



Notice of a meeting of Cabinet

Tuesday, 13 October 2015

6.00 pm

Municipal Offices, Promenade, Cheltenham, GL50 9SA

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

Agenda

		SECTION 1 : PROCEDURAL MATTERS	
1.		APOLOGIES	
2.		DECLARATIONS OF INTEREST	
3.		MINUTES OF THE LAST MEETING Minutes of the meeting held on 15 September 2015.	(Pages 3 - 14)
4.		PUBLIC AND MEMBER QUESTIONS AND PETITIONS These must be received no later than 12 noon on the fourth working day before the date of the meeting	
		SECTION 2 :THE COUNCIL <i>There are no matters referred to the Cabinet by the Council on this occasion</i>	
		SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE	
5.		VISION 2020-VIEW OF OVERVIEW AND SCRUTINY Vision 2020 : the Chair of Overview and Scrutiny will present the view of the Committee. An excerpt of the draft minutes of the meeting held on 21 September 2015 are attached for information.	(Pages 15 - 20)
		SECTION 4 : OTHER COMMITTEES <i>There are no matters referred to the Cabinet by other Committees on this occasion</i>	
		SECTION 5 : REPORTS FROM CABINET MEMBERS	

		AND/OR OFFICERS	
6.		2020 VISION Report of the Leader	(Pages 21 - 118)
7.		REQUEST FOR RENT SUBSIDY FROM BROADLANDS PRE SCHOOL & APPROVAL TO DISPOSE OF PUBLIC OPEN SPACE Report of the Cabinet Member Finance	(Pages 119 - 138)
8.		BUDGET STRATEGY AND PROCESS 2016/17 Report of the Cabinet Member Finance	(Pages 139 - 182)
9.		LICENSING ACT 2003 LICENSING POLICY STATEMENT Report of the Cabinet Member Development and Safety	(Pages 183 - 248)
		SECTION 6 : BRIEFING SESSION • Leader and Cabinet Members	
10.		BRIEFING FROM CABINET MEMBERS	
		SECTION 7 : DECISIONS OF CABINET MEMBERS Member decisions taken since the last Cabinet meeting	
		SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION	

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

Cabinet

Tuesday, 15th September, 2015
6.00 - 6.45 pm

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

Minutes

1. APOLOGIES

There were no apologies.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 14 July 2015 were approved as a correct record.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

None received.

5. GAMBLING ACT 2005 STATEMENT OF PRINCIPLES

The Cabinet Member Development and Safety, Councillor McKinlay, introduced the report. The report explained that the Gambling Act 2005 requires that the council produce, consult on and publish a statement of the principles that they propose to apply when exercising their functions under the Act. The Act also requires that the Statement of Principles should be kept under review and must be re-published at least every three years. Cheltenham Borough Council published its existing Statement of Principles in October 2012 and the Statement is now due to be reviewed and a new Statement of Principles will need to be published to take effect no later than January 2016.

The Cabinet Member emphasised that with only 20 licensed gambling premises in Cheltenham, there were few problems arising from gambling in the town.

RESOLVED THAT

- 1. the proposed changes to the Statement of Principles be noted; and**

2. the attached revised draft of the three year Statement of Principles be approved for the purpose of consultation with all relevant parties; and
3. subject to no substantive amendments being made following consultation, Council be recommended to adopt the revised Statement of Principles.

6. AMENDMENTS TO LICENSING POLICY, GUIDANCE AND CONDITIONS FOR PRIVATE HIRE AND TAXIS OPERATING WITHIN THE BOROUGH OF CHELTENHAM

The Cabinet Member Development and Safety, Councillor McKinlay, introduced the report. The report explained that the council has a statutory duty to ensure all of its licensed drivers are, and remain, fit and proper people. The council is committed to keeping its policies under review to ensure they continue to be effective and comply with the latest guidance and national best practice. This report was seeking permission from Cabinet to approve minor changes to the council's taxi and private hire licensing policy for consultation.

He highlighted the proposed requirement for all licensed drivers to undertake safeguarding training and this would enable them to assist the authorities in identifying any relevant activities and equip themselves against any false allegations.

RESOLVED THAT

1. the proposed changes to the current taxi and private hire licensing policy be noted; and
2. the proposed changes be approved for consultation.

7. RECOMMENDED OPTION FOR THE FUTURE PROVISION OF THE CHELTENHAM CREMATORIUM SERVICE

The Cabinet Member Clean and Green Environment, Councillor Coleman introduced the report. He was delighted that he was able to bring this report to Cabinet and he gave thanks to the excellent team of officers who had made a tremendous input to the project. He also acknowledged the contribution made by Councillors Reid, McCloskey and Ryder as members of the Cabinet Member working group who had been a very useful sounding board to himself and the rest of the team.

It had been acknowledged that investment was needed to improve public facilities and in particular, the reliability of the cremators at Cheltenham's cemetery and crematorium. This follows the poor quality cremator installation which took place in 2011, during which the main contractor went into liquidation, leaving a number of authorities with sub-standard equipment issues. To ensure that the best solution was secured, architects Robert Potter and Partners were commissioned to look at a number of options ranging from installing new cremators in the current building, to building a new chapel and crematorium. The options identified were diverse and had different operational, customer

service and financial implications. All options had been considered in detail by the Project Board and at gateway review meetings before selecting option E as the preferred one. He was confident after all the work that had been done, that option E was financially viable given the increase in fees recommended.

The report set out the results of the public consultation process which had included professionals as well as the public. There had been an encouraging response in favour of option E including support for increasing fees. He concluded that the cemetery and crematorium was seen as a hugely important service to the town by its residents and by Council Members. He was now seeking Cabinet endorsement of the recommended preferred option for implementation, subject to Council agreement to the financial implications of the project.

Cabinet Members praised the work done in bringing this project to this stage and felt it was a huge step forward given the situation 12 months ago. The level of public response had been heartening and demonstrated the importance of the service to people in Cheltenham. It sent a message to the town that the council is committed to protecting and delivering quality local services. They fully endorsed the recommendations and hoped the Council would take the same position and support the financial implications.

RESOLVED THAT

- 1. it be agreed that Option E be progressed- a new build facility on Council-owned land to the east of the current cemetery site - as the preferred option for the future provision of its crematorium service;**
- 2. authority be delegated to the Director of Environmental and Regulatory Services, in consultation with the Cabinet Member for Clean and Green Environment and the Head of Property Services to prepare and submit the necessary planning application for the new building, cremator plant and associated works;**
- 3. it be noted that, subject to Council approving the project budget;**
 - 3.1 the Head of Property Services will undertake the procurement for the design and construction of the new crematorium, cremators and associated works, in consultation with the Director of Environmental and Regulatory Services, the Cabinet Member for Clean and Green Environment, the Section 151 officer and the Borough Solicitor;**
 - 3.2 following the procurements referred to in recommendation 3.1 a report will be presented to the Cabinet Member for Clean and Green Environment requesting approval to award the contracts to the successful contractors;**
- 4. authority be delegated to the Head of Property Services in consultation with the Director of Environmental and Regulatory Services to take all necessary steps and undertake all necessary procedures, including the entering into of legal or other documentation, as may be required to implement or facilitate the**

project;

5. **the cross-party Cabinet Member Working Group which has been helpfully acting as a sounding board for the project be asked to continue its role in relation to the new build project, with updated terms of reference as appropriate;**
6. **It be agreed in principle to an increase in the cremation fee by 2017/18 to sufficiently cover additional revenue costs.**

Council be recommended to:

7. **allocate the budgets for financing Option E as detailed in Appendix 4 (exempt).**

8. LECKHAMPTON AND WARDEN HILL NEIGHBOURHOOD PLAN AREA APPLICATION

The Leader, Councillor Jordan introduced the report. The report explained that an application to designate a Neighbourhood Plan Area had been received from Leckhampton with Warden Hill Parish Council. This application had been assessed against the requirements set out in the legislation and was considered to meet the requirements to enable designation of the Neighbourhood Area.

Following the Council resolution, the Cabinet were being asked to approve the designation to ensure a response was given within the eight week timescale. This would enable Leckhampton with Warden Hill Parish Council to prepare a Neighbourhood Development Plan for the area covered by the designation.

Cabinet Members agreed that neighbourhood plans were something that the council was keen to encourage as it facilitated local people making local decisions about their areas. It was noted that the council may need to give some consideration to how the process might work for non-parished areas.

RESOLVED THAT

the designation of a Neighbourhood Area covering Leckhampton with Warden Hill parish be approved.

9. SHOPMOBILITY-FUTURE DELIVERY

The Cabinet Member Healthy Lifestyles, Councillor Hay, introduced the report. She reminded Members that Cabinet had received an earlier report on 14 July 2015 on the future delivery of the Shopmobility service, which had been served notice to quit its current premises by November 2015. Cabinet had resolved to consult on its future delivery and this report set out the results of that consultation. Provisional analysis of the consultation results indicated significant support for continued provision of a Shopmobility service in the town. The Community Impact Assessment clearly indicated that any changes to the provision of the service would affect a vulnerable section of the community and therefore the council would need to continue to make a sensitive assessment

against the budgetary position for this non-statutory service. The tables in the report indicated the current subsidy level and the falling patronage.

Whilst the favoured organisation for continued delivery was the Borough Council, there was a general acceptance that delivery could be through another organisation. A town centre location close to car parking was favoured. An updated consultation report following the closing dates for comments had been made available to Members before the meeting.

Cabinet were being asked to support the relocation of the service to the Horse & Groom, St George's Place and then commence a procurement exercise to establish interest from other organisations in operating the service. The Cabinet Member recognized that the proposed site for relocation does not meet all of the needs however this relocation would allow the service to continue whilst the commissioning process is implemented and the finances are reviewed. She gave thanks to the members of the scrutiny task group and to all of the people who had responded to the consultation.

The Leader supported the recommendations and felt they were a very sensible solution in the circumstances.

RESOLVED THAT

- 1. the relocation of the Shopmobility service to the Horse and Groom, St George's Place be agreed with the one-off costs being funded from within the existing service budget.**
- 2. Cabinet is committed to a commissioning process for the Shopmobility service, the process to commence in January 2016.**
- 3. in the interim a review of fees and funding sources is undertaken, in conjunction with the 2016/17 Budget Setting Process.**

10. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Development and Safety confirmed that following a recruitment process, Tracey Crews had been appointed as Director of Planning, in the new structure for REST agreed by Council.

Earlier this week he had attended a series of presentations by officers in the REST division to demonstrate how they had improved customer services and service standards. He had been very impressed by their achievements particularly as all the changes had been completed whilst continuing to deliver business as usual. He thanked and congratulated all the staff for their efforts.

The Cabinet Member Healthy Lifestyles reported that the Tonga World Cup Rugby Team had been delighted by the Welcome reception they had received. This had been organised by the Cheltenham Trust but the council and local community groups had been involved.

The Cabinet Member Finance updated members on the conservation work being undertaken on the war memorial. The conservator had completed his initial tests and would soon be in a position to submit a listed building

-

application to this council and a tender document was being prepared for the work.

The Leader advised that the Director, Mike Redman had produced a briefing note on economic development which the Leader intended to publish with the minutes of this meeting.

The Leader updated members on the latest situation with regard to Community Pride funding. The Strategy and Engagement Manager had sought further information on the three bids outstanding and circulated this to the Leader. Cabinet had previously delegated the final decision to the officer in consultation with himself and he was happy that the bids could now be confirmed. All bids had now been determined leaving a small amount in the fund.

Cabinet Members advised Cabinet of any Cabinet Member decisions they had taken since the last meeting and details were all available on the council's website.

Chairman

Briefing Notes

Committee name: Cabinet

Date: 15th September, 2015

Responsible officer: Mike Redman
01242 264160
mike.redman@cheltenham.gov.uk

This note contains information to keep Members informed of matters relating to the work of the Cabinet but where no decisions from Members are needed. If Members have questions relating to matters shown, they are asked to contact the Officer indicated.

Update regarding Economic development

Joint Core Strategy (JCS) – the JCS examination in public resumes in October, with additional sessions meaning that adoption is unlikely to take place until summer 2016 at the earliest. The JCS is arguably the most significant strand of work the council is pursuing in relation to long term impact on the economy of the town and its wider environs. In accordance with planning policy, the strategy seeks to balance economic, environmental and social impacts to deliver a plan for sustainable development.

The Inspector is considering some significant representations in relation to the quantum of employment land proposed for the JCS area and also, the intended status of safeguarded land identified for development around Cheltenham post-2031.

Areas of proposed safeguarded land at west Cheltenham and north-west Cheltenham adjacent to Junction 10 of the M5, have not yet been subject to the level of analysis afforded to allocations within the plan. If the Inspector indicates that the plan needs to have more flexibility during the plan period, further work may be required to assess the potential for safeguarded land being allocated at this stage.

Officers have been looking in particular at the proposed cross-boundary safeguarded site at west Cheltenham, which subject to changes to the sewage treatment plant at that location, may have potential for cyber security-related development.

Whilst this might offer additional employment land flexibility for Cheltenham, the Inspector and other JCS partners will be looking for evidence that any move in this respect would not unbalance delivery across the JCS area.

To this end, the Inspector has requested a document setting out the economic strategy as established by the JCS, updated in the context of the issues debated through the JCS examination and the analysis of additional evidence requested by the Inspector. It is appropriate that the economic strategy is an adaptable tool that responds to the wide range of influences which are working collectively to drive the economy of Gloucestershire, in respect of which the JCS area plays a significant role with influences beyond the county boundary. This document will therefore seek to clearly set out the direction of travel and identify, supported by evidence, modifications proposed to the JCS for consideration by the JCS examination in December.

The Cheltenham Plan is a new planning policy document to guide development in the local area. It will be used in combination with the JCS for Gloucester, Cheltenham and Tewkesbury. The Cheltenham Plan has been split into two parts and the latest six week consultation which closed on 3rd August 2015, focused on part one.

The consultation builds on the previous scoping consultation that provided key information about the future plan. It focusses on issues (current and future) affecting Cheltenham and identifies planning approaches and options that can help solve and alleviate these issues.

This part one stage focuses on three policy areas:

- economic strategy;
- potential local green space designations; and
- potential development allocations (sites for development)

The main purpose of the consultation was to hear views on the early stages of Cheltenham Plan production, which will help the council to prepare the 'pre-submission draft' of the Cheltenham Plan.

Consultation responses will be reported to Council and published on the Cheltenham Plan webpage. Positive responses have been provided in relation to suggestions for local green space designations and there has been significant level of support for the provision of a cyber-security employment hub.

Athey report – developing Cheltenham as a business location

In late 2014, Athey Consulting was commissioned to support the development of an economic strategy for Cheltenham, focusing on the authority's role as a business location. The subsequent report published in January 2015 provides an economic assessment of Cheltenham, including an employment site review and key findings from consultation meetings and interviews with businesses and other stakeholders. Chapter 3 of the report outlines a number of key priorities and objectives for Cheltenham's economic strategy and goes on to discuss potential delivery ideas and options to help achieve these.

The report concludes that the rationale for the scale of the economic ambition for the town and the potential impacts and benefits from the strategic allocations within the JCS could be strengthened. Further work is needed to develop economic forecasts to identify what actions are likely to make the biggest impact on revenues, jobs, business retention etc. – this would provide the rationale for targeting certain priorities e.g. cyber-security. A strategic assessment of strengths or gaps in respect of what industries or businesses need from a location in terms of their commercial imperatives would help inform allocations and the management of strategic assets.

Athey also identifies the need to identify how innovation initiatives can be progressed to impact on productivity and how strategic sites might impact on existing district and town centres. More consideration also needs to be made of how sites work individually or in combination to address economic or social ambitions for a locality.

Highlighting what has been delivered which would be useful – e.g. the work of the Cheltenham Development Task Force, as this may stimulate further activity and investment. This needs to be clearly linked to outcomes and impacts such as jobs, business start-ups and turnover.

In terms of future investment, we need to be clearer about what industries and businesses are expected to underpin the demand for land and premises, or which will be responsible for shaping the local economy in future years.

If businesses cannot find suitable premises we need better intelligence to understand what the blockages are and what may be stifling or preventing investment. The role of the LEP in helping to gather this information and to link with FE/HE institutions to promote this commercial potential, alongside R&D activity, enterprise support and entrepreneurship would also be helpful.

Main conclusions from stakeholder consultation:-

- If established businesses and start-ups have growth ambitions, there is nowhere for them to move to and grow within the town;
- CBC needs to be more growth orientated with a stronger vision for change over the next 20 years;
- Allocating land for growth is a top priority, which would help local companies looking to expand and improve the offer for start-up businesses. There is a general feeling that the care sector is a major growth opportunity;
- Confirmed that any vision of Cheltenham as a location for new business HQ's would be highly unrealistic;
- There is a need for more provision of larger modern, high grade offices and business space to compete with the likes of Gloucester;
- Improvements to transport and parking – many consultees emphasised the need for transport improvements in and around the town, including measures to ease congestion e.g. ring road/northern relief road, better parking provision, easier customer access to retail businesses and measures to encourage modal shift away from cars;
- GCHQ is looking at opportunities for themselves and locations for subcontractors/associated businesses. CBC needs to support GCHQ with identifying suitable space for expansion within Cheltenham and to actively influence and support this;
- Need to develop rapport with key industries and remaining large employers such as GCHQ, with more active brokering of relationships to 'make things happen'.

Joining-up Gloucestershire economic development support

CBC is participating in a county-wide project being led by Gloucestershire County Council to look at how the districts are currently providing economic development support and what opportunities there are to do this more collaboratively in the future. At this stage, there is no suggestion that this will involve setting up a shared service, but we are looking at how authorities can work virtually to support business needs across municipal boundaries, in line with relevant recommendations within the Athey report as detailed above.

Findings from this project are being reported back through the Gloucestershire Economic Growth Joint Committee (GEGJC)

Cheltenham Business Partnership (CBP) manager role

Following a temporary appointment earlier in the year, Kevan Blackadder, formerly editor of the Gloucestershire Echo has now been appointed to this role on a consultancy basis. The role is currently part-funded by CBC, but this may be reviewed in light of the outcome of the Business Improvement District proposal outlined below. Kevan has been very active in liaising with the business community on a range of issues and is providing regular update reports through the CBP.

Business Improvement District

Following an initial feasibility study the Cheltenham Business Partnership has agreed to progress the project to establish a Business Improvement District (BID) for Cheltenham town centre. A ballot of businesses in the proposed area will be held to decide if the BID should be formed. This will entail a degree of resources and to support towns in developing a BID the DCLG has created a loan fund (£10,000 to £50,000) for which partnerships can apply.

This project is being overseen by Martin Quantock, formerly Cheltenham's town centre manager.

If loan funding is secured, the BID ballot could take place in mid-2016.

Criteria for the loan fund requires the support of the local authority and for the local authority to act as the Accountable Body should the partnership be successful in its application.

The Cabinet Member for Finance has agreed to approve Cheltenham Borough Council to:

- Act as the Accountable Body for a loan from The BID Loan Fund to be used to progress the development of a Cheltenham BID.
- Act as treasurer for the financial administration of the BID scheme, on behalf of Cheltenham Business Partnership.

If the ballot of businesses in the proposed area is unsuccessful the loan does not have to be repaid.

If the ballot is successful, the loan will be repaid from the income generated by the BID levy. As the council will collect the BID levy the loan repayments can be deducted before any levy income is paid to the BID Company. Interest at 1% above inflation will be charged each year which will also be deducted from BID levy income (late payment fees can also be charged). We are currently waiting to hear from DCLG as to when funds would be available to support the Cheltenham BID.

Based on current proposals, it is estimated that in excess of £400,000 per annum could be generated from BID levy. The risk of there being insufficient funds to repay the loan and any interest payable is considered to be minimal.

Members will be aware of the longstanding commitment within the corporate plan to review the Council's car parking strategy.

This work is now being progressed through the establishment of a cross-party Cabinet Member Working group which will have its inaugural meeting on 15th October, 2015.

Terms of reference for the group will be established at the initial meeting and its remit is likely to include:-

- Car parking quantum;
- Relationship between on and off street parking provision;
- Impact of car parking on the local economy;
- Strategy for parking charges;
- Review of service costs and current staffing arrangements;
- Legal constraints on the service;
- Relationship to objectives within the Gloucestershire Local Transport Plan;
- Opportunities for off street parking site consolidation, or further investment in provision.

This page is intentionally left blank

Page 14

Overview & Scrutiny Committee**Monday, 21st September, 2015**

Attendees	
Councillors:	Tim Harman (Chair), Colin Hay (Vice-Chair), Chris Mason, Dan Murch, John Payne, Chris Ryder, Garth Barnes (Reserve) and Rob Reid (Reserve)
Also in attendance:	Councillor Steve Jordan (Leader), Paul Evans, Paul Dennison, Wayne Ellis (Severn Trent), Rob Bell (Ubico) and Scott Williams, Andrew North (Chief Executive), David Neudegg (2020 Vision programme), Councillor Bryan Robinson (Forest of Dean District Council), Councillor Klara Sudbury and Shirin Wotherspoon

DRAFT Minutes**10. 2020 VISION**

The Chairman advised that he was minded to allow councillors in attendance but not on the O&S Committee, to ask questions at the appropriate stage. The committee were comfortable with this.

Andrew North first explained that at the Member Seminar held the previous week, members had commented that they did not feel that David Neudegg, Interim Managing Director for 2020 vision, was as visible as they felt he could be and with this in mind he had invited David Neudegg to attend, as well a range of Officers to who would provide expert advice if required.

Cheltenham Borough Council (CBC) was incredibly ambitious for the town and always striving for Cheltenham to be as good as it could be; something which was acknowledged by the Peer Review Team and reflected in their report addressed later on the Committee agenda. CBC did not keep large reserves, instead spending money to benefit the town and as a council it was prepared to borrow to fund such improvements. There were three elements which were key to enabling the council to deliver these ambitions; (1) the REST (Regulatory and Environmental Services Transformation) services which shaped the town's present and future (Planning, Licensing, Public Protection, etc); (2) key to place shaping was the Cheltenham Development Task Force which worked to develop sites across Cheltenham, not solely CBC sites; (3) the Engagement Team. Each of these three required a high degree of influence and control by Councillors and he could appreciate therefore, why Councillors did not want these services undermined.

