ex HMV premises on the High Street and Cheltenham House. These have been ruled out for the following reasons:
- The Quadrangle has recently been sold to Aviva and is therefore now not an option.
 - John Dower house has been viewed and requires significant work and presents very similar problems to the Municipal Offices i.e. old cellular building at the front with a 1960s addition at the rear requiring significant expenditure but has now been sold for elderly residential development.
 - Ex Kraft HQ is a poor building which presented similar issues to the Municipal Offices but has now been sold for elderly residential development.
 - Former HMV store – very poor building requiring significant expenditure.
 - Negotiations over the potential acquisition of Cheltenham House ceased as a result of the owners deciding not to sell the building.
- 2.4** The decision to consider a new build option was a factor in the Council agreement to purchase the Shopfitters site from Gloucestershire County Council (GCC). This site provides an opportunity for a new build option combined with a car park, but equally it has other potential for long term development when considered with the CBC owned Chelt Walk car park.
- 2.5** The sale of North Place and Portland Street car parks provides a capital receipt which could help part fund an office acquisition.
- 2.6** The Cheltenham Transport Plan, if adopted, will reduce traffic in Royal Well and generate additional options to facilitate the redevelopment to the rear of the existing Municipal Offices. However the business case cannot be predicated upon that outcome as it is subject to a formal statutory process being progressed by GCC as highways authority.

3. Summary options appraisal

3.1 Currently, we are left with exploring 5 options:

1. Remain in the Municipal Offices and invest in planned maintenance programme;
2. A new build on the amalgamated Chelt Walk and Shopfitters site;
3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC.
4. A new build option on the consented site next to Asda, off Hatherley Lane; and
5. A new build option on the consented site at Honeybourne Gate, Jessop Avenue.

The full business case for relocation and the appraisal of the options which meet the brief is contained in Appendix 2.

3.2 All of the options considered recognise that there are major cultural and change impacts to be managed as a result of any relocation but the Senior Leadership Team are fully supportive. Whilst these need sensitive handling they also bring with them major benefits such as providing the platform and justification for accelerating the IT delivery infrastructure upgrades.

3.3 Equally there will need to be a strategy for dealing with civic activities and member facilities. This could include utilising other borough historical assets, such as the Pump Room or Town Hall subject to negotiation with the Cheltenham Trust. Meeting rooms will be dealt with by creating flexible spaces that can normally be used for smaller meetings but opened up to create large spaces where necessary e.g. for a full Council meeting or, in some of the options, be used for other organisations to bring in further income. This approach removes the anachronistic separation of electors and members and would bring CBC in line with many other councils.

3.4 Any option allows time for these questions and issues to be resolved long before any relocation is enacted. In fact a reasonable lead-in time is beneficial as it also allows for the effective marketing of the Municipal Offices. However, the plan would be to push forward the redevelopment of the Municipal Offices as soon as possible.

3.5 The table below summarises the analysis of the options explored in more detail in the business case at Appendix 2, including how they meet the outcomes in the Corporate Strategy for 2015/16.

	1. Remain in Municipal Offices (MO) and invest in planned maintenance programme	2. New build on amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build Honeybourne Gate
Availability	Yes	Yes	Yes	Yes	Yes
Council strategy - enhance built environment	No	Yes	Yes	Yes	Yes
Council strategy – strong & sustainable community	No	Yes – re-use of MO	Yes – re-use of MO	Yes – re-use of MO	Yes – re-use of MO
Contribution to wider economic benefit	No	Yes	Yes	Partial	Yes
Future opportunities	Limited	Yes - will incl. CBH	Yes – public sector hub	No	Limited
Dis-benefits	Does not meet CBC & customer needs	Public perception of new build	Relies on letting spare space	Perceived poor access as out of town centre. Public perception of new build.	Public perception of new build. May not allow partner sharing.
Timescale for delivery	2016 onwards	2018	Depends on negotiations	2017	2017

4. Financial evaluation and recommendations.

- 4.1 The financial analysis of each option is detailed in Appendix 3 (summarised below) which is partially exempt for commercial reasons.

	1. Remain in Municipal Offices (MO) and invest in planned maintenance programme	2. New build on amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build Honeybourne Gate
Net Present Value (NPV)	£4.599m	£5.376m	£2.628m	£6.184m	£10.948m
NPV Ranking	2	3	1	4	5
Meet savings target of £200k by 2017/18	No	No	Yes following redevelopment of MO.	No	No
Savings in running costs	Same	Yes	Yes	Yes	Yes
Viable funding proposals	No	No	Yes	No	No

Preferred option

- 4.2 Based on a comparison of the financial models and Net Present Values, the best financial option is option 3 - the relocation to a town centre building, initially as an investment option, which delivers annual savings of £68k per annum by 2024/25. As well as these savings, it is the only option which truly meets the 'prudential' borrowing criteria and meets the programme outcomes, as well as providing opportunity for further savings from the redevelopment of the Municipal Offices.
- 4.3 The target savings from the Accommodation Strategy are £200k by 2017/18. It is anticipated that negotiations with the head lessee to relocate CBC into the buildings earlier will bring forward the savings generated by the acquisition. It is anticipated that the balance of the savings target will be delivered from a combination of savings from the rationalisation / sharing of facilities management, additional business rates and ground rental income from a redeveloped Municipal Offices site. Based on 'off market' discussions in respect of the potential for redevelopment of the Municipal Offices, officers are of the view that the savings target could be significantly exceeded.

5. Recommendations

- 5.1 To acknowledge that remaining in the Municipal Offices is not a viable option for the future.
- 5.2 To acquire the town centre building, initially as an investment property, with the third party lease in place for 8 years.
- 5.3 Following acquisition, the council will negotiate with the head lessee to take up the space it requires once the council has a clearer understanding of timelines for the vacation of the Municipal Offices, providing it is mutually beneficial to both parties.
- 5.4 To commence the process of securing a partner to enter into a joint development for the redevelopment of the Municipal Offices.

6. Municipal Offices

- 6.1 It must be recognised that the infrastructure of the Municipal Offices is deteriorating. Whilst the maintenance programme ensures that health and safety issues and public areas are maintained, the building is showing signs of age and needing further investment e.g. the cost of a new swipe card door entry system alone is £30k and the Public Services Network (PSN) process highlighted the suggestion that the cabling around the building should be encased which may be very costly. Ultimately, whatever is spent on upgrading will still result in an inefficient office layout as reconfiguring the site to a more open-plan environment is undeliverable due to historical constraints such as listing; equally an upgraded office space will not attract partners to rent surplus space due to the configuration.
- 5.2 Any relocation option would allow the release of the existing Municipal Offices for alternative use. Clearly the simplest option would be a reversion to residential dwellings, remembering that the current suite of offices was converted from 13 former houses. However, this would not necessarily produce the greatest benefits for the town. Its location on the High Street / Promenade "T" puts it in the heart of the prime commercial zone, and long term it is likely that greatest benefit for the town will be achieved by pursuing a mixed use strategy that complements the existing ambience of the Promenade. Whilst a conversion to residential may secure the highest short term capital receipt, a commercial or mixed use solution could secure long term benefits for the whole borough through a revenue stream.
- 5.3 Councillors as well as residents of the town are concerned to ensure that the Council retains a high degree of control over the present Municipal Offices building in the future. Whether in use as council offices or not, it will remain a very important part of the town's built heritage. For that reason, a straight market disposal, necessarily involving a loss of control of such a highly prominent, sensitive and critical site, is not considered appropriate. For the same reason, it is also essential that the existing Municipal Offices building should not be left vacant for any significant length of time and that remodelling of the building should start as soon as the Council moves out.
- 5.4 Another reason for rejecting the idea of a straight market disposal is the potential income stream that the Council could gain from the current Municipal Offices building in the future. Off-market soft testing of the site along with some detailed analysis, critically of the historic context of the site, has produced some solid interest, including interest on the part of potential commercial partners in the possibility of a joint venture approach.
- 5.5 Because of the importance of the Municipal Offices to the town and its potential financial value to the Council, it is proposed that any decision to relocate is aligned with a disposal strategy. The

nature of any proposal is not fixed but a revised brief was approved in 2013 which allows significant flexibility within the constraints of the historic environment. Further work and Cabinet support would be required to finalise a strategy but much of the preparatory work has already been undertaken. It is anticipated that an exercise would be undertaken to secure a potential joint venture partner based upon a range of factors including previous credible experience and delivery on sensitive sites; financial capacity and a base-line proposal that accords with the town's ambitions. The selection of a partner would then allow for detailed joint working to deliver a fully consented scheme within the timescales identified for relocation.