The overarching ambition for 2020 Vision was "a number of councils, retaining their independence and identities, but working together and sharing resources to maximise benefit leading to more efficient, effective delivery of local services". The MTFS currently identified a funding gap over the next 4 years of £1.5m and he suggested that this was more likely to grow rather than reduce in the short term, meaning that in 5 years the council would either need to be spending £1.5m less or have increased revenues by this amount. The shared

services which had been entered into to date had proved successful, not only in monetary terms, having saved the council £2.73m, but also in creating teams with a wider pool of expertise and greater capacity it had built resilience and offered staff increased career opportunities. The business case for 2020 identified annual savings to this council of £581k, with further savings of £227k which could potentially be achieved through the establishment of a local authority company and therefore have a significant role to play in closing the council's MTFS funding gap in the short to medium term. He stressed that the services being considered for sharing were not those place shaping functions earlier described, but support services such as customer services, revenues and benefits (including council tax collection) and property services, services which needed to be done well but not necessarily directly by this council.

The paper which had been circulated with the agenda outlined four options which ranged from full commitment (option 1) to full withdrawal (option 4) and as a council the decision should be based on; "how can we reap all of the benefits without losing our identity." Option 1 was for full membership of the 2020 Vision Joint Committee and Officer advice was that they were content to see this council sign-up to this model. It was important to note that Officers advised against Option 4, questioning how the council would be able to place shape effectively when financially it would be operating with lack of money for future plans and investment. Options 2 and 3 were for consideration. Option 2, the "Arms-Length" option would see the council as a customer of the partnership venture and therefore likely to achieve less than the £581k and £227k savings discussed earlier. Option 3 and second in order of preference of Officers, was the "Preferred Partner" option and would see the council assume Observer status on the Joint Committee. Further, were the circumstances right, rights would be sought to sign-up to the Teckal company and the governance arrangements that went with it.

David Neudegg thanked the committee for inviting him along and assured members that he would be available if they wished to extend future invitations. He explained that he was here in his role as Interim Managing Director of the 2020 Vision programme and was therefore representing all four partner authorities, including CBC. The individual councils had each, already undertaken sharing of services and at Cheltenham this included a diverse range of arrangements including the Cheltenham Trust, Ubico, Cheltenham Borough Homes and Go Shared Services (where the role of lead employer had been passed to Cotswold District Council). In 2014 the 2020 Vision Programme Board commissioned Activist to develop a strategic business case and at that time all partners were clear that they wanted to maintain their democratic mandate and have a minimal impact on councillors and customers. Two options were outlined in the Activist report; the first for a Joint Committee and the second for a Teckal company. The second option was the preferred one for three of the four partners and therefore the suggestion was that a Joint Committee would be created, before moving to a Teckal company after 18 months. These joint proposals were set out to the Member Governance Board (MGB) in June, at which stage Cheltenham asked that the link between trusted advisors and local authorities be strengthened. CIPFA carried out a quality assurance review of the business case, finding it to be robust and noted their belief that more substantial savings could be achieved from a deeper collaboration.

David Neudegg suggested that at a strategic level, councillors would have three questions; (1) does the Joint Committee adversely impact CBC. He assured members that the Joint Committee would be responsible for the on-going strategic delivery and governance to the required standards set out in the s101 Agreement(s) of all partners and not individual partners. This was clearly defined in the Terms of Reference for the Joint Committee; (2) the risk of organisation failure. As part of a collective this would mean four failures across the four partner organisations and there would be member oversight across all councils to ensure that this did not happen; (3) Impact on staff. A positive approach to staff engagement had been adopted at all four partner councils and staff workshops had been organised. At the start of the meeting he had circulated a joint statement (Appendix 2) from the other three partners (Cotswold, West Oxfordshire and Forest of Dean District Councils) in response to the four options that Cheltenham would be considering. The three partners urged Cheltenham members to support the recommendations of the MGB and join them as a full and welcome partner of the 2020 Partnership. Were Cheltenham to decide upon any of the other options, they would respect this decision and would hope to maintain a positive relationship. The alternative options being considered by Cheltenham had not been evaluated in great detail by the other partners at this stage, however, they were willing to undertake an independent review of the options, if necessary. The statement suggested that fears about decisions being taken that would adversely affect one partner were ill-founded, with no evidence of this having occurred over the established history of partnership working (GO Shared Services, Ubico or the 2020 Vision partnership). David Neudegg felt that the worse scenario for partners and staff was a hesitant partner; instead wanting partners who were positive and fully engaged.

The Chairman referred members to the paper which asked that the committee form a view on whether Cabinet should consider alternative options for sharing with the 2020 Vision partner councils.

Andrew North and David Neudegg gave the following responses to questions from members of the committee, as well as non-members who were in attendance;

- Engagement with members had been consistent at all partner councils, though debate at Cheltenham's Cabinet and recent Member Seminar had differed from those at other partners given the discussions about alternative options, which had not been repeated elsewhere.
- The other partners have confirmed that they would be willing to undertake an independent review of the options, however, this would not be as in-depth as the previous review and they had been clear that they do not want to delay the timescales any further.
- Full details of the functions and activities delegated to the Joint Committee were outlined in the draft constitution and included HR policies and procedure, finance and procurement rules and ICT network infrastructure. The constitution defined the powers that this council would delegate to the Joint Committee, who would in turn appoint David Neudegg to carry out those functions. Cheltenham Borough Council would have its own lead Director for retained functions.

- David Neudegg currently spends 3 days a week in the role of Interim Managing Director of 2020 Vision and spreads his time between all four partner sites.
- The role of Interim Managing Director was interim until 2017 as the MD role may not be required if a Teckal company is formed.
- A suggestion which would probably be welcomed by other partner councils would be that of forming a Member Liaison Group which would allow non-Cabinet Members to have a role in formally monitoring the Joint Committee.
- Staff and Trade Unions had been briefed throughout the process and feedback had been positive. Staff saw this as an opportunity not just for savings but for resilience and an opportunity to be part of first class services in the future.
- Cheltenham were open to establishing a Teckal company from the outset and it would have been possible to extend the existing arrangements but other partners were more comfortable with a Joint Committee in the first instance. This should be seen as a stepping stone to a Teckal company as the move from one to the other was reasonably straightforward.
- In spite of the savings that 2020 vision would generate, there would still be a budget gap over the course of the MTFS and the Section 151 Officer had worked over the weekend to identify means of bridging the gap. Whilst it was not appropriate for him to divulge the detail to this committee at this stage, members could be assured that there was a plan. This was not to say that there would be no need for further savings in the future.
- It was agreed that as a council we needed to think about how we would scrutinise shared services going forward. There was an extent to which joint scrutiny could be undertaken and though this had not been fully considered it would likely be very valuable and something that officers would like to see happen.
- The formation of a Teckal company would see existing staff continue with their Local Government pension, whilst all new staff would be offered a stakeholder pension.
- Option 3 would allow Cheltenham to build in certain rights with observer status and at a point in the future, once it was comfortable, have an option to sign-up in the future. This would be subject to negotiation with the partner councils. This would undoubtedly require more time and effort, including having to get CIPFA back and would ultimately result in fewer savings. Officers appreciated that some members had concerns about governance and considered Option 3 to be a compromise but notwithstanding this, Officers were still recommending Option 1; full membership.
- As a full partner Cheltenham would still have the right to say which services it wanted to share and which it did not and if it was important to Cheltenham to keep REST back indefinitely then it could legitimately do so.

Councillor Bryan Robinson, Deputy Leader from Forest of Dean District Council was in attendance and accepted an invitation from the Chairman to share his thoughts on the Options being considered. He was of the opinion that existing shared services such as GO and ICT had proved effective and demonstrated

potential to continue and build upon successes to do more. He would very much like to see Cheltenham choose Option 1 and felt that it would be a disservice to Cheltenham for them to be anything other than a full partner.

A member voiced support for Option 1 which he considered to be the right decision for Cheltenham. GO shared services had generated greater savings than originally expected and had resulted in a more resilient service which could retain staff and use systems that alone, it would have been unable to afford. He felt that at this stage, members needed to be clear and honest about their concerns.

The Chairman was of the view that Option 1 best served the interests of Cheltenham, its residents and staff and members agreed that this, the unanimous view of the committee, should be passed to Cabinet. The Chairman would attend Cabinet on the 13 October to present the views of this committee.

The Chairman thanked the Officers and members who had attended the meeting.

Tim Harman
Chairman

This page is intentionally left blank
Page 20

Cheltenham Borough Council

Cabinet – 13 October 2015

Council – 19 October 2015

2020 Vision

Accountable member	Leader, Councillor Steve Jordan
Accountable officer	Pat Pratley, Deputy Chief Executive
Ward(s) affected	All indirectly
Key/Significant Decision	Yes
Executive summary	<p>Members will be aware that 2020 Vision is a partnership between Cheltenham Borough Council (CBC), Cotswold District Council (CDC), West Oxfordshire District Council (WODC) and Forest of Dean District Council (FoDDC). 2020 Vision sets out an ambition for the authorities to become more efficient and effective by working together. The vision is:</p> <p><i>“A number of councils, retaining their independence and identities, but working together and sharing resources to maximise benefit leading to more efficient, effective delivery of local services”.</i></p> <p>In December 2014 CBC Cabinet endorsed a number of recommendations to progress 2020 Vision including a recommendation for the</p> <p><i>“establishment of a shared services partnership venture in early 2015, between the 4 authorities, managed by a joint committee operating under a Memorandum of Understanding (MoU) for an interim period pending a further report being considered in the autumn of 2015”.</i></p> <p>Members will recall that the partnership has been granted a total of £3.8M from the Government’s Transformation Challenge Fund to support the implementation of 2020 Vision.</p> <p>The December report also signalled that a further report would be considered in the autumn of 2015 regarding any recommendations for the future governance arrangements of the partnership venture.</p> <p>Cabinet received a report in April regarding the MoU and approved it. The MoU did not give rise to any legally binding obligations, instead it provided a clear and accountable framework for working together to deliver the 2020 Vision Programme up to the point of a formal joint committee being implemented.</p> <p>The purpose of this report is principally therefore to obtain the agreement of Cabinet and Council to:</p> <ul style="list-style-type: none"> • Enter into the 2020 Vision Partnership structure. • Endorse and approve the establishment of a revised CBC senior management structure which includes the deletion of the post of Chief Executive, proposed date being 27 March 2016, after which date the new structure will formally take effect.

- Approve the creation of the 2020 Vision Joint Committee and the associated terms of reference and constitution including the delegation of GO Shared Services (GOSS) and ICT to the joint committee on its creation.
- Approve the 2020 Vision Business Case.
- Request for each proposed new shared service, not already identified in this report, a business case demonstrating that all delivery options have been considered.
- Request a further report during 2016 on the business case for a local authority company or alternatively the continuation of the 2020 Vision Joint Committee.

Recommendations

It is recommended that Cabinet and Council:

1. Agrees to enter into the shared services partnership structure described in **Appendix 2**.
2. Endorses the consequential revised senior management structure for this Authority as set out in **section 7**.
3. Approves the 2020 Vision Business Case at **Appendix 3**.
4. Adopts the Commissioning Strategy at **Appendix 5**.
5. Agrees to establish the 2020 Vision Joint Committee in accordance with Sections 101 and 102 of the Local Government Act 1972, and the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 made under Section 9EA, 9EB and 105 of the Local Government Act 2000, with draft Constitution at **Appendix 6**.
6. Delegates authority to the Chief Executive in consultation with the Leader, the Section 151 Officer and the Borough Solicitor to finalise and complete the Inter Authority Agreement (including the Constitution) and other documentation on terms to be approved by the Borough Solicitor and to take all necessary steps to create the 2020 Vision Joint Committee by April 2016.
7. Agrees that the existing 2020 Vision Member Governance Board arrangements will continue until the 2020 Vision Joint Committee is created.
8. Upon establishment of the 2020 Vision Joint Committee
 - 8.1 Delegates to the 2020 Vision Joint Committee those functions of the Authority as described in the draft Constitution for the 2020 Vision Joint Committee, subject to retained decisions as set out in **section 10** of this report
 - 8.2 Agrees to appoint Forest of Dean District Council as Administering Authority to provide administration support to the Joint Committee
 - 8.3 Agrees to appoint Cotswold District Council as the Accountable Body to provide financial support to the Joint Committee and enter into any contracts required on behalf of the Joint Committee
 - 8.4 Agrees to appoint the following councils to provide the following

functions of the Joint Committee;

Forest of Dean District Council – Monitoring Officer

Cotswold District Council – S151 Finance Officer

Forest of Dean District Council – Clerk to the Joint Committee

9. That each partner authority confirms the appointment of David Neudegg as Partnership Managing Director.
10. Agrees to make available such of this Authority's staff as are necessary for the 2020 Vision Joint Committee to fulfil the functions which the Authority delegates to it

It is recommended that Cabinet:

1. Recommends to Council the appointment of Councillor **XX** as the Cabinet Member representative on the 2020 Vision Joint Committee.
2. Receives further briefings providing reassurance on the benefits, costs and savings to this Authority of the services outlined in **section 14** of this report, and demonstrating that other sharing options have been considered, prior to any delegation of the functions relating to those services being made to the 2020 Vision Joint Committee.
3. Receives a report and business case during 2016 on the establishment of a local authority company for the delivery of the functions of the 2020 Vision Partnership, or alternatively the continuation of the 2020 Vision Joint Committee, and makes an onwards recommendation to Council as necessary.

It is recommended that Council:

1. Approves the revised senior management structure for this Authority as set out in **section 7** for consultation with affected staff and recognised trade unions with a proposed implementation date of 28 March 2016.
2. Authorises the Chief Executive to undertake all necessary processes for the introduction of the revised senior management structure and to make any changes to the structure arising from consultation provided that such changes fall within the budget and overall parameters of the structure (as referenced in this report).
3. Agrees to internal recruitment to the post of Head of Paid Service (who it is anticipated will also become the Returning Officer/Electoral Registration Officer from 23 May 2016) and notes that the appointment to the post will be undertaken by Appointments and Remuneration Committee with final approval resting with Council.
4. Agrees that, in the event of it being necessary to second any of the Authority's staff in order to facilitate the functions which it delegates to the 2020 Vision Joint Committee, the Head of paid Service be authorised to approve such secondment.
5. Agrees to appoint x and x as the Authority's Members on the 2020 Vision Joint Committee.
6. Authorises the Democratic Services Manager, in consultation with the Borough Solicitor, to make such changes to the Constitution as are

necessary to reflect and facilitate the implementation of the recommendations in this report.

<p>Financial implications</p>	<p>As detailed within section 16 of the report.</p> <p>The detailed financial implications of the 2020 Vision Programme, as set out in the business case, have been worked on by the S151 Officer and his equivalent in each of the four partner councils.</p> <p>The business case includes all savings arising from transformational and joint working set out in the Strategic Outline Case presented to Government which formed the basis of the Transformational Challenge Award Funding of £3.8m.</p> <p>The business case objective is to ultimately deliver £1.252m of annual recurring revenue savings for this Council.</p> <p>An independent review of the business case has been undertaken by CIPFA and Proving Services. Their initial feedback is that the business case is positive with a large degree of tolerance making it both achievable and deliverable.</p> <p>The proposed cost of the project is £10.140m over the 5 years of the expected lifetime of the programme, of which the cost to this Council is £1.224M. This Council has already earmarked £1.095m of the programme costs as part of the budget setting process in February 2015. The Member Governance Board / Joint Committee will keep the programme finances under review, and any additional funding request will be recommended to the Councils as the programme progresses and actual costs become known. Funding of core programme expenditure (i.e. of benefit to all partner authorities) will be initially funded from the £3.8m award of Transformation Challenge Award Funding.</p> <p>Contact officer: <i>Paul Jones</i>, S151 Officer <i>paul.jones@cheltenham.gov.uk</i>, 01242 775154</p>
--------------------------------------	---

<p>Legal implications</p>	<p><u>Revised Senior Management Structure</u> Council is being recommended to agree the revised senior management structure which includes the deletion of the post of Chief Executive and consequent redundancy of that post holder from that role and cessation (by resignation) of his role as Returning Officer and Electoral Registration Officer. Appointment to the new post of Head of Paid Service will be undertaken by Appointments and Remuneration Committee with onward referral to Council for approval. Council will also appoint to the roles of Returning Officer and Electoral Registration Officer.</p> <p><u>Appointment of Partnership Managing Director</u> The formal appointment of the Partnership Management Director (who is responsible for the Joint Committee functions) is to be undertaken by their 'home' partner council. Whilst the employment relationship will be between the post holder and their 'home' council, all partner councils are being recommended to confirm their acceptance of the appointment of that post holder for the purpose of agreeing/identifying the senior officer responsible for delivery of the Joint Committee functions.</p> <p><u>Inter-Authority Agreement</u> The existing s101s and Collaboration Agreement will need to be terminated and replaced by the Inter Authority Agreement. Arrangements with Ubico, The Cheltenham Trust and CBH would also need to be amended accordingly. The relationship between the partner councils will be set out in an inter-authority agreement which will, inter alia, set out the partner council obligations (including financial), the administering authority's obligations, the accountable body's obligations, staffing and exit arrangements. It is intended that the agreement will be developed following the partner council decisions to set up the Joint Committee and finalised by the end of 2015. Therefore, this report contains an officer delegation to take forward and finalise the agreement.</p> <p><u>Appointments to Joint Committee</u> It is for Council to appoint the initial Members to the Joint Committee. As the functions to be delegated to the Committee include executive functions, at least one Member must be a Cabinet Member. Unless otherwise expressly agreed by Council, the term of membership for the Committee Member appointments will run in accordance with the usual practice for committees, i.e. until the next meeting of Selection Council.</p> <p><u>Amendments to Constitution</u> The Constitution will require amendment to reflect and facilitate the delegations to the Joint Committee. In particular, changes will need to be made to Part 3 in respect of delegation of executive functions, the terms of reference of Appointments & Remuneration Committee and the delegations to officers regarding HR matters. The report recommends that the Democratic Services Manager (in consultation with the Borough Solicitor) be authorised to make the necessary changes.</p> <p><u>Further delegations to the Joint Committee</u> Any delegation of additional functions to the Joint Committee will, under the current executive arrangements delegation scheme, require formal approval by Cabinet. If non-executive functions were to be included, then Council approval would be required.</p>
----------------------------------	--

	<p><u>Provision of services through a company structure</u> Consideration of this future option will require specialist legal support which would need to include company/governance law and practice and procurement advice.</p> <p>Contact officer: Shirin Wotherspoon, One Legal; shirin.wotherspoon@tewkesbury.gov.uk</p>
HR implications (including learning and organisational development)	<p>The 2020 Vision programme is one of the most challenging and ambitious shared services programmes in local government. The HR implications arising from the implementation of a large scale change programme are extremely complex. GO Shared Service (GOSS) Head of HR is a member of the programme team and has worked with the team to outline the key HR & Employment matters. These are set out in the accompanying annexes to this covering report.</p> <p>The Council and the 2020 Vision Programme will continue to be supported by the GOSS HR team who will ensure that local and regional trade union officers from the two recognised trade unions and all council employees are briefed and fully consulted on the proposed changes as the programme moves forward.</p> <p>To ensure that all aspects of the programme, as well as business as usual and other competing projects are delivered on time and within budget, it is important that capacity is carefully monitored and managed by the senior leadership team.</p> <p>Contact officer: Julie McCarthy, GOSS HR Manager Julie.McCarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	<p>The key risk for this Council is the potential for the partner councils not to reach agreement leading to the programme not being delivered and the impact this will have on this Council's ability to deliver savings to support the MTFs. This risk is reported to Cabinet on the corporate risk register.</p>
Corporate and community plan Implications	<p>2020 Vision supports the Council's objective of providing value for money services that effectively meet the needs of customers.</p>
Environmental and climate change implications	<p>There are no direct implications arising from this report, however, potential environmental and climate change implications will need to be identified and considered as part of any further refinement of the business case, business plan and any new sharing projects.</p> <p>Contact officer: Gill Morris, Client Officer Gill.Morris@cheltenham.gov.uk; 01242 264229</p>
Property/Asset Implications	<p>The sharing of services has resulted in a reduction in space requirements in the Municipal Offices which supported the business case for the relocation of the council into smaller space in Delta Place. The 2020 vision programme may facilitate a further reduction in the space needs resulting in further savings in the accommodation overhead cost to the council.</p> <p>Contact officer: David Robert, Head of Property David.Roberts@cheltenham.gov.uk, 01242 264151</p>

1. Background

- 1.1 Members will be aware that the 2020 Vision Partnership (the partnership) comprises Cheltenham Borough Council (CBC), Cotswold District Council (CDC), West Oxfordshire District (WODC) and Forest of Dean District council (FoDDC). 2020 Vision set out an ambition for the authorities to become more efficient and effective by working together. The vision is:

“A number of councils, retaining their independence and identities, but working together and sharing resources to maximise mutual benefit leading to more efficient, effective delivery of local services”.

- 1.2 Members will also be aware that the councils have shared services for a number of years. There has been a desire, subject to a credible business case, to build upon that shared working and to become more efficient and effective by working more closely together but without sacrificing political sovereignty, culture and local decision making.
- 1.3 The councils share a focus on efficiency and on achieving value for money whilst at the same time recognising they have a wider responsibility as democratically accountable bodies with a community leadership and stewardship role. The councils also have a responsibility for looking after the long-term environmental, social and economic needs of their localities, citizens and businesses.
- 1.4 Whilst the councils are rightly ambitious for their communities and localities, that ambition is in the context of a challenging financial landscape. Since 2009/10, this Council will have delivered £2.73M annually by 2018/19 through a commissioning approach to service delivery and the creation of a number of different delivery arrangements, e.g. One Legal, Building Control Shared Service, GO Shared Services (GOSS), ICT Shared Services, Audit Cotswolds, Ubico and most recently The Cheltenham Trust.
- 1.5 2020 Vision therefore provides the natural next step to deeper sharing with the GOSS partner councils. It also provides an opportunity not only to continue to deliver the outcomes that members want for Cheltenham, but also to deliver ongoing revenue savings that would not be otherwise achievable and to benefit from investment funded through the Transformation Challenge Fund (TCF).

2. CBC Financial Context

- 2.1 The role of the external auditor is to provide an opinion on the Council's financial statements and to provide a value for money (VFM) conclusion. The opinion will be either qualified or unqualified with the latter (VFM conclusion) having a sub-category of either adverse or except for.
- 2.2 To date both opinions have been unqualified but moving forward, the external auditor will base their VFM conclusion on how robust the Medium Term Financial Strategy (MTFS) is and what plans are in place to ensure austerity cuts are countered by either cuts in service or alternative delivery models.
- 2.3 Local government is undergoing rapid transformation in order to respond to the challenges associated with reduced government grants and growing pension costs. With 2015 Spending Review cuts potentially ranging from 25-40%, and annual pension contributions projected to double over the next two decades, there is a “burning bridge” case for the delivery of further savings, increased efficiencies and revenues.
- 2.4 The Medium Term Financial Strategy (MTFS) has been updated to cover the period 2015/16 to 2019/20 t, and identifies a funding gap over the next 4 years of c£3.9M. The MTFS proposes a strategy for ‘bridging’ the funding gap which includes the savings arising from 2020 Vision. It should therefore be noted that 2020 Vision plays a significant role in enabling this Council to

deliver a balanced budget in the short to medium term and alternative savings would have to be identified over and above those included within the revised MTFS.

3. Devolution and 2020 Vision

- 3.1** Gloucestershire has signalled its intent to seek further powers from Government as part of the current devolution agenda. Devolution is about the transfer or delegation of power by central government to local or regional administration. Members will also be aware that, on 4 September, Gloucestershire submitted a devolution proposal to Government. In Gloucestershire's case the proposal is for a combined authority, thus creating the potential to secure better outcomes for local people in the context of a reduction in public expenditure across all sectors.
- 3.2** Devolution is not an alternative to 2020 Vision. 2020 Vision is about working with our partner councils to maximise mutual benefit and being able to deliver more efficient and effective local services to communities, citizens and businesses. What will be important moving forward though is that each council has sufficient capacity to be able to respond to initiatives such as devolution when they arise, and for the partner councils to have a strong voice at the table either individually or collectively depending on the issue.
- 3.3** There is an opportunity through 2020 Vision for that capacity and collective ability to be enhanced as the partnership develops and matures whilst still ensuring that each council's sovereign voice is maintained and heard. Officers from this Council have been involved in the co-creation of the "asks" of government for a Gloucestershire combined authority. It will be important moving forward that, in the context of 2020 Vision and possible devolution, the Council continues to have the strategic and commissioning capacity to actively contribute to, and shape, the outcomes for Cheltenham.

4. 2020 Vision – Brief Recap on the Activist Report

- 4.1** Members may recall that in 2014 the 2020 Vision Programme Board commissioned Activist to develop a strategic business case. Activist consulted and engaged extensively with members from all the partner councils to determine what are the key drivers for the partnership and distilled down the views to:

Financial: the need to respond to long-term financial pressures

Efficiency: continuing to find ways of delivering value for money

Resilience: each authority needing a wider pool of expertise and greater capacity

Impact: more depth in strategic capacity needed to drive service improvement and wider social and economic benefits in each locality

Democracy: sufficient resources to be able to exercise choice and community leadership and the ability to continue to champion local needs and priorities.

- 4.2** As well as the above drivers Activist also captured the outcomes that members wanted to achieve from the partnership and the challenges that the programme would need to address to be assured of success:

Savings: realistic, sustainable, medium to long term return on investment, opportunities to generate income

Influence: respectful of individual authorities and local decision making, able to exercise community leadership, strong local knowledge in front-line services, impartial commissioning and client side advice

Quality: enhances good quality services, flexibility and adaptability to future changes, streamlined and easy to understand governance

Creativity: empowerment of staff to be creative, collaborative and enquiring, fosters and rewards

innovation.

- 4.3** The original vision for the programme was an approach whereby the councils would not employ any of their own staff, but would create a jointly owned local authority company to deliver all services, however, the Activist report proposed that a phased approach should be pursued which all partner councils accepted. The Activist advice was based on the outcomes the partners wanted to achieve, the principles of design of importance to the partners as well as at that time, the unknown financial impact of pension costs.
- 4.4** Activist concluded that 2 broad strategic options best met the partnership's outcomes and drivers, these options being either
- traditional sharing under a joint committee arrangement; or
 - a local authority company
- 4.5** Activist went on to recommend that a new partnership venture be established, under a joint committee, which should operate as an initial stage before the partners decided whether they wish to retain a joint committee or proceed to create a local authority company.
- 4.6** At this point there is still further work to do to confirm, in particular, the additional financial benefits/costs that the creation of a local authority company would bring and that is why a further report in 2016 is being recommended.

5. 2020 Vision Programme Governance

- 5.1** The December report signalled the creation of the 2020 Vision Programme and the appointment to a number of interim roles; Lead Commissioner, Managing Director and Programme Director. A programme team has also been recruited to and each Council's interests are being looked after by an officer acting in the capacity of head of paid service (actual or designated). The role is being carried out by the Deputy Chief Executive for this Council.
- 5.2** The programme is governed through the Member Governance Board (MGB) made up of the council leaders together with a cabinet member representative from each council. What the MGB has said it wants from 2020 Vision is:
- Evolution rather than revolution
 - Ease of access to advice from trusted advisors working in the interests of each council
 - Ease of access to good quality commissioning skills for each of the councils
 - Potential for increased shared working over time
 - A desire to retain control over some services at least in the short term.
- 5.3** These key messages, as well as the outcomes the partners want to see from 2020 Vision, have led to the recommendation of a joint committee governance model to operate as an initial stage pending a report back on whether a business case can be made to create a local authority company.
- 5.4** The purpose of this report is therefore principally to consider the:
- 5.4.1** Proposed 2020 Vision organisational structure and consequential implications for this Council's senior management structure;
- 5.4.2** Joint committee approach and how it meets the key requirements of the 2020 Vision Member Governance Board;
- 5.4.3** Proposed functions of the 2020 Vision Joint Committee, its terms of reference, highlighting some

elements of its Constitution which may be of particular interest to members and identifying the services that will be delegated to it upon its creation;

- 5.4.4 Matters which this Council is being recommended not to delegate to the 2020 Vision Joint Committee at this time;
- 5.4.5 Interim managing director arrangements for the 2020 Vision Joint Committee;
- 5.4.6 2020 Vision Commissioning Strategy;
- 5.4.7 Services that this Council is being recommended to commission in the next stage of the programme, subject to business cases;
- 5.4.8 2020 Vision Business Case and the estimated savings for this Council at this point of the programme;
- 5.4.9 Outcome from the independent review of the 2020 Vision Business Case and the programme and this Council's own informal gateway review.

6. 2020 Vision Organisational Structure

- 6.1 The MGB has endorsed a shared services partnership structure **Appendix 2** and is recommending it for adoption. The structure provides for either individual or shared lead directors (this council has termed the role head of paid service) who would be directly accountable back to their councils and who would act as lead commissioners.
- 6.2 The proposal is that the partnership venture would be managed by a Partnership Managing Director (MD) who will be accountable to the joint committee for delivery of the functions delegated to it and the continued improvement and strategic direction of the partnership venture.
- 6.3 The advantages of the structure are:
 - Members can clearly see who is accountable to their council, who is accountable to the joint committee and therefore conflicts of interest should be avoided.
 - In the scenario of a move to a local authority company the organisational model is easily transferable, conversely, if a business case for the creation of a company does not exist the model is not redundant and can continue to operate.
 - The potential to move more services into the partnership venture is possible should Members determine to do so.
- 6.4 The structure also provides for an informally constituted Partnership Venture Commissioning Group comprising the heads of paid service and the MD, which would sit outside the formal joint committee arrangement. Its role will include:
 - Ensuring that the overall aims and objectives of the 2020 Vision Partnership are achieved
 - In their respective roles as heads of paid service and MD advise the joint committee on effective delivery of the partnership venture services and on key strategic core policies such as finance, ICT and HR
 - Ensuring that service delivery is supported by an appropriate performance management framework
 - Ensuring collaboration and co-operation between the councils and the partnership venture to

maximise efficiency and effectiveness so that the individual needs of each council is met

- Providing a forum for discussing potential major changes to service delivery ahead of any recommendations to the partner councils
- Providing a forum for discussion on any potential expansion of the partnership venture to understand and mitigate any impact on the partner councils
- Heads of paid service will act as lead commissioners, working with representatives from each council, to ensure that the partnership venture is meeting the service standards agreed with the councils.

7. Implications for CBC Senior Management Organisational Structure

- 7.1** Members will be aware that Council, at its meeting on 20 July, approved the recommendations regarding the restructure of the Environmental and Regulatory Services Division. The report presented a diagram (see below) of what the senior officer structure for this Council could look like if Members endorsed the direction of travel for 2020 Vision. The report also made the point that the REST management structure was not dependent on 2020 Vision.



- 7.2** When Members considered the report in July it was explained that with the advent of this Council delegating a number of services to the 2020 Vision Joint Committee the number of retained services requiring direct line management would lead to a thinner structure (outside of Environmental and Regulatory Services). It was also explained that if the recommended approach to 2020 Vision was adopted that the time of the Head of Paid Service and Director of Resources and Projects would be focused not on direct management but on clienting existing commissioned services (Ubico, CBH, The Cheltenham Trust, Gloucestershire Airport, for example) and also sponsorship of strategic projects.
- 7.3** The savings attributable to this Council within the 2020 Vision Business Case provide for savings from the deletion of the post of Chief Executive proposed as 27 March 2016. The financial assumptions therefore have clear implications for this Council's senior management structure. It will therefore be important that the Council continues to have access to the right level of strategic capacity in the future.
- 7.4** From this report members will see that the initial sharing of new services through the partnership venture focuses primarily on customer-facing services currently under the management of the Director of Resources. This release of managerial capacity will enable the Director to progress this Council's potential strategic expansion of its investment portfolio as recommended by CIPFA in their recent Asset Management Health Check. Members will also recall that on 22 June 2015 Council approved the secondment of the Deputy S151 Officer to undertake the role of S151 Officer for a period of 18 months in order to further release the Director's capacity for strategic projects e.g. to progress the Accommodation Strategy, Town Hall redevelopment. It was also recognised in that report that 2020 Vision has the potential to create a new arrangement for the

provision of this Council's S151 Officer in the longer term should Members be comfortable with such an arrangement.

- 7.5** Members will be aware that the new organisational structure flowing from the REST project is being progressed. The Director – Planning has been appointed (on a secondment basis) and the Managing Director for Place and Economic Development post has been advertised. As the July report explained, in operational management terms the services covered by the REST project will be relatively self-contained with the senior management seen as contributing to whole council objectives and initiatives. In terms of delivering on an important economic agenda for Cheltenham, as explained in the Athey report, the recruitment to the post of Managing Director for Place and Economic Development will provide important strategic support to the Council.
- 7.6** With the exception of REST services the other significant area of this Council's currently retained services will lie within the Commissioning Division managed by the Deputy Chief Executive who is currently the Council's key commissioner. The Council describes itself as a commissioning council. At a most basic level this is defined as making the best use of all available resources to produce the best outcomes for our locality. Accordingly, this Council has brought together a range of professional disciplines including policy analysis, research, consultation, client management, communications, project management, and subject matter experts into the Commissioning Division.
- 7.7** Over the past year, and since the deletion of the post of Director of Commissioning, the focus has been on increasing the capacity and skills of the client officers in particular to enable them to undertake their client roles across the range of commissioned services now in place. The Activist report recommended that the design of commissioning across the partnership should be reviewed concluding that it may be more effective (and cheaper) if some or all of the commissioning functions were shared. 2020 Vision may therefore provide opportunities to share some of this client work, for example a shared client arrangement for ICT.
- 7.8** Moving forward the Executive Board will take on a collective role as key commissioners for this Council and key clients of the services delivered by 2020 Vision. The Executive Board will also ensure that the Council's interests are represented and support members at a county, national and regional level as appropriate. Together with the support of the statutory posts, the Executive Board will also continue to support elected members in ensuring that the Council's interests are properly protected and that this Council's own decision making, scrutiny and governance arrangements operate effectively.
- 7.9** Cabinet is, therefore, being asked to endorse the revised senior management structure outlined in **paragraph 7.1** above, including the deletion of the post of Chief Executive, and Council is being asked to approve the structure and to authorise the Chief Executive to undertake all the necessary resultant processes and consultation.
- 7.10** With regard to the Returning Officer/Electoral Registration Officer roles currently held by the Chief Executive, this is a separate office which attracts no salary – simply a formula fee which differs according to the nature of each election. The appointment to this office is in the gift of the Council, but once made carries personal responsibility and liability and is above party political influence. As Borough Elections and the election of a Police and Crime Commissioner are due to take place on 5 May 2016 it is proposed, for the sake of continuity, that the current Chief Executive retains this office but only until 22 May 2016 by which time the administration required for these elections will be complete. This will (by agreement) be regarded as a resignation from the office and thus avoid any redundancy implications and costs. The working presumption is that Council will appoint the new Head of Paid Service to this office with effect from 23 May 2016.

8. The Joint Committee Approach

- 8.1** The Member Governance Board has been clear about what it wanted to see from the 2020 Vision governance structure and it may be useful therefore to explain how the creation of the joint

committee meets those requirements.

- 8.1.1 An evolutionary approach** – Joint committees are a tried and tested governance model and Members may have had experience of them elsewhere. The functions and activities to be undertaken by the joint committee, if endorsed by Members, represent the necessary building blocks for the partnership and also lay the foundations for a more straightforward transition to a company if a business case for that can be made.
- 8.1.2 Ease of access to advice from trusted advisers** - Members will still have access to directly employed trusted advisers as well as advisers who will be employed within the partnership venture, eg, S151 officer. All trusted advisers, either directly employed or in the partnership venture, will continue to work in the best interests of the councils they are employed to represent. The ambition is however that over time it may be possible to share more trusted advisers across the partnership.
- 8.1.3 Ease of access to good quality commissioning skills** - The MGB has endorsed a high level Commissioning Strategy for the partnership **Appendix 5**. Following the establishment of the joint committee the plan is to develop a more in-depth strategy and also to consider the functional organisation of commissioning in the short, medium and longer term. This will identify opportunities for collaboration and sharing whilst still ensuring that Members have access to the impartial commissioning advice and support they need.
- 8.1.4 The ability to retain control over some services at least in the short term as well as the potential for increased shared working over time** - Each partner council will retain its sovereignty and individual decision making powers with regard to the further sharing of services. Each of the councils has undertaken a preliminary assessment of its readiness to share at this point and this is explained later in this report. Members will also be aware that this Council has decided to retain in-house the Environmental and Regulatory Services Division following recommendations approved by Council on 20 July.

9. 2020 Vision Joint Committee - Constitution

- 9.1** The joint committee will be governed by a Constitution **Appendix 6**. The proposed functions of the joint committee are:
1. Provide strategic direction for the continued improvement and development of the 2020 Vision Partnership Venture; and
Direction, development and performance management of the 2020 Partnership Venture Services delegated to it by the delegating authorities.
 2. Secure the delivery of the following functions and activities delegated to it by the partner councils;
 - a. Human resources policies and procedures including pay and grading policy and total reward policy (including financial and non-financial benefits)
 - b. ICT network infrastructure, applications, policies and procedures
 - c. Finance and procurement rules
 3. Undertake the functions currently delegated under existing shared service arrangements for GO Shared Services and ICT Shared Services
 4. Providing strategic direction and oversee performance, development and continued operation of the 2020 Partnership Venture Services on behalf of the Councils and in accordance with the standards and specifications set out by those Councils.

- 9.2** The reasons for the proposed functions of the joint committee are:
- 9.2.1** The monitoring and governance arrangements for GOSS and ICT are currently undertaken through informal Joint Monitoring and Liaison Groups. Whilst these groups have been successful for individual shared services the joint committee brings together, in one place, monitoring and governance. The joint committee also requires a more clearly accountable and efficient governance arrangement which will be important as and when the partner councils delegate more services to it.
- 9.2.2** The partner councils' financial rules and policies are already largely the same but with some minor local differences. Therefore it makes sense for the Council's to delegate these to the joint committee to reduce duplication.
- 9.2.3** HR policies and procedures have been standardised where practicable to do so. However, each council operates a different job evaluation and grading process and also has variations in benefit packages. The advantage of a consistent approach is a feeling of fairness amongst staff as well as the ability, as the partnership develops, to create a flexible organisation model. The delegation of these HR matters will have implications for the responsibilities delegated to the Appointments and Remuneration Committee. These and other such matters will require consequential changes to this Council's own Constitution following on from approval of the recommendations in this report.
- 9.2.4** Members will be aware that this Council has been investing in its ICT infrastructure in order to improve IT performance and to enable the alignment of technologies with the partner councils. There is already a high degree of commonality. As more services and staff are shared it will be important, where relevant, to develop common IT solutions which will lead to greater efficiency, increased purchasing power and financial savings.
- 9.3** The first services to be delegated to the joint committee will be GOSS and ICT. The joint committee will undertake the management of those functions, e.g. appointment of staff, agreeing the staffing establishment, determining pay and grading etc.
- 9.4** It is also important to remember that in addition to providing services to the partner councils GOSS and ICT also provide services to CBH, The Cheltenham Trust and Ubico. There are existing client officer groups in place which provide an opportunity for representatives from all customers to meet to discuss service delivery and performance and there is a commitment to ensure that such arrangements continue to be in place.
- 9.5** With regard to the specifics of the joint committee constitution, Members' attention is in particular drawn to the following:
- 9.5.1 Member Representation** - The proposal is that each partner authority will appoint two of its elected members as its representatives on the joint committee *"one of who will be a member of that partner authority's executive, and the other may be either a member of the partner authority's executive or Council"*.
- 9.5.2** The Leader will consult with the group leaders with regard to the appointments.
- 9.5.3 Scrutiny Arrangements** – The constitution provides for decisions made by the 2020 Vision Joint Committee to be subject to the scrutiny arrangements of each partner council and decisions will be subject to the call-in processes of the partner councils. The constitution also provides for circumstances where more than one partner Council calls in a decision.
- 9.5.4 Material Changes** - The constitution allows for a partner authority, where they consider a "material change to the service design or cost of the services to have occurred" to bring such a matter before their own council for approval. For example, were the joint committee to take a decision which would have a budgetary impact on this Council then the matter would require the

express approval of the elected members of the Council before the decision could be implemented by the joint committee.

- 9.6** The constitution of the 2020 Vision is clearly an important document as it governs the extent of the joint committee's remit and decision making powers as decided by Members of this and the other partner councils. It is also the case that delegation of powers to a joint committee does not necessarily prevent this Council from choosing to exercise those powers independently (consequences to be addressed in the Inter-Authority Agreement). However, clearly such an action is unlikely to promote the success of the joint committee.

10. Retained Matters

- 10.1** The functions to be delegated to the joint committee were considered by CBC advisers from finance, HR and IT to determine whether, in their professional view, there were any matters which this Council should identify as retained matters. The overall view was that, if the ambition of the partnership is to be achieved, it would be beneficial as far as possible to limit the number of retained matters.
- 10.2** Having regard to the finance delegations the finance and procurement rules will be approved by the 2020 Vision Joint Committee rather than being approved by this Council.
- 10.3** In considering the ICT delegated functions the view was that no matters needed to be retained. However, as it was recognised that the ICT service has a number of external clients, it would be important that the service continued to be able to respond effectively to the specific requirements of those organisations.
- 10.4** On reviewing the HR delegated functions it was felt, at this time, that for this Council, a number of named posts to which this delegation relates should be excluded, namely; Head of Paid Service, Deputy Chief Executive, Director of Resources, Managing Director for Place and Economic Development, Director - Planning, Director – Environment, Director Cheltenham Development Taskforce, Section 151 Officer, Monitoring Officer. Also excluded from the HR delegated functions would be any general changes to staff terms and conditions which this Council will need to specifically agree separately.
- 10.5** The reason for this retained matter is that it was felt that this Council needed to have flexibility and autonomy of decision making with regard to its chief officers and statutory officer posts. This view may change in the future once the joint committee is established and if it were the case that more services have been transferred to the partnership venture.
- 10.6** The officer view with regard to the delegation of HR functions to the joint committee was also that in light of this Council's acknowledged good working relations with the trade unions and employee representatives, it would want to ensure that effective and meaningful engagement was an explicit condition within the Inter Authority Agreement between this Council and the joint committee.
- 10.7** As a further retained matter the Joint Committee will not have the ability to privatise or outsource to another provider any of the shared services entrusted to it by this Council.

11. 2020 Vision Joint Committee – Interim Management Arrangement

- 11.1** At its meeting on 21 August the MGB considered a report on the appointment of an Interim Partnership Managing Director (MD) who would be accountable to the 2020 Vision Joint Committee. This Council's view is that the role of the MD will be to work with the council heads of paid service and act as a single point of contact for the joint committee and the partnership venture.
- 11.2** The post was ring-fenced to the two existing Chief Executives who have been consulted and

asked to submit an expression of interest. An expression of interest has been received from David Neudegg.

- 11.3** The Board confirmed the selection of David Neudegg as the candidate for the role of Partnership Managing Director (MD) and to recommend to their respective councils that their selected candidate is appointed by the 2020 Vision Joint Committee, subject to the final job description being agreed, evaluated and it being acceptable to the selected candidate.