- 5.6** A further issue to be factored in to any decision will be an Equality Impact Assessment. It is recognised that the current Municipal Offices are not compliant with the current legislation. A formal independent report was commissioned under the former Disability Discrimination Act 1995. This Access Audit prepared by Evans Jones in 2005 identified significant access challenges mainly arising from the historic nature of the site, and whilst some of those recommendations or reasonable adjustments were not implemented as a result of the building's listed status, it is very clear that the building does not project an inclusive image with particular access challenges for people in three distinct groups within the community:- people with disabilities; older people / children and young people; pregnancy and maternity. It is a given that any relocation option needs to improve upon this situation. An assessment of the preferred option is set out at Appendix 5 but is exempt for commercial reasons.

7. Reasons for recommendations

- 7.1** The business case and financial analysis demonstrates that the acquisition of a town centre office meets the objectives of the accommodation strategy and is the best option for the Council. As such, it is recommended that the Council agree to purchase a town centre office for an alternative office location.
- 7.2** The plan would be to push forward the redevelopment of the Municipal Offices as soon as possible. The vision for the Municipal Offices is to deliver a mixed use development e.g. a potential hotel, retail and leisure activities achieved by reconfiguring the Municipal Offices at the rear, removing the unsightly additions to the original building and the creation of a new public space to complement the Royal Crescent. Rather than sell the building for a one off capital sum, it may be more prudent to secure a longer term annual income stream, through a ground rent or performance share, to help support the Council's revenue budget and funding gap. The outcome, yet to be determined, may be a combination of revenue and a one off capital sum. Accordingly, it is recommended that Council agree to commence the process for securing a partner to enter into a joint venture for the redevelopment of the Municipal Offices.

8. Alternative options considered

- 8.1** As outlined in the business case.

9. Consultation and feedback

- 9.1** The Budget Scrutiny Working Group, Asset Management Working Group and Group Leaders have been consulted.
- 9.2** The Cheltenham Development Task Force have been very much involved and an integral part of the project and are fully supportive of a relocation which triggers the redevelopment of the Municipal Offices and potential improvement to the public realm in Royal Well.
- 9.3** The timescales for the acquisition are tight and complex as they involve three contracting parties i.e. the current ownership, CBC and the current long leaseholder. The objective would be to exchange contracts as soon as all parties have secured necessary consents. The other

contracting party wishes to complete by 30th April 2015.

- 9.4 The project has the ability to drive step change in the way in which the CBC operates. As such, CBC will need to engage with key stakeholders in order to deliver the best outcomes for CBC and its partners including members, staff, Senior Management, key support services, Ubico and the Cheltenham Trust, Trade Unions, partner councils, town centre businesses, media and the public.
- 9.5 CBC undertakes annual consultation as part of the annual budget setting process on its approach to setting the annual budgets and the longer term strategy for closing the funding gap. The public are keen to see valuable front line services protected from cuts. There has been very little adverse comment about the desire to reduce the cost of the administrative overhead of CBC. The proposal is likely to deliver savings in the budget strategy and therefore help protect services. The recent consultation undertaken in respect of the potential use of the receipt from the sale of North Place/Portland Street car parks showed a high level of support for an office relocation and redevelopment of the Municipal Offices. Of the projects listed, it registered the fifth highest level of support.

10. Performance management – monitoring and review

- 10.1 Via regular operational programme board reports to the Senior Leadership Team, the Budget Scrutiny Working Group, Asset Management Working Group and members briefings.

Report author	Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk 01242 264123
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Business case 3. Financial projections / funding proposals 4. Detailed programme risk assessment 5. Equalities impact assessment of preferred option
Background information	<ol style="list-style-type: none"> 1. Budget Strategy 2015/16- 2018/19

The risks for each option are set out in the business case. However, the headline risks for each option are summarised below.

	1. Remain in Municipal Offices	2. New build on amalgamated Chelt Walk & Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build Honeybourne Place Jessop Ave
Key risks	<p>Bridging the Gap savings targets are not met resulting in need to find cuts in services to compensate.</p> <p>Unable to deliver key corporate strategy targets for the economy.</p> <p>Reputational impact of staying in MO i.e. building becoming shabby.</p>	<p>Building in central conservation area and likely level of public scrutiny may cause costs to escalate.</p> <p>Risk of holding two buildings.</p> <p>Ensuring that value for money criteria is demonstrated. This will include consideration of a range of factors including new build costs per ft², changing the approach of CBC to a more commercial one and releasing the existing MO.</p> <p>Assumes regeneration proposals for MO remain attractive to commercial developers and that an</p>	<p>Too large for CBC requirements therefore will rely on rental stream from tenants.</p> <p>Risk of holding two buildings.</p> <p>Ensuring the value for money criteria is demonstrated which considers a range of factors including a purchase price greater than “red book” valuation, but cheaper than new build costs per ft², changing the approach of CBC to a more commercial one and releasing the existing MO.</p> <p>Assumes regeneration proposals for MO remain</p>	<p>Risk of holding two buildings.</p> <p>Ensuring that value for money criteria is demonstrated. This will include consideration of a range of factors including a “red book” valuation, new build costs per ft² and releasing the existing MO.</p> <p>Assumes regeneration proposals for MO remain attractive to commercial developers and that an acceptable planning consent can be</p>	<p>Building in central conservation area and likely level of public scrutiny may cause costs to escalate</p> <p>Risk of holding two buildings.</p> <p>Ensuring that value for money criteria is demonstrated. This will include consideration of a range of factors including a “red book” valuation, new build costs per ft², and releasing the existing MO.</p> <p>Assumes</p>

		acceptable planning consent can be secured. (Worst case would be permitted development rights to convert a former office into residential – subject to government continuing such rights)	attractive to commercial developers and that an acceptable planning consent can be secured. (Worst case would be permitted development rights to convert a former office into residential – subject to government continuing such rights)	secured. (Worst case would be permitted development rights to convert a former office into residential – subject to government continuing such rights)	regeneration proposals for MO remain attractive to commercial developers and that an acceptable planning consent can be secured. (Worst case would be permitted development rights to convert a former office into residential – subject to government continuing such rights)
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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

DOCUMENT COVER SHEET

Programme / project name : Accommodation Strategy
Title : Strategic Business Case
Senior Responsible Officer / Project sponsor : Mark Sheldon
Status : Final
Filename : Business Case Template.doc
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Author : M Sheldon / J Williamson / D Roberts

Document Control Sheet

Document Location

Shared drive: S\ special projects\accommodation strategy\reports

Changes History

Release	Date	Description
0.01	02/06/14	Initial draft JW/MS/DR

0.02	02/06/14	MS revisions incl. financial implications
0.03	05/06/14	Further MS revisions
0.04	11/06/14	Includes JW/DR revisions
0.05	16/05/15	Revisions to reflect March 2015 options
0.06	23/03/15	Revision to include Cabinet member comments
0.07	24/03/15	Revision to reflect final negotiations
0.08	25/03/15	Published version to support AMWG / BSWG
0.09	27/03/15	Revision to reflect outcome of AMWG / BSWG
1.0	02/04/15	Published version to support preferred option for council 14/04/15

Changes Planned

The document will be kept under review and modified as appropriate.