12. Administering Authority

- 12.1** As a joint committee is not a separate legal entity, there is a need to establish one or more authorities to undertake certain functions.
- 12.2** There is a need for an Administering Authority, ie, one of the partner Councils which agrees to take on the role of employing the staff required to service the joint committee. An accountable body also needs to be nominated and provide financial support to the joint committee, to enter into contracts required on behalf of the joint committee. The MGB has agreed the accountable body with be CDC.
- 12.3** In addition, the joint committee will require a monitoring officer, finance officer and administrative support. The MGB has agreed the following with regard to these functions;

Monitoring Officer – Forest of Dean District Council

S151 Finance Officer – Cotswold District Council

Clerk to the Joint Committee – Forest of Dean District Council

13. 2020 Vision Commissioning Strategy

- 13.1** The Commissioning Strategy at **Appendix 5** builds on the recommendations of the Activist Report and an initial preliminary review of commissioning across the partner councils. The strategy has been approved by the MGB.
- 13.2** Recognising that it is a high level report it will need further development and refinement. The strategy does outline the operating principles for commissioning which include sharing commissioning activity as an aspiration and the partnership venture being one of a number of key providers from whom the councils may source service provision.
- 13.3** As new shared services are commissioned it will be important to work across the partnership and each project will need to challenge current assumptions, encourage innovation and identify solutions. The focus will not just be on cost efficiency, but also on the effectiveness of what is commissioned. It is this process of fundamental challenge that will unlock the greatest potential for change, improvement and better value for money.
- 13.4** As part of the commissioning process there will still be a requirement to undertake comparisons with how other authorities address the challenges and some benchmarking of the services will be necessary. This is to check that the service being provided through the partnership venture will offer the most effective solution, is high performing and of good quality.

14. Further Sharing of Services

- 14.1** A preliminary assessment of the readiness to share more services has resulted in a potential “blend” of 3 and 4-way sharing across the partnership. The list of services is attached at appendix 1 to the Commissioning Strategy.

- 14.2** The factors considered in arriving at this first phase of services were: whether it was felt sharing could deliver savings otherwise not achievable; whether sharing could help achieve better outcomes for customers; whether the service was common to all partners or a specialism; the resilience of the current service; whether the services provided distinct client/commissioning support; and the degree of dependency on local relationships and partnerships.
- 14.3** There are also a number of factors which have impacted the ability to share some services at this time:
- Forest of Dean already has a partnership with Gloucester City Council and Civica for their revenues and benefits function.
 - This Council has decided not to take part in the 3-way 2020 Vision public protection project;
 - Existing procurements were already underway, e.g. Forest of Dean has just awarded its leisure services to an outsourced provider
 - Some service level agreements have recently been renegotiated, e.g. this Council has an existing service level agreement with One Legal which also provides the monitoring officer.
- 14.4** This preliminary assessment identified the following new shared services for this Council as:
- Customer services
 - Revenues and benefits including Council Tax
 - Property Services
- 14.5** In addition to the above, Members will be aware that the building control service, which is shared with Tewkesbury Borough Council, is embarking on a project to look to develop a 5-way shared service.
- 14.6** In addition, as the MGB has requested a further report and business case on the potential for a local authority company for 2020 Vision the proposal is that staff in existing roles would stay with their current employer at this time.

15. Drivers for Sharing

- 15.1** The key drivers for sharing these new services are about improving services by sharing best practice and knowledge; investment in business systems which support the delivery of services to customers; further investment in core ICT infrastructure; reducing cost; improving efficiency and increasing service resilience.
- 15.2** The revenues and benefits, and customer services teams have exhausted savings through restructures and no more savings can be driven out locally without impacting on service levels. Staffing structures are at minimal levels making it more difficult to respond to new initiatives, e.g. Business Improvement Districts and Universal Credit preparation.
- 15.3** Sharing these services provides an opportunity to jointly develop a 'Customer Access Strategy' and to improve customer services by accessing funding for investment in technologies which support service delivery and delivering a step change in the delivery of digital access channels.
- 15.4** The property services team is a small service and therefore it too cannot drive out savings as a single service unit without impacting on the team and the delivery of many key council projects including the Cemetery and Crematorium and accommodation strategy. Following the CIPFA Health Check strategic capacity will be important if this Council is to deliver on the potential expansion of its investment portfolio to support future Council finances. The best chance of delivering this is through sharing the cost of strategic property expertise and resource.
- 15.5** Following the investment in this Council's core ICT infrastructure, there is now the need for further

investment in new technology to modernise the delivery of front facing services, for example, telephony, switchboard, customer relationship management type system (CRM), and business applications. Ubico requires the development of an ICT strategy and investment to support operational activities given its recent expansion and future growth.

- 15.6** The increasing and differing needs of multiple ICT clients i.e. Councils, CBH and the Cheltenham Trust require a remodelling of the ICT environment and 'offer' to provide a more flexible approach which meets these differing needs. Sharing will facilitate this and allow for further integration, rationalisation and modernisation of the core ICT infrastructure. This will include more robust Disaster Recovery arrangements and rollout of software to support shared working e.g. SharePoint thereby improving services, increasing resilience at the same time as reducing overhead costs.
- 15.7** Funding of £1.5M is available through the partnership to support the necessary step changes in technology, funding for which would otherwise need to be found from this Council's limited budgets.

16. 2020 Vision Business Case

- 16.1** In December 2014 it was reported that the 2020 Vision Business Case estimated the total programme cost at £7.845M with savings over 10 years estimated to be £5.175Mpa. Based on the S151 officers estimation of savings for this Council, at that time, by year 10 these were expected to be £1.32Mpa with 83% of that saving being delivered by year 5. The programme costs would be funded from £3.8M transformation challenge award with the balance of £4.945M being funded from the partner councils. This Council's contribution to the programme was £1.095M which was approved by Council as part of the 2015-16 budget process.
- 16.2** The estimated savings figure of £1.32Mpa captured all of the savings from transformational changes within this Council's MTFS not just those limited to 2020 Vision. Members should be aware that the savings from REST of £155.6K are included within this Council's MTFS but are not now included in the 2020 Vision savings.
- 16.3** It was not possible to give members any greater confidence in the estimated level of savings from 2020 Vision until there was greater clarity on which services were to be shared. Members will also recall that the original total savings figure was based on the vision of all services being shared through a local authority company, which is not the current proposal. However, there is now greater clarity on how 2020 Vision could develop, assuming that the recommendations in this report are carried, which make it possible to put forward a more robust business case.
- 16.4 High Level Financial Appraisal**
 - 16.4.1** The business case follows the Treasury Green Book format as this was a requirement of securing grant funding and it has been important not to stray from that format.
 - 16.4.2** The financial business case has been validated by external experts, the Chartered Institute of Public Finance and Accountancy (CIPFA), and has been assessed as both prudent and deliverable. Based on updated financial projections, annual partnership revenue savings are estimated as being £5.7Mpa (based on forming a local authority company). Gross programme costs are estimated at £10.14M with a payback of 4 years (with grant funding) and 6 years (without grant funding). The 2020 Vision Summary of Savings table (p13 of the business case) shows savings categorised as those to be delivered from sharing services and those that are classified as other savings. This Council's total 2020 Vision net savings figure is shown as £1.252M by 2019/20, i.e. 5 years' time.
 - 16.4.3** At this point it is estimated that the creation of a local authority company could generate a further £709K savings (net) across the partnership, though a further detailed business case will be worked up and presented in 2016.

16.5 Savings Achievable and their Impact on the MTFS

- 16.5.1** 2020 Vision Business Case **Appendix 3** shows a total 2020 Vision net savings figure of £1.252M and shows the high level phasing of the savings for the partner councils. A detailed breakdown of the total savings per council is shown at **Appendix 4**, with associated phasing.
- 16.5.2** It should be noted that the shared service savings are based on reductions in current 2015/16 staff budgets ranging from 5-20%. The percentage reductions used are indicative of likely efficiency savings using available intelligence.
- 16.5.3** In general, savings have been allocated according to the 2015/16 baseline funding position for each partner council that is part of a shared service. The costs of the new structure for Trusted Advisors has been compared to each council's baseline funding position and savings calculated accordingly.
- 16.5.4** As can be seen from the business case, based on the assumptions in this report, the anticipated savings for this Council arising directly and specifically from 2020 Vision are £581K. Further savings of £227K could potentially be achieved through the establishment of a company model. Although these savings would not entirely close the funding gap in the MTFS on their own, they would make a very major contribution towards doing so.
- 16.5.5** Again, it should be stressed that the savings figures are not speculative figures arrived at by the partner councils but are based on our experience of what has actually been achieved by sharing services and have been validated by CIPFA.

17. Future Potential Savings

- 17.1** For all services, the initial savings are derived primarily from a reduction in staff costs either from reduced managing costs or shared staff savings.
- 17.2 Customer services:** By accessing TCA funding to invest in shared technologies e.g. switchboard and telephony, Customer Relationship Management Systems and replacement business systems e.g. garden waste and 'in cab' technologies which support the operational interface with Ubico, there is an opportunity to share the ongoing software costs. Shared development and funding of a shared 'Customer Access Strategy' including the creation of a 'my account' type interface for residents could facilitate channel shift reducing 'face to face' interactions and help reduce costs.
- 17.3 Revenues and Benefits:** Undertaking shared procurement for peripheral services e.g. the bailiff contract could deliver procurement efficiencies and savings resulting in increased buying power. By standardising and centralising some key processes e.g. document scanning and management, additional efficiencies and savings may flow. Longer term, by accessing TCA funding to invest in a replacement of the revenues and benefits business system to serve all partners, there is the opportunity to share the ongoing software costs and technical support staff costs.
- 17.4 Property:** Sharing the cost of specialist knowledge and advice to drive forward the council's aspiration to increase its property investment portfolio could also deliver savings and increase investment income. Longer term, using TCA funding to invest in the development of Uniform collectively using dedicated ICT business partnering resource to work with the supplier to support all 4 councils in the delivery of the service, could reduce some of the administration inefficiencies with the current systems and allow an opportunity to share the ongoing software costs.
- 17.5 ICT:** Initial savings are likely to arise from further sharing of management and staffing across 4 rather than 2 partners. Further integration and alignment of core ICT infrastructure i.e. streamlined networks, shared switchboard and telephony, rationalisation of domain names and user access to calendars will deliver operational benefits and efficiencies reducing the down time for officers already working across a number of sites. Sharing the cost of specialist staff and advice which supports key business processes required to provide the councils with a robust and Cabinet office

accredited ICT infrastructure e.g. Public Services Network (PSN) and Payment Card Industry (pci) submissions, could also deliver future savings. By sharing the cost of remodelling the network to support different client needs there will be benefits to the business area e.g. The Cheltenham Trust, by not having to undertake certain processes e.g. BPSS checks for PSN connectivity. Longer term, using TCA funding to reduce and align the number of business applications could deliver significant savings in software costs in much the same way as we realised through sharing the Agresso software supporting licence across 4 councils used by GOSS.

- 17.6 One Legal:** One Legal continues to make efficiency savings and deliver income which benefit the council. Where opportunities arise to streamline the demand for legal services as a result of sharing more service areas, such as the JCS, then these will be fully explored.
- 17.7 Commissioning:** The Activist report briefly considered the potential design of commissioning within the partnership but recognised that the precise nature and scale of any commissioning function would depend on the sourcing option chosen by the partnership. The report also stated that a principle would be that whilst *“each partner authority will have access to directly managed commissioning support ...”* the partners also agreed that they *“are committed to sharing their commissioning support wherever possible”*. There is the potential therefore for savings from shared client arrangements, e.g. GOSS and ICT, joining up each partner authority contracts, shared management of contracts with commercial providers etc.

18. Pensions (LGPS)

- 18.1** Specialist advisors (AON Hewitt) were commissioned to provide actuarial advice to support the development of the business case for further joined up working with the aim of delivering potential savings in pension fund contributions for the four partner councils.
- 18.2** Based on their assumptions, percentage of pay contributions to the LGPS for each of the partner councils is expected to increase over time as the pensionable payroll increases with salary increases. Total annual contributions are projected to double in 20 years' time in cash terms. This analysis demonstrates that the LGPS is financially unsustainable for the council.
- 18.3** While a reducing workforce reduces cash flow in the short term it also reduces the future liabilities and these make up the majority of the cost of pension funding. The past service deficit still needs to be funded (as do the remaining future liabilities) therefore there needs to be sufficient levels of contributions from both employers and employees as well as an appropriate investment strategy to achieve the objective of the pension fund.
- 18.4** Whilst there are undoubtedly cashable benefits in future years from reverting active pension fund members to stakeholder schemes, these benefits will not be realised until the fund has been stabilised and returned to a positive cash-flow. Once this position is reached, the fund will be in a position to invest surplus cash rather than having to sell assets to fund its current pension liabilities. This Council is currently on track to achieve a positive cash-flow by 2019 although it should consider making additional payments to the Fund if possible.
- 18.5** In sharing more services, the council will maintain the current strategy of increasing the lump sum contributions into the pension fund to ensure that the pension fund deficit continues to be tackled and does not get worse.

19. Gateway Reviews and Quality Assurance

- 19.1** In line with Prince 2 MSP (Managing Successful Projects) the programme has conducted a series of gateway reviews to confirm the soundness of the recommendations being made to the partner councils. At its meeting on 21 August the MGB was advised that all the gateway reviews had been concluded successfully.

- 19.2** CIPFA carried out a quality assurance review together with Proving Services which looked at both the robustness of the financial business case and also the deliverability of the programme. They concluded that a valuable but relatively low set of financial savings can confidently be realised from this phase of the programme. They also believed there to be more substantial savings from a deeper collaboration.
- 19.3** Whilst CIPFA assessed the overall achievability of this phase of the programme as moderate to high, risks were identified as a result of this Council's concerns with regard to the proposed role, responsibilities and extent of remit of the Partnership Managing Director, and the differences between vision, culture and operating model (commissioning) of this Council and its partners.
- 19.4** CBC also conducted its own quality assurance process through an "informal" CBC gateway review which was attended by the Leader, Cabinet Member for Corporate Services and Cabinet Member for Finance and Property. The review acknowledged the comments made by CIPFA with regard to the robustness of the financial savings estimates. The proposed governance arrangement of a new joint committee was felt appropriate at this point, to move the programme forward and to provide a basis for further sharing of services. The group also felt that the consideration of a business case for a local authority company was an important consideration in 2016.
- 19.5** The risk about the level of ambition of the programme and alignment on vision was acknowledged by the group and it was felt important that this was addressed by the MGB as a matter of priority. The risk relating to differences in opinion about the draft job description of the Partnership MD had led the Leader to require revisions to the draft job description to give clarity and to align with the proposed joint committee delegated functions. The differences in organisational culture and operating model would need to be addressed by the programme team to build and embed a collaborative approach, as recommended by CIPFA, recognising that each Council has its own culture, values and ways of working.
- 19.6** Taking account of the above risks, the informal gateway review endorsed the direction of travel to engage in 2020 Vision and the joint committee arrangements as outlined in this report.

20. Reasons for Recommendations

- 20.1** As outlined in this report.

21. Alternative Options Considered

- 21.1** Cabinet in December, mindful of the fact that 2020 Vision is a significant strategic decision for this Council, requested further consideration to be given to alternative options and this was done.
- 21.2 Tax increases** - The Council could reduce the projected MTFS funding gap of £1M by increasing council tax above 2.0%. Council Tax increases of 5% would only generate an additional c£225Kpa and this option is likely to be unpopular in the current economic climate. In any case the electorate now have the right under the Localism Act to call a referendum if the proposed Council Tax increase is higher than the level considered reasonable by the Government.
- 21.3 Cuts in services** – Other alternatives would include cuts in services and increases in fees and charges, but these would need to be very drastic and radical to achieve the same level of savings as are achievable from 2020 Vision. The option of cutting discretionary services does always remain an option for the Council. However, discretionary services are what help to make Cheltenham the place that it is and underpin its economic prosperity and vibrancy as a place for residents and visitors alike.
- 21.4 Unitary authority** - the unitary debate is now being taken over by the devolution debate. Even if the unitary option were a viable option to pursue there would be significant issues to overcome, including a protracted timescale before reorganisation could be carried out and savings delivered.

Whilst the partner councils in 2020 Vision are a mix of urban and rural authorities they are all district councils and thereby have a common purpose in working at a local level to provide local services to address the needs and priorities of the communities they serve.

- 21.5 Sharing with a different group of councils** - Sharing with the County Council was considered as a potential option when GOSS was created. Members will be aware that the County Council and Gloucester City Council are now more closely linked through their senior management structure. In terms of the services that this Council is looking to share with its partner councils, it has built a track record of sharing services through GOSS and ICT, and as confidence has grown the sharing has deepened through the sharing of statutory officer roles.
- 21.6 Sharing with contiguous councils** - Despite not having natural geographical boundaries with all our partner councils in 2020 Vision, the willingness to work together and share best practice has been an important foundation of the partnership to date. An alternative solution may be to look at authorities who share the Council's natural geographical boundaries. This Council is being successful in its joint working with its JCS partners. However, this success does not transfer to the greater sharing of council services. Whilst sharing legal and building control services with Tewkesbury Borough Council has been successful, this initial sharing has not progressed any further. To date, periodic, informal approaches from/to other Gloucestershire districts have not proved fruitful, though the existence of an established and successful partnership venture may cause the position to change in the future.
- 21.7 Outsourcing** - Outsourcing always remains an option when commissioning services. However, the Council's approach has been one of creating its own commissioned arrangements, either through shared services, local authority company and most recently charitable body. The joint committee approach for 2020 Vision is a natural extension of the shared service approach. A key benefit of shared services is that where surpluses are achieved they can revert back to the partner councils for the benefit of taxpayers rather than being distributed to private company shareholders.
- 21.8** In conclusion, the Council has managed to navigate the recent period of austerity by taking difficult decisions about how services are delivered and as a consequence has managed to protect the services that Members believe are important to Cheltenham and its residents. 2020 Vision is a logical next step in that process. In a climate of uncertainty, particularly about the level of Government funding, the Council needs to plan now to ensure its strong financial position continues through the period covered by the MTFS and beyond. 2020 Vision provides a credible plan to do this based on a track record of savings being delivered with the 2020 Vision partner Councils.

22. Consultation and feedback

- 22.1** The 2020 programme has conducted a series of engagement sessions with staff throughout the period since last December. A number of employee sessions have taken place at all the partner Councils with presentations from the Lead Commissioner and the Managing Director. Most recently members of all the partner cabinets attended an event to give them an opportunity to meet one another and raise any questions and concerns they may have with regard to the programme.
- 22.2** A member seminar was held on 14 September ahead of this report being considered by Overview and Scrutiny on the 21 September when four options were presented for consideration; (1) full sign-up to the governance model and shared services as set out in this paper; (2) sign-up to the shared services but not the governance model; (3) an option where this Council would not immediately delegate powers to the proposed joint committee but would seek observer status initially and have an option to become a founder member of the Teckal company when and if formed; finally (4) an option which would involve rejecting any additional involvement in either the joint committee or the extended shared services.

After a very full discussion and debate the Overview and Scrutiny meeting unanimously decided to recommend to Cabinet and full Council a full sign-up to governance model and shared services as in option (1) above. A more detailed report of the deliberations and conclusions of the meeting will be circulated prior to the Cabinet meeting on 13 October 2015.

- 22.3** Approximately 30 engagement champions have volunteered from across the partnership to assist the programme with consultation with staff.
- 22.4** Trade Union and employee representatives have been kept informed of progress through the monthly Joint Liaison Forum which is chaired by the Deputy Chief Executive. Employee representatives have also met with the Head of HR who is a member of the 2020 programme team. The Council's Joint Consultative Committee has also received updates at their meetings.
- 22.5** Partner organisations such as The Cheltenham Trust, Ubico and CBH have also been kept updated of progress with 2020 Vision and have met with the interim MD to enable him to understand their organisational requirements

23. Equality Impact Assessment

- 23.1** An equality impact assessment is being undertaken and the public consultation closed on 15 September. At the point of writing this report there have been 10 responses; 4 in favour, 2 neutral and 4 with concerns. Once the consultation has closed a report will be produced and the programme team will consider action necessary. The outcome of the consultation will be available to members of Overview and Scrutiny.

24. Performance management – monitoring and review

- 24.1** The programme is managed through a Member Governance Board of leaders and cabinet members of each of the partner councils. Should members agree to the creation of a 2020 Vision Joint Committee the MGB will cease to exist upon its creation.
- 24.2** The terms of reference for the joint committee provide within its functions for it to monitor and manage the performance of the partnership venture. The informal commissioning group shown in the organisational structure diagram provides a place for the heads of paid service and the MD to come together to monitor the performance of the partnership venture.
- 24.3** GOSS and ICT shared services will transfer to the 2020 Vision Joint Committee which will then take on the role of the existing Joint Monitoring and Liaison Groups and will monitor the performance and development of the services.
- 24.4** The Council's scrutiny arrangements will apply to decisions taken by the 2020 Vision Joint Committee and there is a provision for voluntary joint scrutiny should more than one partner council call in a decision.