References

2015/16 Corporate Strategy

Working Flexibly Project 2014

Contents

- 1 Introduction**
- 2 Update on workstreams**
- 3 Options appraisal**
- 4 Financial Analysis**
- 5 Recommendations**
- 6 Key Risks**
- 7 Other considerations**

- 1.1** The Council has had a long term aspiration '**to relocate to modern, more flexible office accommodation which meets both existing and future needs, improves customer experience and provides better value for money for the tax payers of Cheltenham**'. The latter being achieved by delivering the Medium Term Financial Strategy which assumes a savings target from the accommodation strategy project of £100k in 2016/17 rising to £200k per annum by 2017/18.
- 1.2** At the full Council meeting held on 31st March 2014, members agreed to widen the brief for an alternative location to include 'new build' and to consider an 'out of town' location.

2.0 Update on work streams

- 2.1** Further work has been undertaken to estimate the Council's future space requirements based on service manager's projection of their estimated staffing numbers in 2016/17 taking into account service changes, shared service arrangements, the potential to work flexibly i.e. hot-desking or homeworking and any other activity which may impact on staffing numbers. This resulted in a reduced estimate of space requirement to 30,000 ft² by 2016/17.
- 2.2** The Municipal Offices extends to 65,000 ft² hence currently the Council could be occupying less than half of the building. Unsuccessful attempts have been made to offer space to other tenants including public sector partners. This reflects the inflexibility and tired nature of the building and the lack of car parking space, which make it an unattractive option to prospective tenants.
- 2.3** The consideration of a new build option is enhanced by the Council's agreement to purchase the Shopfitters site from GCC which provides an opportunity for a new build combined with a car park. Two other sites with existing planning consents, namely Hatherley Lane and Jessop Avenue have also been considered.
- 2.4** A capital receipt from the disposal of the North Place & Portland Street car parks could help part fund an office acquisition.
- 2.5** Progression of the Cheltenham Transport Plan. The Traffic Regulation Order Committee recommended implementation of the whole scheme with the Boots Corner element being on an experimental 10 month trial basis. This may ultimately reduce traffic in Royal Well and generate options to facilitate the redevelopment to the rear of the existing Municipal Offices. However the business case cannot be predicated upon that outcome as it is subject to a formal statutory process being progressed by GCC as highways authority.

3.0 Options Appraisal

3.1 The business case explores the following 5 options:

1. Remain in the Municipal Offices and implement the planned maintenance programme;
2. A new build on the amalgamated Chelt Walk and Shopfitters site;
3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC
4. A new build option on the consented site next to Asda, off Hatherley Lane; and
5. A new build option on the consented site at Honeybourne Gate, Jessop Avenue.

3.2 Each option is explored in more detail in the table below, including how each option contributes to the Corporate Strategy 2015/16.

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Description	Existing location of council headquarters in iconic town centre building with inflexible space which does not meet existing or future needs of CBC or its partner organisations. Significantly over spaced.	Site currently part derelict and part car park. Potential BREEAM excellent new build Ability to build exact requirements for CBC needs.	Central building of c57,177ft ² purpose built 1990's office block. Includes 77 car spaces. Whilst more space than required by CBC allows sub-letting which generates income and shared costs of common areas.	Consented edge of town brownfield site with services already laid. Potential BREEAM excellent new build	Consented brownfield site Potential BREEAM excellent new build
Availability	CBC currently in occupation	Chelt Walk and Shopfitters now both owned by CBC. Proposal for demolition and temporary (up to 5 years) car park use initially, with option for new build in due course.	Building in ownership of a UK resident and confirmed willingness to entreat at a fixed price but would like speedy resolution of sale by 30/4/15.	Available now with an existing detailed planning consents (albeit for two buildings of 25,000 and 10,000ft ²) on a fully serviced plot. Car parking spaces to be confirmed.	Available now with an existing detailed mix use planning consent, circa 30,000 sq ft

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Council strategy Cheltenham's environmental quality and heritage is protected, maintained and enhanced	Remaining in occupation will result in the Municipal Office being protected to the extent of undertaking urgent remedial and H&S works but no enhancements unless significant investment is made.	Opportunity to improve a weak link between Royal Well and St James's areas of town through a demolition and new build strategy. Area is becoming an office hub for the town.	This proposal proposes re-using an existing office block and maintaining its use for employment. This will help reduce pressure for new build employment space in the green belt.	Utilises an edge of town site that is consented but not fully built out.	Utilises a site that is consented but not built out.
Council strategy sustain and grow Cheltenham's economic and cultural vitality	Town centre employment protected but no growth anticipated.	Whilst protecting town centre employment, this proposal also creates future potential employment and economic growth through the creative re-use of the existing Municipal Office building.	Whilst protecting town centre employment, this proposal also creates future potential employment and economic growth through the creative re-use of the existing Municipal Office building.	Protects employment but not in the town centre although it creates future potential employment and economic growth through the creative re-use of the existing Municipal Office building.	Protects employment land

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Contribution to wider economic benefit	Minimal opportunity to add economic value except for potential to add to the back of the building. Continued occupation by CBC precludes opportunity for redevelopment and hence ability to add further vitality to the west of the Promenade.	Combined site long overdue for improvement works – derelict site and poor quality surface car park. An office development would sit well with surrounding properties i.e. Jessop House, Festival House, St James’s House and create an office quarter. CBC would still retain a Town Centre presence and once the temporary car parking use on the Shopfitters site has expired it could be redeveloped for employment purposes.	Central location close to bus routes. Potential for a public sector hub but that would depend upon defined agreements to lease / appetite and alternative of sharing with commercial organisations. Retain spending of employees in town centre. Releases full redevelopment potential of Municipal Offices	Would bring into use a site that is readily available. Understood that there is other interest presently so potential third party displacement impact if CBC relocate to this site. Loss of spending of employees in town centre. Releases full redevelopment potential of Municipal Offices	Would bring into use a site that is readily available. Understood that there is other interest presently so potential third party displacement impact if CBC relocate to this site. Retains spending of employees in the town centre Releases full redevelopment potential of Municipal Offices

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
		Remain within commercial heart of town. Retain spending of employees in town centre. Releases full redevelopment potential of Municipal Offices			
Opportunities	Vision 2020 project assumes a saving from accommodation rationalisation. If CBC remains in MO, this could become the central hub although few operational efficiencies will flow because of building configuration.	Potential for employment development on Shopfitters, once larger scheme shape and size determined.	Changes the ethos of the organisation, from a typical owner-occupier to one utilising its assets for wider investment benefit. Creates flexible options: attract partners into a public sector hub; commercial single / multiple tenants and further reduce costs; potential to support local	Leaves Chelt Walk and shopfitters as a further development opportunity once town centre car park needs established. Potential for residential development on Shopfitters	Leaves Chelt Walk and shopfitters as a further development opportunity once town centre car park needs established.

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
			<p>economy through space for business start-up facilities (subject to cost/affordability).</p> <p>Leaves Chelt Walk and shopfitters as a further development opportunity once town centre car park needs established.</p> <p>Vision 2020 project assumes a saving from accommodation rationalisation, the delivery of which may be impacted if CBC commit to an alternative building. Given Cheltenham's central location in the county it may be that more staff are located in Cheltenham facilitating rationalisation of accommodation / delivery of savings in partner councils.</p>		

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Perceived dis-benefits	<p>Current building does not meet council's or customer's needs. It is too large for requirements and its configuration is not attractive for sub-letting opportunities.</p> <p>Poor treatment of rear facade unlikely to be addressed.</p> <p>Deferred planned maintenance over the last 5 years i.e. window frames need replacing, render repairs full external redecoration, flat roofs and coping stones would need to be financed in the short term.</p>	<p>Potentially reduces car park capacity and income in SW of town where CBC has least spaces. Building could include a decked car park but this would add further cost. For CBC question of site prominence.</p> <p>Public perception of new build given the current economic climate.</p>	<p>Acquiring a building that is already approaching 23 years in age, albeit reasonably well maintained, would not secure a BREEAM excellent rating. However, could target an energy performance certificate rating "B".</p> <p>If unable to secure or maintain tenants then risk of void "holding costs"; equally there are management costs associated with the tenanted space and managing the service charge.</p> <p>May have to undertake minimal property maintenance work in MO until relocation occurs.</p>	<p>Not central although on service D bus route. Car parking limited but within walking distance of the park & ride facility.</p> <p>May be too far from the civic heart of the town.</p> <p>Public perception of new build given the current economic climate.</p>	<p>Site prominence although close to Waitrose store.</p> <p>Public perception of new build.</p> <p>Cost of lease or purchase options.</p> <p>Lease option not acceptable and acquisition price is out of line with the market.</p>

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Timescales for delivery	Would require long term refurbishment programme to services and improve internal appearance and prevent further decay e.g. window replacement.	Acquisition of Shopfitters not yet completed. To secure advisers, determine specification, flood risk assessment, planning consent and contractor – allow 18 - 24 months followed by a 12 month build and a decant to a new building so may take at least 3 years. This would allow a disposal strategy for MO to run in parallel.	Possible to finalise deal by 30th April 2015. Newly negotiated sub-leases have rights of occupation. Objective would be to negotiate with head lessee to acquire space to coincide with vacation of the Municipal Offices which would allow a disposal strategy for MO to run in parallel or hold as an investment until to head lease expiry.	Time to negotiate specification and amend planning permission, select a contractor and construct - 18 months. Decant early 2017. This may prove challenging to deliver a disposal strategy for MO in parallel; risk of holding two buildings.	Time to negotiate specification and amend planning permission, select a contractor and construct - 18 months. Decant early 2017

4.0 Financial Analysis

4.1 The financial analysis of the options has utilised recent data and trends from specialist building cost consultants to establish realistic new build rates. For all options it has been assumed that, rather than secure a one-off capital receipt from the sale of the Municipal Offices, a permanent ground rent will be realised from a potential joint venture development providing a sustainable future income source which will help to protect and fund vital councils services to mitigate against further funding cuts.

4.2 A summary of the financial analysis and financial assumptions for each of the options is outlined in the table below and detailed in Appendix 3, part of which is exempt for commercial reasons.

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Net Present Value (NPV)	£4.599m	£5.376m	£2.628m	£6.184m	£10.948m
NPV Ranking	2	3	1	4	5
Council strategy Transform our council so that it can continue to deliver our outcomes for Cheltenham and its residents	Does not deliver savings target. Additional revenue contributions (average £325k) per Appendix 3 to fund the £6.5m planned maintenance	Does not deliver savings target. Additional cost to MTFS of £755k in 2016/17 reducing to £137k p.a. by 2020/21 onwards.	Acquisition part delivers savings target. Investment option delivers revenue saving of c£68k p.a. by 2024/25 (assuming retained third party	Does not deliver savings target. Additional cost to MTFS of £819k in 2016/17 reducing to £200k p.a. by 2020/21 onwards.	Does not deliver savings target. Additional cost to MTFS of £1.2m in 2016/17 reducing to £578k p.a. by 2020/21 onwards.

	programme.		tenant) to 2022/23.		
	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
(Impact on MTFS / delivery of savings target of £200k by 2017/18)	but adds cost of circa £325k p.a. No potential additional business rates	Potential additional business rates of circa £200k	Potential additional business rates of circa £200k The acquisition can enhance and complement the CBC property portfolio whilst also creating a host of wider opportunities for the future	Potential additional business rates of circa £200k	Potential additional business rates of circa £200k
Acquisition / Build costs	In current ownership	Land costs for Shopfitters £400k - £587k plus 4% stamp duty & land tax (SDLT) but would aim to recoup some of this as part of a mixed use development. Build costs including fit out c£250ft ² for BREEAM excellent =	CBC to secure freehold interest plus SDLT to which there would be further refurbishment costs over the life span of the building including appropriate “eco up grades” in line with sustainability ambitions. See exempt Appendix 3.	Land value c£725k per acre x 1.4 plus SDLT. Build costs c£250ft ² for BREEAM excellent = £9.75m	Total ‘turn key’ package is £15m

		£8.75m			
	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Future running costs assumptions	Annual occupation / running costs c£390k. £6.5m maintenance programme over next 20 years.	As a BREEAM excellent aim to secure long term operational efficiencies and hence cost savings on utilities. Would drive down long term running costs.	All common parts to be shared, thereby reducing CBC direct costs. Allowances in refurbishment costs to secure long term running cost savings through eco improvement strategy. £342k maintenance programme over next 20 years.	As a BREEAM excellent aim to secure long term operational efficiencies and hence cost savings on utilities. Would drive down long term running costs.	As a BREEAM excellent aim to secure long term operational efficiencies and hence cost savings on utilities. Would drive down long term running costs.

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Funding proposals / viability	<p>£2.5m of capital receipt.</p> <p>Would need to build an add'n revenue contribution into MTFS (average £325k/yr) to fund £6.5m of PMP funded by savings / cuts in services</p> <p>Does not meet prudential borrowing test i.e. affordable / sustainable.</p>	<p>£2.5m of capital receipt.</p> <p>Plus future PWLB at higher interest rates if interest rates rise.</p> <p>Plus top slicing of £100k p.a. for property maintenance programme</p> <p>Does not meet prudential borrowing test i.e. affordable / sustainable.</p>	<p>£2.5m of capital receipt.</p> <p>An acquisition now at current prevailing low interest rates (@2.41%) fixed for 20years.</p> <p>Plus top slicing of £100k p.a. for property maintenance programme</p> <p>Meets prudential borrowing test i.e. affordable / sustainable.</p>	<p>£2.5m of capital receipt.</p> <p>Plus future PWLB (at higher interest rates)</p> <p>Plus top slicing of (£100k p.a. for property maintenance programme</p> <p>Does not meet prudential borrowing test i.e. affordable / sustainable.</p>	<p>£2.5m of capital receipt.</p> <p>Plus future PWLB at higher interest rates if interest rates rise</p> <p>Plus top slicing of £100k p.a. for property maintenance programme</p> <p>Does not meet prudential borrowing test i.e. affordable / sustainable.</p>

	1. Remain in Municipal Offices and implement the planned maintenance programme	2. New build on the amalgamated Chelt Walk and Shopfitters site	3. Acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC	4. New Build on Land by Asda	5. New Build at Honeybourne Place Jessop Avenue
Income assumptions	<p>Nil. CBC has been unable to attract tenants due to inflexibility of building and lack of car parking space.</p>	<p>The building would accommodate CBC and CBH but would not be built with surplus space for other tenants and would therefore not deliver a further income stream.</p> <p>Redevelopment of MO assumes no capital receipt but a rental stream from joint venture of Municipal Offices c£175k p.a.</p>	<p>Income projections based current third party head lease to 2022/23 and prudent projection of potential future rental streams from tenants beyond 2022/23 from surplus space.</p> <p>Redevelopment of MO assumes no capital receipt but a rental stream from joint venture of Municipal Offices c£175k p.a.</p> <p>Acquisition by CBC precludes another large office building becoming vacant once head lease lapses.</p>	<p>Nil. The building would accommodate CBC but due to location, may not be attractive to CBH.</p> <p>Redevelopment of MO assumes no capital receipt but a rental stream from joint venture of Municipal Offices c£175k p.a.</p>	<p>Nil. May not be able to house CBH.</p> <p>Redevelopment of MO assumes no capital receipt but a rental stream from joint venture of Municipal Offices c£175k p.a.</p>

Financial modelling / evaluation methodology

- 4.3** The Council already has an annual revenue budget of £390k for the cost of occupying the Municipal Offices which is the assumed baseline position. For each option, the financial projections include the financing costs of the acquisition or new build; refurbishment / fit-out and an estimate of the net impact on the MTFS measured against the baseline position of remaining in the Municipal Offices. Therefore, the models project the marginal impact of each option on the Medium Term Financial Strategy (MTFS), assuming projected utilities, NNDR and maintenance programme plus the cost of programme management (including potential space design). Some options include existing and potential income from partners or tenants based on prudent estimates of occupancy levels.
- 4.4** A discount rate has been applied to each model to determine a Net Present Value calculation for each option for comparison purposes.
- 4.5** Under the local rates retention scheme, although difficult to predict at this stage, there may be additional retained NNDR (40% of any business rates income growth) from the redevelopment for the Municipal Offices which may be in the order of £200k per annum. This is not currently built into any of the models.
- 4.6** The funding proposals include a combination of borrowing from the Public Works Loans Board and internal borrowing, use of part of the receipt from the sale of North Place and Portland Street car parks and use of existing funding to support the property maintenance programme. However, the 'Prudential Code' requires that any borrowing is both 'affordable and sustainable'.