Report author	Contact officer: Pat Pratley, Deputy Chief Executive Pat.pratley@cheltenham.gov.uk, 01242 775175
----------------------	---

Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Shared Services Partnership Structure 3. 2020 Vision Business Case 4. 2020 Vision Business Case – Analysis of Savings 5. Commissioning Strategy 6. 2020 Vision Joint Committee Constitution
Background information	<ol style="list-style-type: none"> 1. Member Governance Board Council Report Recommendations – 21 August 2015 2. CBC Informal Gateway Reviews 18/8 & 24/8 3. Equality Impact Assessment

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the partners do not reach agreement on 2020 Vision then it will lead to the programme not being delivered and the ability to deliver savings to support the MTFS not being achieved	Chief Executive	Aug 2014	5	4	20	Reduce	<p>Member Governance Board alignment on the extent and appetite for more deeper shared working as well as the desired rate of progress</p> <p>Leaders agree and align on the role and remit extent of the Partnership MD to align with the delegated functions of the joint committee</p> <p>Whilst developing the new partnership venture culture, the programme needs be able to work collaboratively, and to recognise that each Council has its own culture, values and ways of working which need to be recognised if the needs of the partner councils are to be met</p>	<p>Oct 2015</p> <p>Oct 2015</p> <p>Ongoing</p>	Chief Executive	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
2	If Member concerns relating to the project are not addressed adequately then it will lead to the programme not being supported	Chief Executive	Aug 2015	5	4	20	Reduce	Member Governance Board alignment Continue member engagement via seminars, O&S review, member briefings	Ongoing	Chief Executive	
3	If the savings are not delivered in line with the business case then alternative savings options to support delivery of the MTFS funding gap will need to be identified.	S151 Officer	Aug 2015	5	3	15	Reduce	New commissioning projects will be required to bring forward business cases which deliver the expected level of savings	April 2016	S151 Officer	
4	If the newly commissioned shared services do not meet the outcomes for CBC then this will lead to dis-satisfaction with future service provision under the joint committee	Chief Executive	Aug 2016	4	3	12	Reduce	CBC officers directly involved in the various commissioning projects Commissioning strategy allows each council to follow to approach commissioning in their preferred way CBC commissioning toolkit will be followed	April 2016	Designated Head of Paid Service	

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
5	If employee support for the programme and resistance to the changes proposed arise then it may lead to the programme being delayed	Designated Head of Paid Service	Aug 2016	3	3	9	Reduce	Regular staff engagement sessions taking place across the partnership Staff made aware of reports ahead of release to the public CBC Joint Liaison Forum and Joint Consultative Committee reps updated on a regular basis	Ongoing	Designated Head of Paid Service	
6	If pension savings cannot be delivered due to LGPS regulations or other legislative matters then the savings target will not be met.	S151 Officer	Aug 2016	3	3	9	Reduce	Pension advisers will advise the programme with regard to local authority company business case	Autumn 2016	S151 Officer	
7	If there is a lack of effective engagement with trade unions then it could lead to project delays	Designated Head of Paid Service	Aug 2015	3	3	9	Reduce	Employee representatives meetings with 2020 Programme HR lead Deputy CX updates at Joint Liaison Forum Joint Consultative Committee updated	Ongoing	Designated Head of Paid Service	

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
8	If the devolution agenda is progressed then it could divert resources and focus away from the programme	Chief Executive	Aug 2015	3	3	9	Reduce	Action depends on the outcome of the proposal to government. Resourcing implications to be kept under review	Ongoing	Chief Executive	
9	If the cost of the programme exceeds the allocated programme budget then it may require additional funding.	S151 Officer	Aug 2015	2	3	6	Reduce	Programme costs will be actively monitored and challenged by MGB and JC to identify mitigating actions to address	Ongoing	Chief Executive	

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

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;

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

- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

Remember to highlight risks which may impact on the strategy and actions which are being followed to deliver the objectives, so that members can identify the need to review objectives, options and decisions on a timely basis should these risks arise.

Risk ref

If the risk is already recorded, note either the corporate risk register or TEN reference

Risk Description

Please use "If xx happens then xx will be the consequence" (cause and effect). For example "If the council's business continuity planning does not deliver effective responses to the predicted flu pandemic then council services will be significantly impacted."

owner

Please identify the lead officer who has identified the risk and will be responsible for it.

score

Impact on a scale from 1 to 5 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

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

Action

There are usually things the council can do to reduce either the likelihood or impact of the risk. Controls may already be in place, such as budget monitoring or new controls or actions may also be needed.

Responsible officer

Please identify the lead officer who will be responsible for the action to control the risk.

For further guidance, please refer to the [risk management policy](#)

Transferred to risk register

Please ensure that the risk is transferred to a live risk register. This could be a team, divisional or corporate risk register depending on the nature of the risk and what level of objective it is impacting on

This page is intentionally left blank

Page 50

Proposed Partnership Structure

Description

In this model the Partnership is under the leadership of a Partnership Venture Commissioning Group led by the Partnership Managing Director. This Group is accountable to the four Councils and the Joint Committee to ensure that the overall aims and objectives of the 2020 Partnership are achieved. It is responsible and accountable for all functions that are delegated to the Joint Committee and for ensuring that the appropriate skills and resources are available to each Council to enable them to carry out their individual functions and activities in an economic and effective way.

Each Council will appoint a Lead Director to act as Head of Paid Service who will be responsible for each council's staff, retained non- shared services (including non-shared commissioning functions) and all functions not delegated to the Joint Committee. Additionally, Lead Directors can act as the Lead Commissioner on behalf of all councils for one or more shared service.

The Partnership Managing Director and Council lead directors will form the senior management group for the Partnership. This group will:

- Act as co-coordinating group to ensure efficient and successful strategic and operational management across the Partnership for the successful delivery of the 2020 vision
- Advise the Joint Committee on effective delivery of shared services and on the key strategic core policies such as Finance, ICT, and HR.
- Ensure collaboration and co-operation between partnership shared services to maximise efficiency and effectiveness that meet the individual needs of each Council
- Ensure that service delivery is supported by a performance management system that monitors success, maximises resources, uses best practice, new technology and innovation.
- Provide collective leadership and direction to the staff and promotes a customer focused and performance driven culture which supports the strategies of each council.
- Ensure that Councillors have sufficient expert advice and support to be able to formulate and determine policy in a way consistent with the effective, financially prudent and legal operation of each council
- For each shared service The Partnership Venture Commissioning Group will assign a lead Commissioner to chair a Client Officer Group with appropriate representations from each Council to ensure that the shared service is meeting the standards and needs of all of the councils

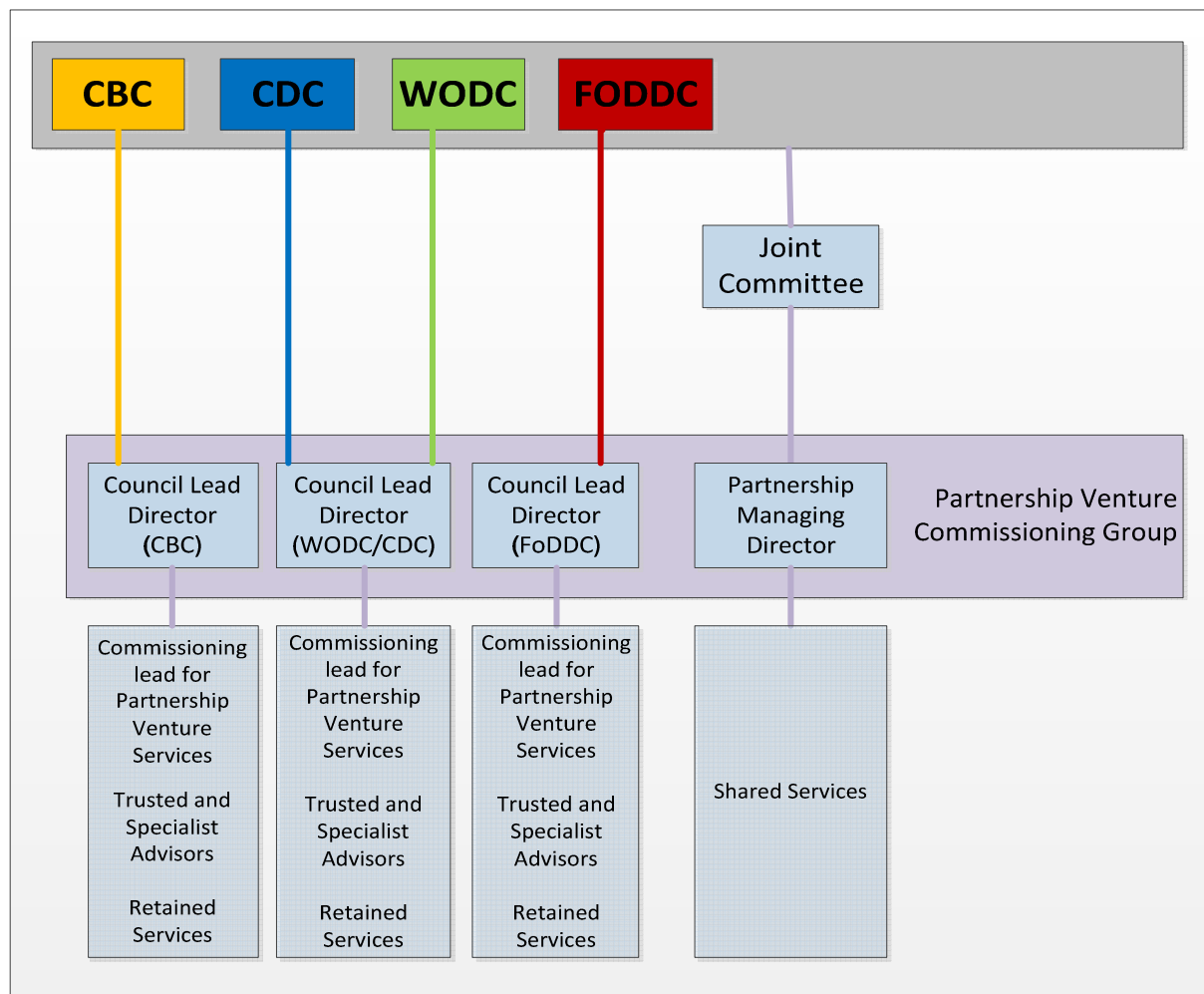
In the model, initial shared services are managed by a series of Service Managers each with their own defined services areas. The business case is predicated on a long term potential of seven shared service heads with five being established by April 2016. Some of the services to be shared are already known such as GO Shared Services, ICT and Public Protection (WODC CDC and FODDC) and others are still to be determined based around the nine services identified for sharing within this

report. This may mean further changes to existing services or the creation of new groupings. The detailed proposals will be agreed by the Joint Committee following appropriate consultation and discussion with those affected.

In line with the preferred “evolutionary” approach it would not be wise or practicable to establish all shared services immediately and consequently the business case assumes future potential shared services around Commissioning and Planning.

Each Council will be able to determine whether to transfer any, some or all of the functions when the shared services are established. Further detailed discussions with individual Councils will be required to determine the exact nature and scope of functions to be included. Each Council will make its decisions on what services, if any, it wishes to retain in the light of the business cases produced.

2020 Vision Partnership – proposed operating model April 2016



2020 Vision for Joint Working: *Business case*

Version 1.3, 21st August 2015



Version history

Version	Date issued	Summary of change	Version owner
0.3a	21 st July 2015	First draft released to programme team for review	Jon Hyde
1.0	3 rd August 2015	Incorporates feedback from the programme team	Jon Hyde
1.1	4 th August 2015	Feedback from CFOs	Jon Hyde
1.2	17 th August 2015	Feedback from programme team	Jon Hyde
1.3	21 st August 2015	Feedback from CFO gate review	Jon Hyde

Contents

1	Executive summary	1
2	Strategic case	2
2.1	Organisational overview	2
2.2	Summary of drivers for 2020 Vision	3
2.3	Investment objectives and benefits.....	3
2.4	Existing arrangements.....	4
2.5	Business needs	5
2.6	Potential business scope and key service requirements	6
2.7	Main risks	7
2.8	Constraints	7
2.9	Dependencies.....	7
3	Economic case.....	7
3.1	Introduction	7
3.2	Critical success factors	7
3.3	The long-listed options	7
3.4	Shortlisted options and preferred way forward	9
3.5	Economic appraisal	11
3.5.1	Introduction	11
3.5.2	Estimating financial benefits.....	11
3.5.3	Estimating costs	12
3.5.4	Net present value findings	13
3.6	Sensitivity analysis	15
3.6.1	Results of scenario planning	15
3.7	Preferred option	15
4	Commercial case	15
4.1	Introduction	15
4.2	Required services	15

4.3	Potential for risk transfer.....	17
4.4	Proposed charging mechanisms	17
4.5	HR implications (including TUPE)	17
5	Financial case	17
5.1	Introduction	17
5.2	Impact on the organisation's income and expenditure account.....	17
5.3	Impact on the balance sheet.....	20
5.4	Overall affordability	20
6	Management case.....	21
6.1	Introduction	21
6.2	Programme management arrangements	21
6.3	Project management arrangements.....	21
6.4	Use of special advisers	22
6.5	Outline arrangements for change and contract management.....	22
6.6	Outline arrangements for benefits realisation	22
6.7	Outline arrangements for risk management	23
6.8	Outline arrangements for post project and programme evaluation.....	23
6.9	Gateway review arrangements.....	23
6.10	Contingency plans.....	24
7	Appendix A: Programme risk log.....	25

1 Executive summary

Local government is undergoing rapid transformation in order to respond to the challenges associated with reduced government grants and growing pension costs. With 2015 Spending Review cuts potentially ranging from 25-40%, and annual pension contributions projected to double over the next two decades, there is a *'burning bridge'* case for the delivery of further savings, increased efficiencies and revenues.

This business case sets out a collaborative and innovative response by four councils – Cheltenham Borough Council (CBC), Cotswold District Council (CDC), Forest of Dean District Council (FODDC), and West Oxfordshire District Council (WODC). Their proposal delivers a financially sustainable platform for the medium to long term delivery of local services (£10.1m investment delivers **£5.7m annual revenue savings**), and provides the foundation for improved customer service.

Their approach has been validated by external experts, is based on a proven track record of similar business change successes, and is mindful of key member requirements:

- Respects each Council's separate identity
- Ensures decision making will remain locally accountable
- Strengthens ability to exercise community leadership on behalf of localities
- Retains strong local knowledge in frontline services
- Ensures each authority has impartial commissioning and client side advice from people they trust

2 Strategic case

2.1 Organisational overview

The **strategic priorities** set out in each authority's corporate plan are set out below:

Table 1: Partners' strategic priorities

Authority	Priorities
Cheltenham	<ul style="list-style-type: none"> • Enhancing and protecting our environment • Strengthening our economy • Strengthening our communities • Enhancing the provision of arts and culture • Delivering value for money services
Cotswold	<ul style="list-style-type: none"> • Freeze Council Tax until 2016 whilst protecting front line services that matter to our residents • Maintain and protect our environment as one of the best places to live, work and visit • Work with local communities to help them help themselves
Forest of Dean	<ul style="list-style-type: none"> • Provide value for money services • Promote thriving communities • Encourage a thriving economy • Protect and improve our environment
West Oxfordshire	<ul style="list-style-type: none"> • Protect and enhance the environment of West Oxfordshire and maintain the district as a clean, beautiful place with low levels of crime and nuisance • Work in partnership to sustain vibrant, healthy and economically prosperous towns and villages with full employment • Be recognised as a leading council that provides efficient, value for money services

The priorities demonstrate many similarities, including:

- The importance of value for money and efficiency;
- A commitment to the environment;
- Working with and supporting their communities.

There are some significant differences in emphasis and policies that are likely to be a reflection of differences in political control, but also in the nature of the locality. They also have differences in their size, population and prosperity. However, while there are differences between the authorities and the areas they serve, these are greatly outweighed by the similarities.

The four authorities share a focus on efficiency and on achieving value for money for council tax payers. This concern for efficiency goes hand-in-hand with the partner authorities' shared vision of a council having a wider responsibility for what is often characterised as '*place-shaping*'. The authorities play a community leadership role - looking after the long-term environmental, social and economic needs of their localities, their citizens and businesses - and must act as champions of their communities on behalf of their citizens.

A key shared challenge is in addressing the year-on-year reductions in central government grant to local authorities. Each of the councils' medium term financial strategies have significant savings requirements - even before any further reductions in funds for local government that are expected following the 2015 Spending Review. Additionally, all four councils face a longer-term challenge - how to deal with the increasing costs of funding the employers' contributions to the Local Government Pension Scheme.

The authorities have made it clear that they would prefer not to make reductions in service levels, or cut non-statutory services if at all possible.

2.2 Summary of drivers for 2020 Vision

- **Financial:** the need to respond to long-term financial pressures on the four Councils.
- **Efficiency:** the need to continue to find ways of delivering value for money (even if the Councils were not facing the current financial pressures).
- **Resilience:** each authority needs a wider pool of expertise and greater capacity to respond to events.
- **Impact:** more depth in strategic capacity is needed to support the drive towards service improvement and wider social and economic benefits in each locality.
- **Democracy:** each authority needs to have sufficient resources to be able to exercise choice and community leadership so that it can champion local needs and priorities.

2.3 Investment objectives and benefits

The investment objectives and benefits for the programme are as follows:

Table 2: Investment objectives and benefits

Investment objectives	Benefits
Savings	<ul style="list-style-type: none"> • Delivers realistic and sustainable revenue savings. • Provides a positive return on investment in the medium term. <ul style="list-style-type: none"> ○ Cheltenham Borough Council savings to council tax payers of £1.2m ○ Cotswold District Council savings to council tax payers of £1.7m ○ Forest of Dean District Council savings to council tax payers of £1.3m ○ West Oxfordshire District Council savings to council tax payers of £1.5m ○ <i>Total estimated financial savings of £5.7m</i> • Enables further savings to be delivered through partnership and better asset management. • Enables opportunities for income generation.
Influence	<ul style="list-style-type: none"> • Respects each Council's separate identity as individual authorities. • Ensures decision making will remain locally accountable. • Strengthens ability to exercise community leadership on behalf of localities. • Retains strong local knowledge in frontline services. • Each authority has impartial commissioning and client side advice from people they trust.
Quality	<ul style="list-style-type: none"> • Enhances and maintains good quality services to the public. • Allows Councils to nurture partnerships and take advantage of new ones. • Creates organisations which are flexible and adaptable to future changes. • Has governance and structures that are streamlined and easy to understand. • Is widely acknowledged to be socially responsible.
Creativity	<ul style="list-style-type: none"> • Empowers staff to be creative, collaborative and enquiring. • Supports commitment to a public service that responds to and empowers local communities. • Fosters and rewards an innovative, can-do approach to delivering services.

2.4 Existing arrangements

The 2020 partners have long experience of working together, including:

- GO Shared Services in which the four partners share Finance, HR and procurement services, enabled by integrated ERP software.

- Cotswold and West Oxfordshire's shared management structures and teams.
- Ubico, the environmental services company jointly owned by Cheltenham, Cotswold, Forest of Dean, West Oxfordshire, and Tewkesbury.
- Audit Cotswolds, which provides audit services to Cheltenham, Cotswold and West Oxfordshire (among others).
- The shared IT services for Forest of Dean and Cheltenham, and Cotswold and West Oxfordshire.

The partners also have a number of shared service partnerships with other authorities outside the 2020 partners, e.g. Forest of Dean's participation in South West Audit Partnership, and their Revenues and Benefits partnership with Gloucester City Council and Civica; Cheltenham's participation in One Legal with Tewkesbury Borough Council and Gloucester City Council; and the three Gloucestershire partners' participation in the Gloucestershire Joint Waste Partnership with the county and other district councils.

However, there are many services which continue to be provided individually on behalf of each partner council. By joining up these services, the Councils would be able to realise efficiency gains as well as improving capacity and resilience.

2.5 Business needs

Despite all of the savings generated by sharing services to date, the partner councils continue to share a challenge in adapting to the year-on-year reductions in central government grant to local authorities. The savings targets for the period 2015/16 to 2018/19 as per each Council's Medium Term Financial Strategy are set out in the table below, together with each Council's plans to deliver the savings.

Table 3: Partnership savings targets

	CBC (£000)	CDC (£000)	FODDC (£000)	WODC (£000)
Total Annual Savings Target	3,727	1,644	2,112	1,110
2020 Vision Savings included within published MTFs [#]	394	1,055	1,143	1,110
Other Identified Savings	1,791	589	941	0
Shortfall (Surplus)	1,542	0	28	0

[#] The Strategic Outline Case indicated that the financial benefits from the 2020 Vision over a ten year basis amounted to £1.3m per annum per council. Cheltenham Borough Council have not incorporated the full value of the potential savings within the MTFs.

All four councils face a longer-term challenge - how to deal with the increasing costs of funding the employers' contributions to the Local Government Pension Scheme (LGPS). Even though the scheme has recently been renegotiated to make it more sustainable, it is a growing burden.

The formation of a Teckal Company would enable the Councils to mitigate against this increasing cost burden by introducing a stakeholder pension scheme for new employees, however, further

works needs to be carried out in order to understand more fully the implications of establishing a Teckal company on the LGPS costs. In addition, certain changes to the LGPS Regulations would help to avoid increased cost of the LGPS as a direct result of the move to a Teckal company. The 2020 programme is working with the two pensions authorities (Gloucestershire County Council and Oxfordshire County Council), and nationally with the Department of Communities and Local Government on these issues. The outcome of this work will be incorporated within the business case for the creation of a Teckal company, which is due to be completed in the summer of 2016.

2.6 Potential business scope and key service requirements

Given the financial challenges faced, there are three principal options open to each authority to make the savings needed:

- **Achieving economies of scale:** through sharing services and management across the partnership; and additionally considering running the shared services through a Teckal company.
- **Re-designing the service:** finding new ways of delivering a service; making more use of technology; streamlining processes; or redesigning jobs.
- **Re-defining the service:** this could include making reductions in service levels; cutting non-statutory services; or transferring responsibilities to citizens and communities.

The authorities have made it clear that they would prefer not to make reductions in service levels or cut non-statutory services if at all possible. Making savings through encouraging greater customer self-reliance is an objective for a number of councils, but this can involve a lengthy process of transition and can result in failure where a council withdraws too quickly before the local community has the capacity to take on a greater share of responsibility.

Service redesign can take many forms: Job enlargement, i.e. asking managers and staff to multi-task has already been pursued in each authority, but this has its limits. Asking managers and staff to take on broader spans of control is likely to produce savings but is also likely to dilute the expertise needed for complex, technical issues. Technology driven change has an investment cost which may be prohibitive if carried out by a single authority. Fundamentally, any worthwhile service redesign is likely to generate even greater returns if shared.