Evaluation outcome

Option 1: Remain in the Municipal Offices and implement the planned maintenance programme – this would require implementing the £6.5m planned maintenance programme.

- 4.7** This option costs £6.5m which could not be funded by prudential borrowing since it is unlikely to qualify as capital investment which would impact on the MTFS annually by an average of £325k over a 20 year period and would have to be paid for by either savings elsewhere or cuts in services. There is no income from lettings to third parties. As such, this option would not deliver the savings target and would not deliver any potential additional business rates of circa £200k p.a.

Option 2: A new build on the amalgamated Chelt Walk and Shopfitters site.

- 4.8** This option costs £8.75m. There is income from lettings assumed from CBH only. This option not only does not deliver the savings target but would add to the MTFS by £755k reducing to £137k by 2020/21. It could deliver potential additional business rates from the

redevelopment of the Municipal Offices of circa £200k p.a. It would not meet the criteria for prudential borrowing criteria unless potential additional business rates were delivered.

Option 3: The acquisition of a town centre office initially as an investment property and negotiate with the head lessee to take space for CBC.

- 4.9** The cost of this option is contained in Appendix 3 which is exempt for commercial reasons. The building is currently let with a guaranteed income stream in excess of market rentals for 8 years which helps to finance the increased level of borrowing required. The head lessee has sub-let the entire top floor and most of the ground floor and the Council would inherit these leases. Projections are based on prudent assumptions about future rental streams, recognising the risk of “carrying” surplus space should it not be possible to sub-let after 8 years. The model assumes a very prudent view of the income from the ground rental from a redeveloped site of £175k per annum.

This option results in the best Net Present Value calculation and delivers a saving of £68k p.a. by 2024/25. It will meet the criteria for funding via prudential borrowing.

Although it is very difficult to model the future income stream from the redevelopment of the Municipal Offices, it is likely that there would be at least potential additional business rates from the redevelopment of the Municipal offices of circa £200k p.a. but could be considerably more.

In addition, comparing the annual ground rental income received by the Council of £475k from Regent Arcade, the ground rental income from a redeveloped Municipal Offices site could exceed the £175k modelled and could easily be in the order of £500k p.a.

Option 4: A new build option on the consented site next to Asda, off Hatherley Lane.

- 4.10** This option costs £9.75m. There is no income from lettings to third parties. This option does not deliver a saving but would instead add to the MTFS by £818k in 2016/17 reducing to £200k by 2020/21. It could deliver potential additional business rates from the redevelopment of the Municipal Offices of circa £200k p.a. It would not meet the criteria for prudential borrowing criteria unless potential additional business rates were delivered.

Option 5: A new build option on the consented site at Honeybourne Gate, Jessop Avenue.

- 4.11** This option costs £15m. There is income from lettings assumed from CBH only. This option not only does not deliver a saving but would add to the MTFs by £1.2m in 2016/17 reducing to £578k by 2020/21. It could deliver potential additional business rates from the redevelopment of the Municipal Offices of circa £200k p.a. since the additional income would not cover costs, it would not meet the prudential borrowing criteria.
- 4.12** The only option which delivers savings and income which prudently covers the borrowing cost is option 3 - the acquisition of a town centre building and is therefore the only viable funding option. A breakdown of the funding required is contained in Appendix 3 (exempt for commercial reasons).

Preferred option

- 4.13** **Based on a comparison of the financial models and Net Present Values, the best financial option is option 3 - the acquisition of a town centre office, initially as an investment property and negotiate with the head lessee to take space for CBC, which delivers annual savings of £68k per annum by 2024/25. As well as these savings, it is the only option which truly meets the 'prudential' borrowing criteria and meets the programme outcomes as well as providing further opportunities for savings from the redevelopment of the Municipal Offices.**
- 4.14** The target savings from the Accommodation Strategy are £200k by 2017/18. It is anticipated that negotiations with the head lessee to relocate CBC into the buildings earlier will bring forward the savings generated by the acquisition. It is anticipated that the balance of the savings target will be delivered from a combination of savings from the rationalisation / sharing of facilities management, additional business rates and ground rental income from a redeveloped Municipal Offices site. Based on 'off market' discussions in respect of the potential for redevelopment of the Municipal Offices, officers are of the view that the savings target could be significantly exceeded.

5 Recommendations

- 5.1** **To acknowledge that remaining in the Municipal Offices is not a viable option for the future.**
- 5.2** **To acquire the town centre building, initially as an investment property, with the third party lease in place for 8 years.**

5.3 Following acquisition, the Council will negotiate with the head lessee to take up the space it requires once the Council has a clearer understanding of timelines for the vacation of the Municipal Offices, providing it is mutually beneficial to both parties.

5.4 To commence the process of securing a partner to enter into a joint development for the redevelopment of the Municipal Offices.

6. Key Risks

6.1 See separate risk assessment for the Accommodation strategy Programme, including the redevelopment of the Municipal Offices, at Appendix 4.

7. Other considerations:

7.1 The timescales for the acquisition are tight and complex. The objective would be to exchange contracts as soon as all necessary council consents were in place with a target completion as requested by the end of April 2015. Future funding requirement may have to be financed at higher loan rates, as interest rates rise.

7.2 The project has the ability to drive a step change in the way in which the Council operates. To achieve this, the council will need to engage with key stakeholders in order to deliver the best outcomes for itself and its partners including:

- Members – in order to consider facilities for council meetings, mayoral requirements (parlour) and member needs.
- Staff – impact on parking, travel and potential for development of green travel plan.
- Senior Management – to facilitate project resourcing and support for changes in working practices e.g. accelerate flexible working, paperless office, space planning.
- Key support services including ICT – to support step change in technologies proposed for new office location to support improved staff / members / external agencies ICT support.
- Ubico and Leisure and Culture Trust – promote vision for change in support services i.e. ICT.
- Trade Unions – to support for proposals to protect staff and services.
- CBH – future space needs and opportunities for sharing back office which may deliver further savings for CBC and CBH tenants.

- Partner councils – to assist in delivery savings aspirations for vision 2020 as central hub.
- Tenants of the proposed town centre building – to establish longer term future space requirements and commitment to longer leases.
- Media – as a vehicle for delivering vision for office move and redevelopment of Municipal Offices.
- Public – future vision for redevelopment of the Municipal Offices.

Discount rate	5%																					
Present value of £1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Totals
	1	0.95238095	0.9070295	0.8638376	0.8227025	0.7835262	0.7462154	0.71068133	0.6768394	0.6446089	0.61391325	0.584679289	0.55683742	0.5303214	0.505068	0.4810171	0.4581115	0.4362967	0.4155207	0.395734	0.376889	

Option 1: Remain at the Municipal Buildings and surplus space remain vacant
Years

Financing based on cuts to services / increasing council tax
Years

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Programmed Maintenance			865,000	357,500	266,000	129,000	171,500	296,000	741,000	550,500	294,000	736,000	500,500	1,149,000	121,500	123,000	53,500	77,000	32,000	41,000		6,504,000
DDA Capital Works (Yr 5)					250,000																	250,000
Energy Saving Capital Schemes		82,000																				82,000
Total	0	82,000	865,000	357,500	516,000	129,000	171,500	296,000	741,000	550,500	294,000	736,000	500,500	1,149,000	121,500	123,000	53,500	77,000	32,000	41,000	0	6,836,000

PV	0	78,095	784,580	308,822	424,514	101,075	127,976	210,362	501,538	354,857	180,490	430,324	278,697	609,339	61,366	59,165	24,509	33,595	13,297	16,225	0	4,598,827
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INTERNAL FINANCING