In the past, the starting point for councils to achieve economies of scale was to centralise back office functions, and indeed most support services have been centralised and shared, e.g. through GO and shared IT, legal and audit partnerships. Few economies are likely to flow from sharing closely with a county council as they do not have services in common apart from support services and since most county councils' support services rely on sophisticated (and more expensive) enterprise resource planning (ERP) software (i.e. finance, HR and procurement) the cost of changing from GO's Unit 4 software is likely to be unaffordable. Sharing with a different group of district councils will also prove challenging due to these conversion costs.

Set against these constraints, each authority will need to decide whether there are alternatives to 2020 Vision that could provide savings on the scale required. The 2020 Vision is anticipated to make a major contribution to each Council's Medium Term Financial Strategies - see *Table 3: Partnership savings targets*.

2.7 Main risks

See Appendix A

2.8 Constraints

The project is subject to the following constraints:

- Political decision making;
- Statutory legislative change;
- Pensions, amendments would be required to the LGPS Pension Regulations to enable the Councils to fully benefit from pension savings available through the Teckal or Trading Company options.

2.9 Dependencies

The project is subject to the following dependencies that will be carefully monitored and managed throughout the lifespan of the scheme.

- That the partner councils approve the recommendations in September/October
- That the Councils are able to recruit/second officers to manage the implementation of the various projects underpinning the programme. Funding for backfilling has been provided for within the business case.

3 Economic case

3.1 Introduction

This section of the Business Case documents the wide range of options that have been considered in response to the potential scope identified within the strategic case.

3.2 Critical success factors

The critical success factors (CSFs) shown within the Strategic Outline Case (SOC) were as follows:

- a) The commitment of all partner councils to the programme;
- b) The successful implementation of the ICT systems to support the efficiency gains envisaged in this business case;
- c) The successful realisation of the benefits of shared working to a level envisaged in the vision of the programme.

These have been re-visited in the context of the Business Case and remain valid.

3.3 The long-listed options

There are numerous choices available for securing the sourcing model best able to meet the outcomes expected for 2020 Vision. Whereas in the past, the choice could be represented as a simple '*make or buy*' decision, there is now a much greater variety of sourcing options in use by local authorities. Each model has particular strengths and weaknesses and the choice of model will depend on what the commissioner is trying to achieve.

Table 4: Sourcing options

Make	Buy	Share	Divest
<ul style="list-style-type: none"> • In-house transformation • Continuous improvement • Arms-length company 	<ul style="list-style-type: none"> • Outsourcing to the private sector • Outsource to the third sector • Private-sector joint venture 	<ul style="list-style-type: none"> • Shared services • Shared management • Public Sector joint ventures 	<ul style="list-style-type: none"> • Transfer to community management • Mutualisation • Devolve to parish • Closure

From the spectrum of sourcing options summarised in the table above, a long-list of options was identified in discussion with members and senior managers that are more likely to meet the needs of the partners, given the ambitions set out in 2020 Vision and the outcomes framework. Three of the main options above were easily eliminated:

- Large scale outsourcing for four authorities would be extremely time-consuming and expensive and would be unlikely to secure general support. The procurement process for services on this scale would also introduce a substantial delay and unacceptable risk to the delivery of savings;
- Transferring services to community management or devolving them to parishes would be too complex and impractical for the range of services under consideration;
- Cessation of services is precisely what 2020 Vision is designed to avoid.

The Long-list of Sourcing Options for 2020 Vision is set out in the table below:

Table 5: Long-list of options

Type	Potential Option
Make	As is (or suggested as <i>'in-house transformation'</i>).
Buy	Private sector joint venture.
Share	Arms-length company (Teckal) jointly owned by partner authorities (i.e. a public sector joint venture). Jointly owned trading company. Shared services model (lead authority or joint committee).
Divest	Spin out to mutual or charitable trust.

An option appraisal to identify the sourcing options most likely to meet the outcomes framework has been carried out. Each of the long-listed models has been evaluated for its contribution to each of the outcomes using a simple rating of high, medium and low; no weightings have been applied.

Table 6: Options appraisal

	Outcomes					
Model	Savings	Influence	Quality	Creativity	Shortlist?	Key Issues
In-house transformation	L	H	M	L	No	Lacks scale economies
Private sector joint venture	L	M	L	M	No	Poor Return On Investment Long lead-in
Sharing	H	H	M	M	Yes	Tried and tested
Local authority company	H	H	M	M	Yes	Local experience
Spin-out to mutual or trust	L	M	M	M	No	Long lead-in Not at this stage

As a result of the shortlisting process, two broad strategic options were recommended for consideration on the shortlist:

- Traditional Sharing (s101 and s102)
- Teckal and Trading Companies.

3.4 Shortlisted options and preferred way forward

Traditional Sharing, Teckal and/or Trading Companies all have the merit of being able to deliver significant savings, but without the delays incurred through an expensive procurement exercise. They also have the merit of using partnership models that are tried, tested and trusted already among the partner authorities (e.g. GOSS, SWAP and Ubico).

Given the partners' interest in being able to expand the partnership and to trade, a Teckal company route is likely to provide the most effective and flexible approach. It would also open up the potential to employ new starters on different terms and conditions, including a stakeholder pension scheme rather than the LGPS. However, at this stage, further work is required to confirm the

approach on pensions, including establishing a consensus within all four authorities and confirming the financial affordability of such a move.

In the meantime and to avoid delays in progressing joint projects, it is recommended that the new **Partnership Venture (PV)** is established at an early stage under the control of a member-led **Joint Committee (JC)**.

The JC would manage the PV and begin to embed the new philosophy and approach wanted in the long-term:

- **Managerial leadership:** the JC would appoint an interim Partnership Managing Director and management team to lead and develop the PV and prepare for the transition to the long-term model;
- **Management culture:** a more commercially-minded and socially responsible entrepreneurial ethos would be fostered;
- **Business development:** a planned approach would be developed to pursuing opportunities to extend the partnership and secure new business.

As a result, it is recommended that the partners consider the following as a preferred way forward:

Table 7: Preferred way forward

Step	Sourcing Model	Rationale
1 – Short term (January 2016 to March 2017)	<p>The preferred sourcing model for 2020 Vision is a PV. This would initially function as a shared service arrangement operating under a JC made up of elected members from each authority.</p> <p>JC goes live Feb 2016</p> <p>Proposed operating model implemented April 2016</p> <p>First tranche of PV shared services operational April 2016</p> <p>New employee contracts implemented</p> <p>While the PV is maturing and the benefits are being realised, the partner authorities would decide on</p>	<p>Members' direct oversight would be retained using a well-established local government governance model, allowing shared co-ordination and control.</p> <p>Allows progress in delivering shared efficiencies to be made while key issues (e.g. pensions) are resolved.</p> <p>The need for a separate company for trading purposes will need to be considered if a move to company is not agreed or is delayed.</p> <p>Allows a joint decision by the authorities to be made on whether and when to progress to a different model.</p>

Step	Sourcing Model	Rationale
	whether to continue operating as a JC or moving to a company model (June 2016).	The new PV operating under a JC would develop some of the characteristics needed for a more commercial, income-generating model.
2 – Medium term (April 2017 to April 2021)	Teckal company operating (April 2017 at earliest) Commissioning review of all services (2020/2021)	To deliver savings as set out in the financial case.
3 – Long term (2020 onwards)	The potential for conversion to a mutual could be explored if the option commands support and the partnership venture has developed the expertise needed to win the contract in competition.	The move to a mutual model would be a major step involving significant risks. Any new shared entity needs time to develop its skills, systems, relationship management and initial customer base before it can compete confidently.

3.5 Economic appraisal

3.5.1 Introduction

The costs and benefits of the Programme have been used to populate a cost/benefit model which adjusts for “optimism bias” on both programme costs and financial benefits.

3.5.2 Estimating financial benefits

Detailed salary budgets have been provided for each of the partner councils. The Councils have previous experience of implementing shared services and the experience of savings delivered has been applied to this business case. Where services are in scope for sharing, the following principles were applied in order to estimate the potential level of financial savings:

- Transactional savings of 15% can be realised where services have not been shared before;
- The level of management savings will vary according to the degree of sharing of management resources currently in place (savings from 0% to 10% depending upon the degree of sharing);
- Costs for officers to be shared will increase by 5% (on average) to reflect the cost of additional responsibilities;
- Savings reduced by 3% to reflect the fact that each Council currently has an annual ‘vacancy’ savings factor within the base budget. This vacancy factor will need to reduce to reflect a reduced employee budget;

With regard to the Trusted Advice and the managers of Shared Service positions, detailed modelling was carried out on the costs of the officer positions which would be ring-fenced into these positions. Where certain positions were vacant, it was assumed these posts would remain unfilled and the savings are available to the programme.

There is the potential for further financial benefits to be realised as a result of implementing this programme. It is possible that the Councils could spread overheads or generate income by trading (for example, by enabling the building control service to operate in a commercial arrangement or by selling support services). The proposal is to create a flexible entity where it is possible for other public sector bodies to buy services, or indeed to join as partners in the future.

The programme has commenced a piece of work to ascertain the scale of the market opportunities, identify potential clients and assess how prepared the shared services are for entering into a more commercial environment. The business case has not assumed financial benefits from these wider aspirations.

3.5.3 Estimating costs

Where costs are known these have been included within the business case (e.g. certain costs for external advice which has already been procured, redundancy costs already incurred, programme office costs as a recruitment process has been completed).

As the Councils have experience of creating shared services and forming new entities (Ubico Ltd and The Cheltenham Trust), provision for one-off specialist external advice has been based upon that previous experience.

Redundancy costs have been estimated by quantifying the number of officer posts which are likely to become redundant and applying an estimated redundancy and strain on pension fund cost. The estimates have been ascertained by using data from the creation of previous shared services.

The costs of investment in ICT have been provided by the CDC/WODC Head of Service based upon soft market testing.

It has been assumed that the resource requirements of the Monitoring Officer and the Chief Finance Officer support for the Joint Committee will be provided within existing capacity. Therefore, as the additional costs of operating under a JC arrangement are minimal, the business case has not included any additional costs for operating under a JC arrangement. The support costs for a Teckal company have been based upon experience from the operation of Ubico Ltd and The Cheltenham Trust.

3.5.4 Net present value findings

A summary of the financial benefits from the programme is set out in the table below:

2020 Vision Summary of Savings	Savings	CBC	CDC	FoDDC	WODC
<u>Savings Already Delivered – In Base Budgets</u>					
Ubico - TBC/FoDDC/WODC	326,000	89,000	165,000	11,000	61,000
Joint Working - Legal and Prop/IT	247,000	90,000	57,000	60,000	40,000
Procurement	57,000	15,000	34,000	8,000	0
Savings Already Delivered	630,000	194,000	256,000	79,000	101,000
<u>Shared Services Phase 1 – Savings Deliverable 2016/17 – 2017/18</u>					
Savings from:					
Trusted Advisors, Legal, Property, Revenues and Benefits, Customer Services, Public Protection and procurement savings related to supplies and services budgets.					
Gross Savings	2,156,000	405,000	627,000	497,000	627,000
Vacancy Factor/Joint Working Increases	(166,000)	(30,000)	(49,000)	(38,000)	(49,000)
Net Future Shared Services Savings	1,990,000	375,000	578,000	459,000	578,000
<u>Shared Services Phase 2 – Savings expected to be delivered 2018/19</u>					
Savings from:					
Commissioning/Policy Support, Planning, Procurement savings related to supplies and services budgets, Housing Support.					
Gross Savings	987,000	133,000	273,000	237,000	344,000
Vacancy Factor/Joint Working Increases	(72,000)	(9,000)	(20,000)	(17,000)	(26,000)
Net Future Shared Services Savings	915,000	124,000	253,000	220,000	318,000
<u>Shared Services Phase 3 – Savings expected to be delivered 2019/20 Onwards</u>					
Savings from:					
GO Shared Services, IT, Audit Services, Building Control, Procurement savings related to supplies and services budgets. For building control this could be income generation or cost savings - net impact is shown					
Gross Savings	360,000	88,000	90,000	94,000	88,000
Vacancy Factor/Joint Working Increases	(26,000)	(6,000)	(7,000)	(7,000)	(6,000)
Net Future Shared Services Savings	334,000	82,000	83,000	87,000	82,000

2020 Vision Summary of Savings	Savings	CBC	CDC	FoDDC	WODC
<u>Other 2020 Vision Savings</u>					
Waste Services - FoDDC/WODC/CDC	530,000	0	200,000	150,000	180,000
Leisure FoDDC	75,000	0	0	75,000	0
Shared Property Resources	560,000	250,000	110,000	100,000	100,000
Total Other Savings	1,165,000	250,000	310,000	325,000	280,000
Company Model – Savings to be delivered 2017/18 Onwards through staff turnover					
Forming Company Model	709,000	227,000	177,000	168,000	137,000
Total 2020 Vision Net Savings	5,743,000	1,252,000	1,657,000	1,338,000	1,496,000
Gross Programme Costs	10,140,000	2,174,000	2,628,000	2,656,000	2,682,000
Less TCA Grant	(3,800,000)	(950,000)	(950,000)	(950,000)	(950,000)
Net Programme Costs	6,340,000	1,224,000	1,678,000	1,706,000	1,732,000
Payback period		1 year	1 year	1.3 years	1.2 years

In general, savings have been allocated according to the 2015/16 baseline funding position for each partner council that is part of a shared service. The costs of the new structure for Trusted Advisers has been compared to each Council's baseline funding position and savings calculated accordingly. Some savings have been assumed by bringing some contracted out services into the 2020 Vision delivery model.

The Net Present Value (NPV) of the programme has been calculated using a cost benefit analysis model which incorporates adjustments for optimism bias (financial benefits could be overstated) and optimistic costs (costs understated). The model has been used to calculate NPV both with and without the Transformation Challenge Award Grant funding. The optimism bias adjustments mean that the payback period is different than that shown in Table 7: Preferred way forward. In both cases there is a positive NPV of the Programme, as set out below:

Table 8: NPV findings

	Net Present Value	Payback Period
	£	Years
Without TCA Grant	19,276,824	6
With TCA Grant	22,939,919	4

3.6 Sensitivity analysis

The cost benefit model has applied the following optimism bias adjustments to the costs and financial benefits from the programme:

- ICT Costs – 5% adjustment (assumes optimistic costs in business case);
- Redundancy Costs – 5% adjustment (assumes optimistic costs in business case);
- External adviser support – 10% adjustment (assumes optimistic costs in business case);
- Programme office/backfill requirements - 5% adjustment (assumes optimistic costs in business case);
- Financial Benefits – 5% (assumes savings optimistic in business case);
- On-going support costs for Teckal company – 5% (assumes optimistic costs in business case).

3.6.1 Results of scenario planning

The net present value and payback period for the programme are very positive. No concerns over the financial viability of the programme have been identified.

3.7 Preferred option

The preferred option as set out in detail at 3.4 can be summarised as:

- forming a Joint Committee early in 2016,
- transferring responsibility for the initial shared services to the Joint Committee from April 2016.
- the business case for a Teckal company to be considered during Summer 2016.

4 Commercial case

4.1 Introduction

In order to progress shared services savings quickly, it is proposed to initially operate them under a JC with the Councils continuing to act as employers. This will allow progress in achieving shared efficiencies whilst developing the detailed arrangements for the establishment of the new sourcing model.

4.2 Required services

The joint committee will focus upon providing strategic direction and overseeing the performance, development and continued operation of the Partnership on behalf of the Councils.

The JC will have the following **roles**:

Strategic Direction

- Responsible for the on-going strategic delivery and governance of the Partnership Venture Shared Services to the required standards.

Financial

- Develop and approve the Partnership Financial Case from time to time and to make recommendations to the Partner Councils accordingly for adoption.

- Receive reports on and monitor the Partnership Financial Case.
- Oversee the delivery of the financial savings and benefits as set out in the Partnership Financial Case.

Delivery

- Responsible for the delivery of the Partnership Venture in accordance with the Business Case (timescales, costs and performance) and to agree tolerances, identify and manage risks, issues or concerns as necessary.

Monitoring

- Approve annual service plans and performance reports for each of the Partnership Venture Services
- Receive reports on the performance of the Partnership Venture Services at such intervals as may be provided by the s101 Agreement[s] or as the Joint Committee may require; to make recommendations for service improvements as appropriate and to generally monitor the delivery of the Partnership in accordance with the s101 Agreement[s] for the Partnership Venture.

Improvement

- Responsible for the on-going enhancement of the Partnership Venture and the Partnership Venture Services.
- Receive reports on improvements or changes to service delivery of the Partnership Venture Services from the Partnership Managing Director and to recommend for approval major changes to the service delivery to the Partner Councils as necessary.
- Receive reports on any potential expansion of the Partnership Venture and to make recommendations to the Partner Councils accordingly.
- Receive reports on any requests for service contracts outside of the existing Partner Councils from the Partnership Managing Director and to make recommendations to the Partner Councils accordingly.

Disputes

- Receive reports on cases where conflicts between the interests of the Partner Councils have arisen or are likely to arise and to agree the manner in which such conflicts will be managed or resolved if possible.

The interim joint committee will oversee development of a report to the partner authorities on Teckal company recommendations, which will be presented in the summer of 2016. Should they be approved, as the plans for a move to a company model take effect, it may be helpful to create a shadow company board which would represent the company in negotiating the service contracts with the partner authorities. This will help to avoid the new company having to work to a contract that it had no part in negotiating and so had not been able to satisfy itself was realistic.

4.3 Potential for risk transfer

At this stage, Programme risks are overseen by the Member Governance Board and are escalated to the partner authorities as necessary. Ultimately all risks remain with the partner councils.

4.4 Proposed charging mechanisms

The partner councils have approved the principles under which costs and benefits will be shared.

4.5 HR implications (including TUPE)

It is anticipated that the TUPE – Transfer of Undertakings (Protection of Employment) Regulations – will not apply to this investment at this stage. Under the JC model, the staff will remain employed by their existing employers. Employment issues will be considered as part of the Teckal report to councils in the Summer of 2016. It is anticipated that the staff employed by each of the authorities will share common terms and conditions, in order to develop closer working and sharing. This will be done through consultation and discussion with employees. Further work will be undertaken to align rewards and benefits for all staff working for the authorities through a Total Reward Strategy. Reduction in staff numbers will be carried out in accordance with the policies in each authority and where possible where there are job losses, natural wastage and volunteers will be sought.

5 Financial case

5.1 Introduction

The purpose of this section is to set out the financial implications of the preferred option (as set out in the economic case section) and the proposed deal (as described in the commercial case section).

5.2 Impact on the organisation's income and expenditure account

The financial case for the **overall programme** is set out below:

Table 9: Financial case for the overall programme

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	April 2020- March 2024 £000	Total £000
Programme Costs	430	2,774	3,715	1,873	1,308	40	0	10,140
Funded by:								
TCA Grant	430	2,774	596	0	0	0	0	3,800
Council Contributions	0	0	3,119	1,873	1,308	40	0	6,340
Total	430	2,774	3,715	1,873	1,308	40	0	10,140
Savings Annual	0	491	1,827	952	1,419	474	580	5,743
Savings Cumulative	0	491	2,318	3,270	4,689	5,163	22,084	38,015

The financial case for **Cheltenham Borough Council** is set out below:

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	April 2020- March 2024 £000	Total £000
Programme Costs	66	592	822	357	327	10	0	2,174
Funded by:								
TCA Grant	66	592	292	0	0	0	0	950
Council	0	0	530	357	327	10	0	1,224
Total	66	592	822	357	327	10	0	2,174
Savings Annual	0	155	303	330	166	124	174	1,252
Savings Cumulative	0	155	458	788	954	1,078	4,744	8,177

The financial case for **Cotswold District Council** is set out below:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	April 2020- March 2024	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Programme Costs	132	689	965	505	327	10	0	2,628
Funded by:								
TCA Grant	132	689	129	0	0	0	0	950
Council	0	0	836	505	327	10	0	1,678
Total	132	689	965	505	327	10	0	2,628
Savings Annual	0	215	597	294	288	119	145	1,657
Savings Cumulative	0	215	812	1,106	1,394	1,512	6,406	11,445

The financial case for **Forest of Dean District Council** is set out below:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	April 2020- March 2024	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Programme Costs	90	759	965	505	327	10	0	2,656
Funded by:								
TCA Grant	90	759	101	0	0	0	0	950
Council	0	0	864	505	327	10	0	1,706
Total	90	759	965	505	327	10	0	2,656
Savings Annual	0	19	509	146	404	121	139	1,338
Savings Cumulative	0	19	528	674	1,078	1,199	5,133	8,631

The financial case for **West Oxfordshire District Council** is set out below:

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	April 2020- March 2024	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Programme Costs	142	734	965	505	326	10	0	2,682
Funded by:								
TCA Grant	142	734	74	0	0	0	0	950
Council	0	0	891	505	326	10	0	1,732
Total	142	734	965	505	326	10	0	2,682
Savings Annual	0	101	419	181	561	111	122	1,497
Savings Cumulative	0	101	521	702	1,264	1,375	5,797	9,760

In section 2.5 table 3 set out each Council's financial savings targets for the period 2015/16 to 2018/19 and the respective plans for delivering the savings. The table has been updated below to show the revised contribution from the 2020 Vision.

Table 10: Revised financial contribution from 2020 Vision to Councils' savings targets

	CBC (£000)	CDC (£000)	FODDC (£000)	WODC (£000)
Total Annual Savings Target	3,727	1,644	2,112	1,110
Potential 2020 Vision Savings	1,252	1,657	1,338	1,496
Other Identified Savings	1,791	589	941	0
Shortfall (Surplus)	684	(602)	(167)	(386)

5.3 Impact on the balance sheet

Investment in ICT will increase the value of intangible assets held across the partnership. Funding of one-off revenue costs will either reduce the partner authorities' revenue reserves, or will utilise in year funding.

5.4 Overall affordability

The proposed cost of the project is £10.1m over the 5 years of the expected lifetime of the programme. The Councils have already significantly provided for the programme costs within their Medium Term Financial Strategies. The Member Governance Board / Joint Committee will keep the programme finances under review, any additional funding request will be recommended to the

Councils as the programme progresses and actual costs become known. Funding of core programme expenditure (i.e. of benefit to all partner authorities) will be initially funded from the £3.8m award of Transformation Challenge Award Funding.

6 Management case

6.1 Introduction

This section of the Business Case addresses the 'achievability' of the scheme. Its purpose therefore, is to build on the Strategic Outline Case by setting out in more detail the actions that will be required to ensure the successful delivery of the scheme in accordance with best practice.

6.2 Programme management arrangements

The programme is managed using a MSP (Managing Successful Programmes) structure incorporating a Programme Board (the Member Governance Board) and Programme Team supported by a pool of specialist resource and advisors responsible to the Programme Director. The programme organisation can be summarised as follows:

- **Member Governance Board** – made up of the Leader and Portfolio Holder from each partner Council. The board has delegated authority on behalf of the partner Councils to deliver the 2020 programme including oversight of the setup of the PV and commissioning framework in line with the 2020 Vision. Programme delivery is subject to a series of decision points by Partner authorities.
- **Programme Team** – made up of the three senior managers appointed by the Member Governance Board to deliver the 2020 Vision supported by a strategic programme manager; strategic advisors and programme resources (see programme office). The Head of Paid Service at FoDDC and the acting Heads of Paid Service for the other Councils sit on the programme team in order to co-create programme development and to enable business as usual to be maintained in the partner Councils, however they do not report into the Member Governance Board.
- **Programme Office** – the programme team is supported by a pool of people including a number of strategic advisors, programme managers, a change and engagement officer, a communications officer and specialist resource such as HR, finance, legal and audit.

The programme management arrangements are built to ensure strong governance and proactive stakeholder engagement; both of these being critical to the successful delivery of the 2020 Vision and the associated Benefits.

6.3 Project management arrangements

Projects are managed using a Prince 2 framework with an Agile project management approach, providing robust, responsive governance. Projects vary greatly in size and complexity, so the project management put in place is tailored accordingly.

Programme and project management organisation and processes have been designed to ensure that there are good links between each project and the programme, whilst allowing each project to run autonomously within the programme framework.

Programme and projects links include:

- Project sponsors drawn from senior managers on the Programme Team
- A programme manager is assigned to each project to act as a liaison between the programme and the project. Their role is to manage interdependencies between projects; help resolve issues that are not entirely within the project's control; continuously improve the programme management approach to better support effective and efficient project delivery, risk management, benefits realisation, stakeholder communications and engagement. In addition the programme manager is an effective escalation route to the programme as and when needed.
- Project and programme plans, risk registers, communications and engagement plans, and benefits realisation plans are coordinated, regularly reviewed and changes are highlighted through monthly status reports.

6.4 Use of special advisers

Special advisers have been used in a timely and cost-effective manner. Details are set out in the table below:

Table 11: Special advisers

Specialist Area	Adviser
Financial	AON Hewitt – pensions advice CIPFA – external assurance of the business case
Technical	Activist Group, Eunomia Ltd
Legal	Bevan Brittan

6.5 Outline arrangements for change and contract management

At the project level, any proposed change to project objectives, deliverables, scope or timescales must be raised with the project manager. Change request implications are evaluated by the project manager and project board. The project sponsors have final say on changes. If a change is approved, the project manager will update relevant sections of the Project Initiation Document, project plans, and the risk and issue logs.

Where changes impact upon programme interdependencies, these must be raised with the programme manager for consideration. If a solution cannot be established between project and programme managers, this will be escalated to the programme team for resolution.

6.6 Outline arrangements for benefits realisation

The programme uses standard MSP and Prince 2 based approaches to benefits realisation. Programme benefits are shown in section 2.3 of this document, and progress towards their realisation is monitored by the Programme Team and Member Governance Board via status reporting.

Progress towards benefits realisation is also monitored at the project level, and a business change manager is identified for each project to ensure that project outputs are converted into business benefits.

6.7 Outline arrangements for risk management

The programme uses standard MSP and Prince 2 based approaches to risk management. Risk registers are held at project and programme level, and any project level risks identified which pose a broader threat or opportunity to the programme are escalated up to the programme register. Individual partner authorities also hold risks to their own organisations relating to the programme, in their own corporate risk logs.

Reviews of risk occur on a regular basis at all levels of project and programme governance – risk is a standing agenda item at project progress meetings.

6.8 Outline arrangements for post project and programme evaluation

After project and programme completion, an end of project or programme review will take place to consider the following points:

- Achievement of the project's/programme's objectives
- Performance against planned time and cost
- Did the project/programme deliver the intended benefits?
- Lessons learned – What went well?; What went badly?; What advice would you give to future project/programme managers and team members?

This objective review of project/programme performance will enable useful organisational learning which can be carried forward into future programmes and projects. There is a good track record of this happening in previous programmes and projects and the learning has been used to design the current programme and project management arrangements.

Reviews are held regularly throughout the lifecycle of the programme as well as on completion, to ensure learning happens within the programme and not just for future programmes.

6.9 Gateway review arrangements

This Business Case has been subject to a number of gate reviews to reach this point. To date, these have comprised:

- A legal gate review
- A high level gate review involving all of the major contributors (HR, legal, ICT, finance)
- A detailed financial gate review by the Chief Finance Officers

The gateway review provides assurance as to the robustness of key documents governing the programme and the ability to move forward. The output of the gate reviews inform programme office and are used to provide assurance to the Member Governance Board and councils.

Partner councils may also undertake their own gate reviews to satisfy themselves that the business case is right for their organisation. Going forward, formal Gateway reviews will be carried out before each key decision point.

6.10 Contingency plans

Should this programme fail to secure the buy in of all four partner councils, work would be undertaken to see whether there was sufficient merit in proceeding with three, or even two partners. At the same time, options for bringing other organisations into the partnership would be explored.

7 Appendix A: Programme risk log

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
4	If there is failure to reach agreement between members across all four Councils the programme may not be delivered	01/09/2014	03/08/2015	SRO (Andrew North)	5	3	15	Reduce	Member Governance Board, widespread engagement and shared management arrangement.	Autumn 2015
22	Programme does not progress as Members do not have their concerns properly addressed	01/09/2014	03/08/2015	SRO (Andrew North)	5	3	15	Reduce	Ensure Members are able to share their ideas and expectations – disagreements are aired and debated. Expressly discuss issues of control and sovereignty. Establish clear understanding of each council's appetite for change and their commitment to a shared vision. Member values and priorities made integral to investment objectives.	Autumn 2015

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
7	If there is a lack of employee support and significant resistance to change the programme delivery and realization of benefits will be delayed	01/09/2014	03/08/2015	DN	4	3	12	Reduce	Proactive engagement and communication with staff is crucial. 'Leading through change' programme being developed for roll out to all staff Direction of travel is well known Need to engage with employees at the appropriate time and employee and stakeholder engagement would be a key strand within the programme. Employee sessions have shown that they are concerned about pace of change, uncertainty and resources.	Ongoing
11	If the programme is too difficult to reverse once fully implemented there may be a reticence to make a full commitment to its delivery	01/09/2014	03/08/2015	SRO (Andrew North)	4	3	12	Reduce	Councillors need to fully understand proposals so important to have good member engagement from an early stage Contract length and phasing may need to be considered	Ongoing
12	If any part of the new organisation fails there will be a negative impact on the reputation of all four councils	01/09/2014	03/08/2015	HoPS	4	3	12	Avoid	The Councils need to ensure that robust governance arrangements are in place to manage the partnership venture.	Ongoing
20	Changes to Local Government from external factors (e.g. outcomes from future Comprehensive Spending Review, new legislation, devolution) impact upon ability to resource the programme	01/09/2014	03/08/2015	HoPS	3	4	12	Reduce	To be managed by partner councils as part of performance management arrangements. Interim management arrangements to be put in place to manage business as usual.	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
25	Lack of clarity on scope of engagement, leading to confused messages	01/09/2014	03/08/2015	SRO (Andrew North)	4	3	12	Reduce	All members of programme and engagement team are aware of and confident in the engagement plan. Consistent key messages are used in communications with stakeholder groups. All engagement work across programme co-ordinated and consistent.	Ongoing
26	ICT - availability / capacities of technical resources required to fully research and understand the current configuration of the existing networks and systems used across the 4 partner Councils.	01/09/2014	03/08/2015	HoPS	4	3	12	Reduce	This to some extent has been mitigated by commissioning external ICT support, and partnership working with WODC/CDC but will be monitored throughout the project.	Ongoing
27	ICT - scope will creep as technical problems / challenges continue to be uncovered.	01/09/2014	03/08/2015	ICT Managers	4	3	12	Reduce	This is being addressed by working closely with Andy Barge / Giles Rothwell who are responsible for the FoD / CBC ICT shared service and Phil Martin / John Chorlton who are responsible for WODC / CBC ICT shared service . Initial work is identifying the strengths and weaknesses of how the 4 Councils current infrastructure support current needs with a view to shaping how best to support the needs of the new structure in future.	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
28	During the programme there may be a reduction in performance due to the impact of the programme on capacity within the four Councils.	14/10/2014	03/08/2015	HoPS	4	3	12	Reduce	Ensure communication about any changes and the reasons for them is clear and understood. Provide support for problematic areas at the appropriate time. Ensure sufficient resources are available to backfill capacity where appropriate	Ongoing
30	If projects are not aligned, we may inadvertently limit future sharing options e.g. REST and shared public protection.	20/11/2014	03/08/2015	Programme Director	4	3	12	Reduce	Rigorous programme management practice (including reporting) and regular communication between project and programme managers.	Ongoing
33	The 2020 programme requires effective collaboration between officers and members drawn from four councils. If officers and members are unable to collaborate effectively, this could impact significantly upon achievement of the programme's objectives.	09/02/2015	03/08/2015	SRO (Andrew North)	4	3	12	Reduce	Deborah Bainbridge developing a team building programme. Member and senior officer collaboration events held	Ongoing
14	If the pensions liability advice is not accurate, all 4 Councils' existing pension schemes may be adversely affected.	01/09/2014	03/08/2015	JP	5	2	10	Reduce	Advice from the actuary says that pensions savings are realistic in the 10 year period. Work stream being led by Jenny Poole from GOSS – programme board received report and advice from actuary. Further action to be taken to feed into workstream about company options Dec '15 to June '16	Ongoing
8	If there is the perception of "Takeover, level of employee support will be reduced	01/09/2014	03/08/2015	DN	3	3	9	Reduce	Establishment of a new employment vehicle and shared management arrangement can reduce risk	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
9	If staff are opposed to transfer to new employment body and revised T&Cs there may be an increase in staff turnover and loss off skills	01/09/2014	03/08/2015	DN	3	3	9	Reduce	Initial employee sessions have not demonstrated that there is staff opposition. Unions broadly supportive T & Cs will need to developed as part of a new reward and recognition package	Ongoing
13	If there are future political changes (nationally or locally) there may not be the political support that is currently available	01/09/2014	03/08/2015	HoPS	3	3	9	Accept	Governance models will need to be robust Proposal could be scalable to other councils or functions Cross party advisory group will build political consensus.	Ongoing
15	If there was trade union opposition then the project delivery may be more difficult or delayed	01/09/2014	03/08/2015	HoPS	3	3	9	Reduce	Trade union engagement is on-going	Ongoing
19	Pension savings are not deliverable due to LGPS regulations or application of regulations by administering authorities	01/09/2014	03/08/2015	DN	3	3	9	Reduce	Lobby DCLG for changes to LGPS pension regulations to enable the partner councils to under-write the LGPS pension liabilities and continue to make contributions as in the existing delivery model. Use of professional advisers to find solutions.	Ongoing
29	Contracts with third parties may not be transferrable into the new partnership. Some contracts cannot be transferred to the new partnership so either they cannot be part of the scope or there could be considerable costs to terminate.	14/10/2014	03/08/2015	HoPS	3	3	9	Reduce	Ensure a full contracts register is drawn up, including termination dates and conditions, and factor into the plan.	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
6	If Programme resources / costs are insufficient the programme delivery and realization of benefits will be delayed	01/09/2014	03/08/2015	SRO (Andrew North)	4	2	8	Avoid	Previous programme experience used to estimate programme costs. Programme Management processes will identify issues to be addressed. If resources insufficient - Re-scope the Programme plan so that workload is manageable. Increase investment in resources to meet timescales. Input to partner council financial planning process.	Ongoing
24	Programme progressing too quickly resulting in demotivated staff which has an adverse impact on service delivery	01/09/2014	03/08/2015	SRO (Andrew North)	4	2	8	Reduce	Produce and communicate clear, phased timetable for programme. Key messages are consistent and feedback is prompt. Test stakeholders' readiness to move on to next phase of engagement.	Ongoing
31	As partnership working develops and/or individual council's reduce the size of their labour force it may not be possible for individual councils to sustain a response to a civil emergency beyond a short initial period – the more so if the emergency affects more than one District	16/12/2014	03/08/2015	HoPS	4	2	8	Reduce	Project in development to address this. Proposed Measures Review existing emergency response structures Review scope to 'pool' resources and develop revised response arrangements Ensure any new employed arrangements include a contractual requirement to respond in an emergency	Ongoing

ID	Description	Date raised	Last updated	Owner	Impact	Likelihood	Score	Control	Action	Deadline
2	If risk is measured and managed differently across the four Councils there may be a conflict of priorities within the programme	01/09/2014	03/08/2015	HoPS	3	2	6	Avoid	Co-ordinated approach through joint discussions between risk owners. Regular sharing and review of corporate and programme risk registers. Any conflict in risk priorities to be raised with Programme Team for resolution. Proposal to align risk management methodologies across partners to be considered as a candidate project.	Ongoing
5	If expected benefits are not realised there may be a move to return to previous organisational structures	01/09/2014	03/08/2015	SRO (Andrew North)	3	2	6	Reduce	Programme resources and clear benefits realisation plan must be in place	Ongoing
34	The cost of the programme may exceed the allocated programme budget	20/03/2015	03/08/2015	Programme Director	3	2	6	Reduce	Ensure rigorous financial monitoring and control is exercised through programme governance arrangements. Programme Board to request individual Councils to provide additional funding if required.	Ongoing
36	A crisis in one partner organisation could affect service delivery in partner organisations if capacity diverted across the partnership to help address crisis	03/07/15	03/08/2015	HoPS	3	2	6	Reduce	Controls to be built into future governance of partnership.	Ongoing
35	Discussions about the devolution agenda could divert/distract from discussion required to reach agreement on 2020 vision development	03/07/15	03/08/2015	HoPS	2	1	2	Accept	Clear briefing required to show that the 2020 vision is aligned with devolution agenda	Ongoing

2020 Vision Business Case - Analysis of Savings

Appendix 4

In Scope Service Areas	2015/16 Employee Costs per Service Area				Total Employee Costs £	Phasing of Savings			Total Savings £	Programme Savings Allocation				Total Savings £	Basis of Saving
	CBC £	CDC £	FoDDC £	WODC £		Phase 1 2016/17- 2017/18 £	Phase 2 2018/19 £	Phase 3 2019/20 onwards £		CBC £	CDC £	FoDDC £	WODC £		
2015/16 Employee Costs per service area															
Current Trusted Advisors	353,600	251,400	352,000	334,500	1,291,500	(99,000)	-	-	(99,000)	(99,000)	(98,000)	(67,000)	(98,000)	(362,000)	Savings from changes in senior organisational structure including deletion of CBC CEX post.
Admin Support	98,600	25,700	68,500	39,800	232,600	(52,000)	-	-	(52,000)	(52,000)	20,000	(23,000)	5,000	(50,000)	Realignment of cost by sharing administrative support across partners.
Commissioning Support	677,600	425,100	361,800	220,300	1,684,800	-	(115,000)	-	(115,000)	(115,000)	(52,000)	(58,000)	(52,000)	(277,000)	Estimated shared service saving based on 15-20% reduction in staff costs.
Building Control	481,300	216,000	278,500	202,100	1,177,900	-	-	(33,000)	(33,000)	(33,000)	(30,000)	(40,000)	(29,000)	(132,000)	Estimated shared service saving based on 15-20% reduction in staff costs (Note: CBC's saving shared 50:50 with TBC due to existing shared service arrangement).
Planning	-	1,340,500	739,400	1,222,000	3,301,900	-	-	-	-	-	(141,000)	(80,000)	(126,000)	(347,000)	
Policy Support	-	451,400	767,200	1,554,400	2,773,000	-	-	-	-	-	(35,000)	(59,000)	(120,000)	(214,000)	
Legal	-	386,700	199,800	55,200	641,700	(50,000)	-	-	(50,000)	(50,000)	(16,000)	(13,000)	(15,000)	(94,000)	Estimated saving from renegotiation of One Legal contract.
Property	442,700	234,800	238,900	353,800	1,270,200	(25,000)	-	-	(25,000)	(25,000)	(26,000)	(14,000)	(25,000)	(90,000)	Estimated shared service saving based on 5-10% reduction in staff costs.
Revenues & Benefits	1,053,300	621,900	-	1,133,100	2,808,300	(105,000)	-	-	(105,000)	(105,000)	(88,000)	(100,000)	(87,000)	(82,000)	Estimated shared service saving based on 10% reduction in staff costs.
Housing Support	-	182,700	150,700	250,200	583,600	-	-	-	-	-	(27,000)	(22,000)	(33,000)	(80,000)	
IT / GOSS / Audit Services	-	3,097,700	989,000	884,700	4,971,400	-	-	(43,000)	(43,000)	(43,000)	(49,000)	(44,000)	(49,000)	(185,000)	Estimated shared service saving based on 10% reduction in staff costs (Note: Staff not directly employed by CBC but saving shared).
Customer Services	323,200	573,800	471,100	159,100	1,527,200	(54,000)	-	-	(54,000)	(54,000)	(100,000)	(51,000)	(55,000)	(260,000)	Estimated shared service saving based on 15% reduction in staff costs with additional saving from existing vacant post across partners.
Public Protection	-	798,900	645,800	1,218,500	2,663,200	-	-	-	-	-	(298,000)	(207,000)	(325,000)	(830,000)	
Vacancy Factor						11,500	3,400	2,000	16,900	16,900	28,000	23,000	30,000	97,900	Estimated cost of existing vacancy savings.
Joint Working Increases in Salary						18,500	5,600	4,000	28,100	28,100	48,000	39,000	51,000	166,100	Estimate of likely cost of shared working allowances based on current working models.
Procurement Savings						(20,000)	(18,000)	(12,000)	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)	(200,000)	Procurement savings target.
	3,430,300	8,606,600	5,262,700	7,627,700	24,927,300	(375,000)	(124,000)	(82,000)	(581,000)	(581,000)	(914,000)	(766,000)	(978,000)	(3,239,000)	
Other 2020 Vision Savings															
Waste Services Savings										-	(200,000)	(150,000)	(180,000)	(530,000)	Savings anticipated by partners from reviews of their current waste service provision.
Leisure FODDC										-	-	(75,000)		(75,000)	Savings arising from changes in FODDC leisure provider.
Shared Property Resources										(250,000)	(110,000)	(100,000)	(100,000)	(560,000)	Estimated savings from making use of property assets collectively across partnership and inclusive of savings generated by Accommodation Strategy.
										(250,000)	(310,000)	(325,000)	(280,000)	(1,165,000)	
Forming Company Model Savings										(227,000)	(177,000)	(167,000)	(137,000)	(708,000)	Total estimated pension savings net of costs of operating a company model.
Savings already banked within MTFs															
Ubico - new partners joining										(89,000)					
Banking tender savings										(15,000)					
ICT Shared Service - Phase 2 Savings										(80,000)					
Expansion of One Legal										(10,000)					
										(194,000)	(256,000)	(80,000)	(101,000)	(631,000)	
										(1,252,000)	(1,657,000)	(1,338,000)	(1,496,000)	(5,743,000)	

2020 Vision Business Case - Analysis of Programme Costs

	Total Programme Costs		
	Original Programme Cost	Growth in Programme Costs	Revised Programme Cost
Expert Advice	470	0	470
Backfill	3,186	785	3,971
ICT	3,010	221	3,231
Costs of Transformational Change	2,077	392	2,469
Totals	8,743	1,398	10,141

Commissioning Report

Version 2.0, 24th August 2015



Version	Date issued	Summary of change	Version owner
0.0	21 st July 2015	First draft released to programme team for review	Ann Wolstencroft
1.0	3 rd August 2015	Incorporates feedback from the programme team	Ann Wolstencroft
2.0	24 th August 2015	Incorporates feedback from Member Governance Board	Kath Hoare

Contents

Introduction

Background

Shared Approaches to Commissioning

Operating Principles for Commissioning

Outcome Based Decision Making

Shared Functions

Approach to Commissioning

Analyse - Commissioning Services from the Partnership Venture

Plan - Shared Service Design and Specification

Do - Implementing the Shared Service through Service Level Agreements

Monitor & Review - Client Arrangements

Longer Term Commissioning Strategy & Framework Design

Commissioning Plan / Activities

Appendices

Appendix 1 - Services to be shared

Introduction

This report is a high level Commissioning Strategy for 2020 Vision Partnership. It builds on the recommendations of the Activist Report and subsequent Phase 1 Commissioning Project endorsed by the Member Governance Board on 5 June 2015. This outline framework covers:

- Commissioning Principles
- Approach to Commissioning
- Service Design Principles
- Long Term Strategy & Framework Development

It must be acknowledged at this stage this is an initial strategy that will require further development and refinement and in particular more detailed engagement with members and officers in each of the 2020 Vision partner councils.

Background

At the beginning of the 2020 vision programme Activist looked at preferred sourcing options and conducted a preliminary option appraisal to help identify the sourcing options most likely to meet the outcome framework of savings, influence, quality and creativity.