Capital Receipts	0																					<i>0</i>
Impact on Medium Term Strategy		82,000	865,000	357,500	516,000	129,000	171,500	296,000	741,000	550,500	294,000	736,000	500,500	1,149,000	121,500	123,000	53,500	77,000	32,000	41,000		<i>6,836,000</i>
Property R&R Reserve		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	<i>2,000,000</i>
Dedicated Building Reserve		-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	<i>-2,000,000</i>

Total	0	82,000	865,000	357,500	516,000	129,000	171,500	296,000	741,000	550,500	294,000	736,000	500,500	1,149,000	121,500	123,000	53,500	77,000	32,000	41,000	0	6,836,000
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Discount rate		5%																				Totals
Present value of £1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Totals
	1	0.95238095	0.9070295	0.8638376	0.8227025	0.7835262	0.7462154	0.71068133	0.6768394	0.6446089	0.61391325	0.584679289	0.55683742	0.5303214	0.505068	0.4810171	0.4581115	0.4362967	0.4155207	0.395734	0.376889	
Option 2: New Build on Shopfitters with CBH																						
Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Financing based on £6.25m PWLB annuity loan over 20 years PLUS £2.5m capital receipts																						
Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Purchase price	8,750,000																					8,750,000
PWLB Loan	-6,250,000																					-6,250,000
Principal repayments	122,529	249,505	255,554	261,750	268,096	274,596	281,254	288,073	295,057	302,211	309,538	317,043	324,730	332,603	340,667	348,927	357,386	366,051	374,926	384,016	195,486	6,250,000
Interest repayments	75,313	146,178	140,128	133,933	127,586	121,086	114,429	107,610	100,625	93,471	86,144	78,639	70,953	63,080	55,016	46,756	38,296	29,631	20,756	11,666	2,356	1,663,652
Relocation costs		70,000																				70,000
Additional move costs - IT Upgrades		40,000																				40,000
Furniture and Fittings		150,000																				150,000
Council Chamber / Committee Suite fit-out		100,000																				100,000
MO Annual Occupational Costs (SAVING)			-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-7,381,500
Rental stream from vacated Municipal Offices site					-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-2,800,000
Rental stream from Shopfitters site			-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-1,235,000
Business Rates		175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	3,325,000
Business Rates levied on tenants			-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-475,000
Annual Occupational Costs (inc.maintenance, utilities and insurance)			250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	4,750,000
Service charges from tenants			-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-570,000
Programmed Maintenance																						0
Total	2,697,841	755,683	312,183	312,183	312,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	6,387,152
PV	2,697,841	719,698	283,159	269,675	256,833	107,486	102,368	97,493	92,851	88,429	84,218	80,208	76,388	72,751	69,287	65,987	62,845	59,852	57,002	54,288	-22,862	5,375,798
INTERNAL FINANCING																						
Capital Receipts	2,500,000																					2,500,000
Impact on Medium Term Strategy	197,841	755,683	312,183	312,183	312,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	3,887,159
Property R&R Reserve		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,000,000
Dedicated Building Reserve		-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-2,000,000
Total	2,697,841	755,683	312,183	312,183	312,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	137,183	6,387,159
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Discount rate	5%																					
Present value of £1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Totals
	1	0.95238095	0.9070295	0.8638376	0.8227025	0.7835262	0.7462154	0.71068133	0.6768394	0.6446089	0.61391325	0.584679289	0.55683742	0.5303214	0.505068	0.4810171	0.4581115	0.4362967	0.4155207	0.395734	0.376889	

Option 4: Build on land by ASDA, Hatherley Lane

Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
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Financing based on £7.25m PWLB annuity loan over 20 years PLUS £2.5m capital receipts

Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Purchase price	9,750,000																					9,750,000
PWLB Loan	-7,250,000																					-7,250,000
Principal repayments	142,133	289,426	296,443	303,630	310,992	318,532	326,255	334,165	342,267	350,565	359,064	367,770	376,687	385,820	395,174	404,755	414,568	424,620	434,914	445,459	226,763	7,250,000
Interest repayments	87,363	169,566	162,549	155,362	148,000	140,460	132,737	124,827	116,725	108,427	99,927	91,222	82,305	73,172	63,818	54,237	44,424	34,372	24,077	13,533	2,732	1,929,837
Relocation costs		70,000																				70,000
Additional move costs - IT Upgrades		40,000																				40,000
Furniture and Fittings		150,000																				150,000
Council Chamber / Committee Suite fit-out		100,000																				100,000
MO Annual Occupational Costs (SAVING)			-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-7,381,500
Rental stream from vacated Municipal Offices site					-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-2,800,000
Rental stream from Shopfitters site			-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-65,000	-1,235,000
Business Rates		175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	3,325,000
Business Rates levied on tenants			-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-25,000	-475,000
Annual Occupational Costs (inc.maintenance, utilities and insurance)			250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	4,750,000
Service charges from tenants			-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-30,000	-570,000
Programmed Maintenance																						0
Total	2,729,496	818,992	375,492	375,492	375,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	7,653,337

PV	2,729,496	779,992	340,582	324,364	308,918	157,091	149,610	142,486	135,701	129,239	123,085	117,223	111,641	106,325	101,262	96,440	91,848	87,474	83,308	79,341	-10,931	6,184,495
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INTERNAL FINANCING

Capital Receipts	2,500,000																					2,500,000
Impact on Medium Term Strategy	229,496	818,992	375,492	375,492	375,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	5,153,340
Property R&R Reserve		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,000,000
Dedicated Building Reserve		-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-2,000,000

Total	2,729,496	818,992	375,492	375,492	375,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	200,492	7,653,340
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Discount rate	5%																				Totals	
Present value of £1	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
	1	0.95238095	0.9070295	0.8638376	0.8227025	0.7835262	0.7462154	0.71068133	0.6768394	0.6446089	0.61391325	0.584679289	0.55683742	0.5303214	0.505068	0.4810171	0.4581115	0.4362967	0.4155207	0.395734	0.376889	

Option 5: Honeybourne Gate, Jessops Avenue

Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
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Financing based on £12.5m PWLB annuity loan over 20 years PLUS £2.5m capital receipts

Years	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	
Purchase price	15,000,000																					15,000,000
PWLB Loan	-12,500,000																					-12,500,000
Principal repayments	245,058	499,010	511,108	523,500	536,193	549,193	562,508	576,146	590,115	604,422	619,077	634,086	649,460	665,206	681,334	697,853	714,773	732,103	749,853	768,033	390,971	12,500,000
Interest repayments	150,625	292,356	280,257	267,865	255,173	242,173	228,857	215,219	201,250	186,943	172,289	157,279	141,905	126,159	110,031	93,512	76,592	59,263	41,513	23,332	4,711	3,327,304
Relocation costs		70,000																				70,000
Additional move costs - IT Upgrades		40,000																				40,000
Furniture and Fittings		150,000																				150,000
Council Chamber / Committee Suite fit-out		100,000																				100,000
MO Annual Occupational Costs (SAVING)			-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-388,500	-7,381,500
Rental stream from vacated Municipal Offices site					-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-175,000	-2,800,000
Business Rates			150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	2,850,000
Annual Occupational Costs (inc.maintenance, utilities and insurance)			200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	3,800,000
Programmed Maintenance																						
Total	2,895,683	1,151,365	752,865	752,865	752,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	182,183	15,155,801

PV	2,895,683	1,096,538	682,871	650,353	619,384	452,773	431,212	410,678	391,122	372,497	354,759	337,866	321,777	306,454	291,861	277,963	264,727	252,121	240,115	228,681	68,663	10,948,097
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INTERNAL FINANCING

Capital Receipts	2,500,000																					2,500,000
Impact on Medium Term Strategy	395,683	1,151,365	752,865	752,865	752,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	182,183	12,655,801
Property R&R Reserve		100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	2,000,000
Dedicated Building Reserve		-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-100,000	-2,000,000

Total	2,895,683	1,151,365	752,865	752,865	752,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	577,865	182,183	15,155,801
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Risk Scorecard

LIKELIHOOD	6				
	5				
	4				
	3				
	2				
	1				
		1	2	3	4
		IMPACT			

<i>Code</i>	<i>Risk score</i>	<i>Risk Management view</i>
Red	16 – 24	Must be managed down to reduce risk scores as soon as possible, or agree a contingency
Amber	7 – 15	Seek to improve the risk score in the short/medium term or develop a contingency
Green	0 – 6	Tolerate and monitor within the division

(refer to risk scorecard)

Treatment

Accept (require a measure of management. If an initiative is not already in place to do this, a contingency plan is required)
 Reduce (require a measure of management. If an initiative is not already in place to do this, a mitigation plan is required)
 Transfer
 Close

Appendix 4 - Accommodation Strategy - risk assessment																			
The risk					Original risk score (impact x likelihood)			Current risk score (impact x likelihood)			Managing risk					Target risk score (impact x likelihood)			
Risk ref.	Category	Risk description	Risk owner	Date raised	I	L	Score	I	L	Score	Control / direction	Action	Deadline	Responsible officer	I	L	Score	Target Date and status	
AS.01	Customer satisfaction/ Business continuity	If we do not correctly estimate and demonstrate our future space requirement, as a result of changes to staff numbers and increased flexible working opportunities, then we may not acquire the level of office space to meet our customers and business needs.	MS	08/12/2009	3	3	9				Reduce ◀▶	Flexible working project established updated space needs in 2014 and requirements will be subject to ongoing assessment. Mock up workstations, based on approved specification were trialled in the revenues and benefits area. Prior to rolling out in a new locations, a further review will be undertaken taking into account changing circumstances including further commissioning reviews and the 2020 Vision programme. Will identify a "space champion" who will control all space allocations against an agreed set of criteria to ensure fair allocation of space for teams. Ratio of desks to staff arising from the flexible working project agreed by SLT on 29/1/13. This will also be part of a review once detailed planning is underway.		DR					(R/A/G)
AS.04	Financial	If GCC are unable to close Boots corner to through traffic then it would significantly reduce development potential of Municipal building and Royal Well and may render development as marginal, as would only allow the Municipal Building to be remodelled without the holistic benefit of Royal Well. (Ref Cheltenham Task Force risk TF.12.)	AN	08/12/2009	4	4	16				Reduce ◀▶	Ref to TF.03 for mitigating action - TRO committee and CBC full Council supported recommendation to implement TRO's with the exception of Boots corner on an experimental basis. GCC Cabinet to determine June 2015. Note: TF.10 risk links with this programme - TF.10.Royal Well - If CBC unable to identify alternative accommodation or maintain market interest in the Municipal Building then any proposed redevelopment will stall.		JW/DR					
AS.05	Financial	If we are unable to acquire suitable alternative accommodation within the options identified, we will be unable to move and will not meet the financial savings target of £200k per annum in the councils budget strategy.	MS	08/12/2009	4	3	12				Reduce ◀▶	Wider relocation brief approved by council in March 2014 including the potential for new build on an 'edge of town' location. Potential purchase of a town centre office was aborted in July 2014 as owners were not prepared to sell the building. Council made a decision in March 2014 to purchase Shopfitters site as a potential new build option. Continue to explore options for alternative locations.		JW/DR					
AS.06	Financial	If we are unable to acquire a site at the right price, then we may be unable to secure funding.	MS	08/12/2009	4	3	12				Reduce ◀▶	Maintain as many options on as many sites as possible while the market recovers. Outcome linked to value of existing Municipal office. Undertake thorough research on all risk items for OJEU process; with 2 strand approach – MO alone and turnkey with new CBC home.		JW/DR					
AS.07	Reputation	If we are unable to secure political buy-in then we may be subject to reputational damage.	AN	08/12/2009	4	2	8				Reduce ◀▶	The Budget Scrutiny Working Group and Asset Management Working Party have been consulted and briefed on the financial and economic rationale for an alternative office location. Group leaders will be briefed on the updated position. Council, at the meeting in March 2014, approved the widening of the scope of the alternative options, and expressed cross party support for a move to an alternative location.		JW/MS					

Appendix 4 - Accommodation Strategy - risk assessment																			
The risk					Original risk score (impact x likelihood)			Current risk score (impact x likelihood)			Managing risk					Target risk score (impact x likelihood)			
Risk ref.	Category	Risk description	Risk owner	Date raised	I	L	Score	I	L	Score	Control / direction	Action	Deadline	Responsible officer	I	L	Score	Target Date and status	
AS.08	Financial	If we are unable to acquire suitable alternative accommodation within the timescales identified, we may need to commence maintenance activity on the Municipal Offices and incur costs which may impact on the MTFS.	MS	13/11/2014	4	3	12				Accept ◀▶	Planned maintenance expenditure is being restricted to public areas or where there is a health and safety need until a final decision has been made on an office relocation.		DR					
AS.09	Financial	If we are unable to secure an acceptable redevelopment partner on the Municipal Offices site then we may be unable to optimise its revenue opportunities.	MS	13/11/2014	4	2	8				Reduce ◀▶	A wider development brief for the Municipal Offices which will increase the potential for the site, was approved by council on 31/3/14. Soft market testing would indicate that there would be significant interest in the redevelopment of the Municipal Offices for mix use purposes.		JW/DR					
AS.10	Reputational / Financial	If we are required to hold 2 properties prior to the redevelopment of the Municipal Offices, for an extended period of time, then we may suffer reputational and/or financial loss.	AN	13/11/2014	3	3	9				Reduce ◀▶	In considering alternative options, the council will look to mitigate against the risks of holding 2 buildings in order to minimise both the time period and cost of doing so.		DR					
AS.11	Customer satisfaction/ Business continuity	If we are unable to clarify the impact of 2020 Vision on accommodation strategy within our timescales, then we may commit CBC to expenditure that does not support the 2020 Vision business case.	AN	13/11/2014	3	2	6				Reduce ◀▶	Ongoing consideration is being given to accommodation needs as a result of the 2020 Vision programme. In reviewing options, officers will ensure that any alternative office location will deliver flexible space which will increase / reduce to match future needs with the ability to sub let easily any excess space.		MS					
AS.12	Customer satisfaction/ Business continuity	If flexible working options are not correctly managed, then core levels of cover may not be consistently achieved.	MS	05/03/2015	3	2	6				Reduce ◀▶	Flexible working agreements must be considered with regard to departmental requirements and impact on team cover, not independently, prior to being approved.		MS					
AS.13	Customer satisfaction/ Business continuity	If the new site does not offer an appropriate level of customer access then we may not be able to service customers.	MS	05/03/2015	4	2	8				Avoid	New premises must be located in an area that can be easily accessed by all members of the public, by various transport means. New premises must ensure both able bodied and those with disabilities can gain access to the building and the people they need to meet.		JH					
AS.14	Financial	If we are unable to reduce our level of storage needs in line with estimates, then we may have to pay for storage at another facility.	MS	05/03/2015	1	2	2				Reduce ◀▶	Fully model and trial less on-site archive – not necessarily moving off site now but demonstrating that it can be achieved.		BP					
AS.15	Financial	If there is a property downturn during the period of the Programme, then we may not achieve financial benefits detailed in the business case	MS	05/03/2015	4	3	12				Accept ◀▶	Review the impact on business case of property market downturn to ensure all aware of financial risk		DR					
AS.16	Financial	If borrowing at low interest rates are not secured during the period of the Programme then we may not achieve the financial benefits detailed in the business case	MS	05/03/2015	3	3	9				Accept ◀▶	Members to commit to decision and secure low interest rates.		MS					
AS.17	Reputation	If we do not engage the Public in the Programme then our reputation may be damaged.	AN	05/03/2015	2	2	4				Reduce ◀▶	The programme must include a full communications plan to inform and engage the Public. There should be the opportunity to get some feedback on what our customers want from the premises.		MS					
AS.18	Capacity	If we are not able to release the internal resources to support delivery of the Programme then we may not achieve the outcomes within time, cost and quality framework	MS	05/03/2015	3	3	9				Reduce ◀▶	The programme must identify and plan the resource requirement in a timely manner to ensure backfilling of resource is achievable.		Exec Board					

Appendix 4 - Accommodation Strategy - risk assessment																			
The risk					Original risk score (impact x likelihood)			Current risk score (impact x likelihood)			Managing risk					Target risk score (impact x likelihood)			
Risk ref.	Category	Risk description	Risk owner	Date raised	I	L	Score	I	L	Score	Control / direction	Action	Deadline	Responsible officer	I	L	Score	Target Date and status	
AS.19	Customer satisfaction/ Business continuity	If we do not produce a strong CBC business continuity plan then there may be adverse impact on services to our customers.	MS	05/03/2015	2	2	4				Reduce ◀▶	The programme must produce a robust continuity plan that prioritises customer facing activity over back office, to ensure any adverse impact is minimal.		BP					
AS.20	Contractual Governance/ Business continuity	If we do not agree a strong business continuity plan with our tenants then there may be adverse impact on their services to their customers.	MS	05/03/2015	2	2	4				Transfer	The programme must work with tenants to share our plans to enable them to produce robust plans.		BP					
AS.21	Capacity	If we do not correctly identify the skills required within the Programme roles then we may assign roles to those not capable of delivery.	MS	05/03/2015	3	2	6				Reduce ◀▶	The programme manager selection is key. This person should have had proven experience of running similar programmes. His/her experience will enable identification of skills required in other roles.		MS/JS					
AS.22	Employee	If staff are unwilling to embrace cultural change then there may be an issue with demotivation and staff turnover.	MS	05/03/2015	2	2	4				Reduce ◀▶	The programme must include a full communications plan to inform and engage staff. There should be the opportunity to get some feedback on what our staff want from the premises.		GOSS					
AS.23	Customer satisfaction/ Business continuity	If customers are unwilling to accept cultural change we may need to review our customer impacted outcomes.	MS	05/03/2015	2	3	6				Reduce ◀▶	The programme must include a full communications plan to inform and engage our customers. There should be the opportunity to get some feedback on how our customers feel about the new premises, once opened		JH					
AS.24	Contractual Governance	If Partners requirements do not coincide with our outcomes then there may be an impact on delivery of the business case	MS	05/03/2015	2	2	4				Reduce ◀▶	The programme should capture all partner requirements in a timely manner, to ensure we are able to understand and deal with any concerns during the planning stage.		DR					
AS.25	Contractual Governance	If serving tenants' requirements do not coincide with our outcomes then there may be an impact on delivery of the business case.	MS	24/03/2015	2	2	4				Reduce ◀▶	The programme should capture all serving tenant requirements in a timely manner, to ensure we are able to understand and deal with any concerns during the planning stage.		DR					
AS.26	Contractual Governance	If the tenancy agreement of serving tenants' prevents us from delivering our outcomes, there may be an impact on the business case.	MS	24/03/2015	2	2	4				Reduce ◀▶	Due diligence work should be undertaken to highlight any issues arising from the existing tenancy agreements to ensure we are able to understand and deal with any concerns during the planning stage.		DR					

What is an equality impact assessment?

An equality impact assessment is an important part of our commitment to improving equality practice. The form will help us find out what impact or consequences our functions, policies, procedures and projects have on our citizens, employees and potential employees.

By undertaking an impact assessment, we are able to:

- Take into account the needs, experiences and circumstances of those groups of people who use (or don't / can't use) our services.
- Identify any inequalities people may experience.
- Think about the other ways in which we can deliver our services which will not lead to inequalities.
- Develop better policy-making, procedures and services.

Impact assessment are required by law; The Race Relations Amendment Act, The Disability Discrimination Act and the amended Sex Discrimination Act all require local authorities to assess the impact of their functions, policies, projects and services, or the likely impact of any that are proposed, on equality.

However, our view is that we should be using the results of impact assessment to improve service delivery so that we become more accountable to the people that we serve.

Background

Name of service / policy / project and date	Municipal Office relocation
Lead officer	Mark Sheldon
Other people involved in completing this form	Jeremy Williamson

Step 1 - About the service / policy / project

What is the aim of the service / policy / project and what outcomes is it contributing to	The council has had a long term aspiration ' <i>to relocate to modern, more flexible office accommodation which meets both existing and future needs, improves customer experience and provides better value for money for the tax payers of Cheltenham</i> '.
Who are the primary customers of the service / policy / project and how do they / will they benefit	People within Cheltenham Borough Council district
How and where is the service / policy / project implemented	2017 at the earliest
What potential barriers might already exist to achieving these outcomes	The existing site (Municipal Offices) has significant barriers and poor access for several groups but major interventions to improve access have been thwarted by the listed status of the building. Relocation of services to a DDA compliant building will significantly improve this situation but can only be delivered with the agreement of all the commercial parties involved (with whom we are negotiating)

Step 2 – What do you know already about your existing / potential customers

What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information	Customer feedback, observation and a 2005 Access Audit
What does it tell you about who uses your service / policy and those that don't?	The relocated offices will be open to all residents of Cheltenham and other visitors
What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?	The Access Audit of 2005 for the Municipal Offices clearly identified the barriers
If not, who do you have plans to consult with about the service / policy / project?	Further consultation with an established group representing a range of end users will take place should the relocation be approved. This is the same group that is consulted for public realm projects and reflects a wide range of recognised difficulties – site impairment, ambulatory problems

Step 3 - Assessing Impact

How does your service / policy / project impact on different groups in the community?

Group	What are you already doing to benefit this group	What are you doing that might disadvantage this group	What could you do differently to benefit this group	No impact on this group
Ethnicity / Race				✓
Sex				✓
Gender Reassignment				✓
Age	There has been investment to improve access to the Municipal Offices; most notably the use of the Royal Well entrance and provision of platform lift to the reception area.	But access is still challenging, visitors who are unable to get up the stairs at the front of the building need to use the rear entrance and the platform lift. If they are visiting planning services, they then need to use a separate lift to the second floor.	Relocate to a town centre site that has much improved site access.	
Disability	There has been investment to improve access to the Municipal Offices; most notably the use of the Royal Well entrance and provision of platform lift to the reception area.	But access is still challenging, visitors who are unable to get up the stairs at the front of the building need to use the rear entrance and the platform lift. If they are visiting planning services, they then need to use a separate lift to the second floor.	Relocate to a town centre site that has much improved site access.	

Religion or belief				✓
Sexual orientation				✓
Marriage and Civil Partnership				✓
Pregnancy & Maternity	There has been investment to improve access to the Municipal Offices; most notably the use of the Royal Well entrance and provision of platform lift to the reception area.	But access is still challenging, visitors who are unable to get up the stairs at the front of the building need to use the rear entrance and the platform lift. If they are visiting planning services, they then need to use a separate lift to the second floor.	Relocate to a town centre site that has much improved site access.	
Other socially excluded groups or communities				✓

Step 4 - what are the differences

Are any groups affected in different ways to others as a result of the service / policy / project?	At the moment, the current Municipal Offices have access challenges for people who are using wheelchairs, infirm or who have children in prams.
Does your service / policy / project either directly or indirectly discriminate?	Existing provision indirectly discriminates against certain key groups by hampering access to the building.
If yes, what can be done to improve this?	Despite efforts to date to improve the situation, the only real solution would be to relocate to more suitable premises that are in the town centre but do not suffer from these access barriers.
Are there any other ways in which the service / project can help support priority communities in Cheltenham?	The provision of an accessible site will improve inclusivity and allow groups with defined needs the ability to better access facilities & partake in meetings.

Step 5 – taking things forward

What are the key actions to be carried out and how will they be resourced and monitored?	Key actions will be (i) Decision to acquire a new building (ii) Relocation programme (iii) Engagement with representative groups to ensure best practice in terms of access is pursued
Who will play a role in the decision-making process?	Council
What are your / the project's learning and development needs?	None
How will you capture these actions in your service / project planning?	These needs have identified the need to relocate to a suitably accessible town centre building. Any future needs will be integrated into the project plan

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