As a result two broad strategic options were recommended for consideration on the shortlist, traditional sharing (s101 and s102) and Teckal and Trading Companies. These were shortlisted as both had the merit of being able to deliver significant savings, but without the delays incurred through an expensive procurement exercise. They also had the merit of using partnership models that are tried, tested and trusted already among the partner authorities (e.g. GOSS, SWAP and Ubico).

In June 2015 the Member Governance Board endorsed a structure for the joint venture partnership as shown in the Business Case. The structure includes a designated Council Lead Director for each Council that would not only continue to manage their retained services but they would also assume responsibility for commissioning services from the joint venture partnership. It was also agreed that each Council Lead Director would be responsible for leading the commissioning of specific partnership venture services (PV services) e.g. ICT on behalf of all partners across the partnership.

There remains the right for each council to decide which shared service it would source from the Partnership Venture and which it may source separately from another provider. It should be understood that should a partner have agreed to share a service through the Partnership Venture this will then be considered the

Page | 3

preferred provider for an agreed period of time, e.g. 4/5 years, after which a new commissioning process may be undertaken.

In the future if the partnership moves, as planned, to a Teckal company rather than a Joint Committee the proposal would be to discuss the formation of a distinct shared commissioning function that in the longer term could take a more 'joined up' approach to commissioning to ensure that opportunities for collaboration are fully exploited.

Shared Approaches to Commissioning

Following the report completed by Activist further work was undertaken to set out the current commissioning activities at each Council and assess the appetite for differing degrees of shared commissioning amongst senior managers at each Council. The further report Commissioning Project – Phase 1 - May 2015 identified that the current picture of commissioning at each Council has highlighted many key areas where the four Councils share the same approaches:

- There is a shared understanding of Vision 2020, and the partnership venture, as a potential way for each Council to become more efficient and effective by working together but without sacrificing their sovereignty.
- All Councils have a pragmatic outcome focused approach to commissioning seeking to ensure their local communities can access high quality and appropriate services.
- All share a desire to make sure their decision making processes are supported by impartial specialist advice from trusted advisors with sound local knowledge.
- All Councils aspire to find the best sourcing solutions and are open to innovation.
- All appreciate the wide variety of skills and experiences needed for effective commissioning.
- All are committed, to some degree, to sharing commissioning resources including client activity.

Operating Principles for Commissioning

The shared understanding above led to some 2020 Vision Commissioning principles that were endorsed by the Member Governance Board on 5th June 2015 and these are;

- Each partner council will have access to commissioning support, including trusted advisors, that will enable it to develop and set its strategic policies, source service provision, and manage its contracts and relationships with a range of service providers.
- While this support will be directly managed by each council to enable that council to control and manage that work, this support does not necessarily need to be employed by that Council, albeit there would need to be suitable governance structures in place. This principle is already established, to some degree, within current structures.
- Each Council should be able to access further skills, experience and expertise from technical experts that may be directly employed, part of a shared unit or employed by another Council or organisation.
- Each of the four Councils must be able to approach commissioning in their preferred way and be free to be agnostic in terms of sourcing decisions.
- Commissioning criteria need to be able to reflect local requirements (as well as shared).
- Sharing commissioning activity is a principle the partners Councils aspire to.
- Shared client arrangements is a principle the partner Councils aspire to and can see the merits of this early on for example with regard to GOSS and ICT.
- The Partnership Venture is one of a number of key providers from whom councils may source.

Outcome Based Decision Making

With some principles in place one of the initial tasks undertaken by the Programme Team and agreed by the Member Governance Board, was to make some decisions around which services would be shared in the first phase of the programme. From the beginning of discussions it was clear that there would be an initial sharing of a number of services which would be followed in the future with others. As mentioned above the work that had been completed on commissioning had identified differences in approach and therefore it was agreed that it would be good to have a consistent approach across all the partners to the decision making process.

As it was acknowledged across the partnership that effective commissioning needed to be based on outcomes so a decision making matrix was designed based on the outcome framework from the Activist report to undertake some preliminary analysis. Coupled with this outcome framework was another assessment based on each of the partner council's willingness to share.

Shared Functions

Each council completed the documentation and that resulted in the list of services to be shared that can be found in appendix 1. This list was endorsed by the Member Governance Board on 26th June 2015.

A timetable of future commissioning reviews, based on individual partner business requirements and existing contract end dates, will be established to ensure that the partnership starts to take a joined up approach to commissioning to ensure that opportunities for collaboration are exploited.

Approach to Commissioning

Excellence in commissioning means getting the best possible outcomes that deliver value for money. In its simplest form the commissioning cycle can be shown with four key stages. These stages are familiar (see diagram) and are used in most organisations when completing activities, projects and procuring services on an informal basis even if not recognised as a formal structure.

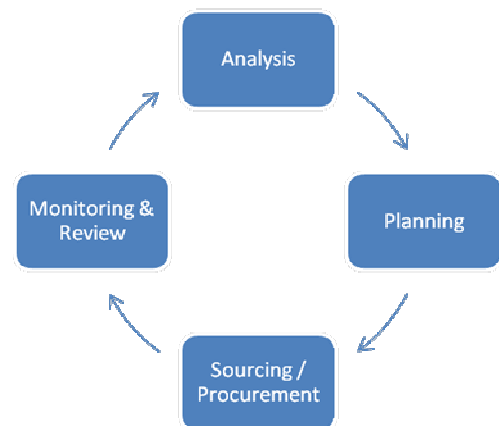
Analysis – identifying key issues and needs, what are the priorities, what are the options and solutions.

Planning - What are we going to do and how are we going to do it.

Sourcing/Procurement - Sourcing of new capacity & de-commissioning of old capacity.

Monitoring and Review - Is the strategy delivering the results needed, are there unexpected consequences we need to address and in the future what changes are needed to our strategy.

Over the coming months we will be working with all four partner councils to agree approaches to commissioning but in the interim we have structured the following areas of this report on this cycle. The commissioning approach undertaken will be proportionate and take into account the size of the service and risk profile.



Analyse - Commissioning Services from the Joint Venture Services

As mentioned previously we have identified a first tranche of services that could be shared and there are a number of projects that have been initiated as a result of this agreement. As these projects start to scope their work one of the key areas of work will be around understanding each authority's ambitions and analysing need. We will need to work with each of the partners to understand individual required outcomes

of the service being shared. Since creativity is one of the key outcomes for the 2020 vision programme, each project will need to challenge current assumptions and encourage innovation in both the definition of the challenge and potential solutions. The focus will not just be on cost and efficiency, but also on the effectiveness of what is commissioned. It is this process of fundamental challenge that will unlock the greatest potential for change, improvement and better value-for-money.

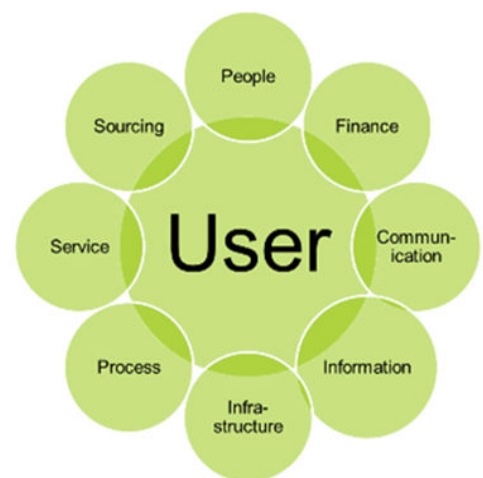
An example of this would be customer services. This is a complex, sensitive project where each council will have its own specific required outcomes and one where local priorities might well conflict with shared ones. This is also a project where all the agreed protocols come to the forefront e.g. brand identity etc. and where the commissioning of this service for some councils, if not all, will require member involvement. It is also a project that will require an examination of the fundamental purpose of customer services and its interactions with users and communities.

Whilst it has been agreed that a number of services could be shared through the Partnership Venture as part of the commissioning process there will still be a requirements to undertake comparisons with how other authorities address the challenges and some benchmarking of services. This is to check that the service being provided through the Partnership Venture offers the most effective solution, is financially competitive, high performing and of a good quality.

Plan - Shared Service Design and Specification

Service design is principally focused on the nature of the service, how it is offered and communicated to a user and how the processes involved in its delivery to the user are then organised. Following agreement on which initial services are going to be shared and the set of shared outcomes from the analysis stage there then needs to be a process of service design. There are a number of services such as GO Shared Services, ICT and Public Protection where service design is either completed or more developed.

The Programme Team recognise that service design is at the heart of some essential decisions e.g. ensuring local service delivery etc. The following principles of service design have been agreed by the Member Governance Board which included:



1. Residents and businesses will have access to knowledgeable support from staff that understand their localities and can support members with their decision-making.
2. Back office services will be centralised where possible and in a balanced way across the partnership, taking into account economies of scale achieved, any additional costs (e.g. initial staff travelling cost and time) and opportunities to reorganise or release office accommodation which delivers a capital sum or a rent.

In designing services to meet the outcomes specified by each Council it is proposed that the following checklist is taken into account and in the design of services.

User	Ensuring that the user continues to have a positive experience of the service. How users understand who is accountable for the service provided to them.
Service	Implications for the nature of the service and the service levels offered to the user. How the service offer is presented to the user, including the location.
Communication	The general implications for user communication and engagement. The organisation of member and staff communication and engagement.
Sourcing	The sourcing options that are most likely to meet the outcomes. How the partners will approach collaboration with other organisations.
Process	Governance: how democratic decisions and delegated decision-making are organised.
People	Interim management arrangements , i.e. how employees will be organised during the transition to any new arrangements. Implications for the future culture of the organisation. Implications for the terms and conditions of staff.
Finance	How costs and savings will be distributed between the partners. The potential for income generation .
Information	How performance management data will be managed for the new arrangements.
Infrastructure	The technology that will enable the new arrangements to function smoothly and efficiently.

It is acknowledged that the partnership has long experience of working together through the establishment of GO Shared services and it is envisaged that lessons learnt from this process will be incorporated into the design of shared services. Initially the services would be shared through a section 101 agreement which is well-recognised in the sector and an immediately recognisable model for potential new partners. This would need to be changed if the services were moved to a different model e.g. Teckal Company but such changes would be subject to a further report.

Do - Implementing the Shared Service through Service Level Agreements

For the initial shared services it has been agreed that these would be shared through a section 101 agreement as in the case of GO Shared Services. These agreements tend to be uniform across all partners with individual councils being able to specify any additional requirements through an individual schedule.

Service level agreements will be used for specifying the service levels, performance measures and agreed length for the shared service.

Monitor & Review – Shared Client Arrangements

Once the partnership venture is established there will be a requirement to ensure that the service is delivering the specified outcomes within the agreed framework. There will be a requirement to provide the commissioners with up to date information about how well the service is performing. For GO shared services it is assumed that current arrangements will continue in the short term. For other shared services the approach to managing performance should be agreed at the time the service is sourced from the 2020 Partnership Venture. It is anticipated that a framework would be developed that satisfies all partner requirements.

The Joint Committee will have a responsibility for monitoring service delivery as stated in their terms of reference. They will 'receive reports on the performance of the Partnership at such intervals as may be provided by the s101 Agreement[s] or as the Joint Committee may require; make recommendations for service change as appropriate and to generally monitor the delivery of the Partnership in accordance with the s101 Agreement[s] for the Partnership'. Individual councils will also have their own scrutiny arrangements. It is also anticipated informal shared scrutiny arrangements may be developed if considered appropriate.

It is also recognised it would be more effective (and cheaper) if some or all of the commissioning functions are shared for example, by pooling the client side of some the partners' contracts, it will be possible to ensure that they are overseen by a specialist, dedicated resource. As other shared service joint ventures have found, some co-ordination of clients' requirements and expectations also allows for a stronger and more coherent approach to be taken to the relationship with a shared service provider. Sharing could help to provide access to the specialist expertise (e.g. to manage contracts with commercial providers), it may also help to reduce the overall costs of commissioning.

The group have agreed to identify any quick wins in this area and once established put together proposals for sharing.

Longer Term Commissioning Strategy & Framework Design

Longer term the plan is to develop a Commissioning Strategy covering commissioning arrangements across all partners. This strategy will include the design of a flexible, commissioning framework which operates across all partnership organisations. The organisation of commissioning activity within the partnership will also require consideration and would be designed in accordance with the shared principles agreed by each Council.

Addressing the organisational design of commissioning in the partnership will involve the following:

1. A deeper understanding of the key characteristics of each individual councils approach to commissioning and seeking alignment on approach
2. An assessment of the organisational commissioning competencies across the partnership
3. An assessment of the readiness to undertake commissioning
4. Embedding challenge and innovation in finding the most effective and efficient ways of meeting shared and individual outcomes.
5. Ensuring effective political oversight and scrutiny of the commissioning process.
6. Understanding the implications for organisational structures and design related to commissioning
7. Drawing on the assessment of the readiness of the partnership councils to meet the requirements of strategic commissioning investment in staff development may be a key requirement

Commissioning Plan / Activities

Short Term to September 2015	
Activity	Progress
Agree individual partner services which are initially going to be commissioned from partnership venture	100%
Agree collective (all four partners) commissioning approach to joint venture services.	100%
Produce a report to form appendix to the Business Case covering approach to commissioning and future approach to designing a longer term commissioning framework	100%

Medium Term to April 2016	
Activity	Progress

Develop short term commissioner/client arrangements for partnership venture services	
Identify principal outcomes, solution design and functions for each service that will be sourced from the 2020 joint partnership venture, identifying any retained functions.	
Develop detailed shared service specifications joint venture services.	
Develop and get sign off for detailed service level agreements including performance framework for service provision	

Long term from April 2016	
Activity	Progress
Design and agree long term, flexible, commissioning framework which operates across all partnership organisations	
Develop Commissioning Strategy covering long term commissioning arrangements across all partners (utilising framework) and programme of commissioning reviews based on individual partner business requirements and contract end dates	

APPENDIX 1

Service	Cheltenham	Cotswold	Forest	West Ox
Go Shared Services	✓	✓	✓	✓
ICT	✓	✓	✓	✓
Public Protection	✕	✓	✓	✓
Customer Services	✓	✓	✓	✓
Revenues & Benefits	✓	✓	✓*	✓
Legal	✕ [#]	✓	✓	✓
Land & Property	✓	✓	✓	✓
Building Control	✓	✓	✓	✓

✓ - agreed to share

✕ - not being shared

* - interested in possibility but already have a partnership with Gloucester City Council and Civica

[#] - at this time

2020 Vision Joint Committee

The Constitution

First draft

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Definitions used in this Constitution shall be the same as those set out in the Agreement, unless the context otherwise requires.

[Note for the purposes of this document the following definitions:

Accounting Authority: the Partner Authority which provides the Joint Committee's Section 151 Officer and which maintains the Joint Committee's accounts

Annual Action Plan: means a plan for the performance by the Joint Committee of its functions and activities in any Financial Year to be contained in the Business Plan prepared for that Financial Year and including an audit plan and risk register;

Annual Budget: means the annual budget of the Joint Committee for a Financial Year approved or amended by the Partner Authorities

Business Plan: means the rolling three year business plan approved by the Joint Committee on an annual basis

Clerk: means the clerk of the Joint Committee

Commissioning Officers' Group: the Partnership Managing Director and the Partner Authorities Heads of Paid Service

Delegating Authorities: those of the Partner Authorities which delegate a particular Function or activity to a Delivering Authority

Delivering Authority: the Partner Authority which delivers a particular Function or activity on behalf of itself and the Delegating Authorities

Executive: each Partner Authority's Cabinet

Financial Year: means a calendar year commencing on 1 April in any year;

Functions: means the functions set out in Appendix 1 below

Material Change: means a change proposed to the Agreement between the Partner Authorities or to the operation of the Joint Committee which a Partner Authority (acting reasonably) considers to be a material change to the nature of the Joint Committee including a change which has a material impact on service design or the cost of the services provided or the operation of the Joint Committee and which it considers must be subject to approval by elected members of the Partner Authority

Partner Authorities: Cheltenham BC, Cotswold DC, Forest of Dean DC and West Oxfordshire DC

Providing Authority: the Partner Authority which provides the following to the Joint Committee:

- The Joint Committee's Clerk and administration
- The Joint Committee's Monitoring Officer
- Legal advice
- Human Resources advice
- Section 151 officer
- [Employing/contracting body]

[NB: there may be different Providing Authorities for the various roles and responsibilities]

Purpose and Terms of Reference: means the purpose and terms of reference of the Joint Committee set out in Appendix 2 below

Scrutiny Arrangements: means the overview and scrutiny arrangements at each Partner Authority as required by the Local Government Act 2000 Act

Scrutiny Committee: means the overview and scrutiny committees at each Partner Authority established in accordance with the Scrutiny Arrangements

Standing Orders and Rules of Procedure: means the standing orders and rules of procedure for meetings of the Joint Committee and its sub-committees which shall be those of one of the Partner Authorities (as agreed) (subject to any such amendments or additions as the Joint Committee sees fit) together with the financial regulations and contract procedure rules for the Joint Committee which shall be the regulations and rules of one of the Partner Authorities (as agreed) (subject to any such amendments or additions as the Joint Committee sees fit) which apply from time to time

Substitute Member : has its usual meaning]

2. FUNCTIONS AND ACTIVITIES TO BE UNDERTAKEN BY THE JOINT COMMITTEE ON BEHALF OF THE PARTNER AUTHORITIES

- 2.1 The Partner Authorities have each agreed and resolved that the Joint Committee should discharge the Functions.
- 2.2 The Partner Authorities acknowledge that any decision taken by the Accounting Authority or a Providing Authority that puts a Partner Authority in breach of any contract shall not be implemented and any costs or losses incurred by a Partner Authority arising from any such decision shall be apportioned equally between the Partner Authorities in accordance with the cost sharing principles [agreed by the Partner Authorities].

3. COMPOSITION OF THE JOINT COMMITTEE

- 3.1 Each Partner Authority shall appoint two of its elected members as its representatives on the Joint Committee one of whom will be a member of that Partner Authority's Executive, and the other

may be either a member of the Partner Authority's Executive or Council.

- 3.2 Each Joint Committee Member shall have one vote at meetings of the Joint Committee.
- 3.3 Each Joint Committee Member shall remain in office until removed or replaced by his appointing Partner Authority, or in the case of a Joint Committee member who is a member of an Executive until he ceases to be a member of the Executive of his appointing Partner Authority. Notice of the removal or replacement of a Joint Committee Member shall be given to the Clerk [to the Joint Committee].
- 3.4 The proceedings of the Joint Committee shall not be invalidated by any vacancy or any defect or purported defect in the appointment of any Joint Committee Member.
- 3.5 Any Partner Authority may, by giving written notice to the Clerk, nominate a Substitute Member to attend a meeting of the Joint Committee.
- 3.6 Where a Substitute Member takes the place of a Joint Committee Member who is a member of his appointing Partner Authority's Executive then such Substitute Member must also be a member of his appointing Partner Authority's Executive.
- 3.7 A Substitute Member shall have the same rights of speaking and voting at meetings of the Joint Committee as the Joint Committee Member for whom he is substituting.
- 3.8 The Partnership Managing Director, the Partner Authorities' Heads of Paid Service, together with the Joint Committee's s151 Officer, Monitoring Officer / Legal Advisor and the Clerk, shall be entitled to attend meetings of the Joint Committee to advise the Joint Committee on matters relevant to the functions and activities of the Joint Committee but shall have no voting rights.
- 3.9 Each Partner Authority may send any of its officers (as it considers to be appropriate) to meetings of the Joint Committee, or any sub-committee of it, to support its Joint Committee Members or those invited to observe the meetings.

4. ROLE OF JOINT COMMITTEE MEMBERS

- 4.1 The responsibilities of a Joint Committee Member shall be as follows:
 - 4.1.1 to act in the interests of the Joint Committee as a whole except where this would result in a breach of statutory or other legal duty to their Partner Authority or would be in breach of their Partner Authority's adopted code of conduct for elected members;
 - 4.1.2 to be committed to, and act as a champion for, the achievement of the Joint Committee's Purpose and Terms of Reference;
 - 4.1.3 to be a good ambassador for the Joint Committee and to encourage other councils to join the Joint Committee;
 - 4.1.4 to attend Joint Committee meetings regularly, vote on items of business and make a positive contribution to the achievement of the Joint Committee's Purpose and Terms of Reference;

- 4.1.5 to act as an advocate for the Joint Committee in seeking any necessary approval from their Partner Authority to the draft Business Plan and the Annual Budget

5. RESPONSIBILITIES OF THE CHAIRMAN AND VICE-CHAIRMAN

5.1 The responsibilities of the Chairman are as follows:

- 5.1.1 to act as an ambassador for the Joint Committee and to represent the views of the Joint Committee to the general public and other organisations;
- 5.1.2 to ensure that the meetings of the Joint Committee are conducted efficiently and in accordance with the Standing Orders and Rules of Procedures;
- 5.1.3 to encourage the Joint Committee to delegate sufficient authority to the Partnership Managing Director, the Accounting Authority and each Providing Authority to enable the Joint Committee's functions and activities to be carried out efficiently between meetings of the Joint Committee;
- 5.1.4 to monitor the performance of the Partnership Managing Director;
- 5.1.5 to establish a constructive working relationship with, and to provide support for any sub-committees and to the Partnership Managing Director, the Commissioning Officers' Group, the Accounting Authority and each Providing Authority or any other officers to whom the Joint Committee have delegated any of its powers and functions;
- 5.1.6 to ensure that the Joint Committee monitors and controls the use of delegated powers; and
- 5.1.7 to liaise with the Clerk to the Joint Committee regarding the Joint Committee's meetings and the conduct of its business.

5.2 The role of the Vice-Chairman is to deputise for the Chairman during any period of the Chairman's absence or at other times as appropriate and his responsibilities shall be the same as those of the Chairman.

5.3 Subject to the protocol set out in Appendix 3 below, the Chairman shall have a second or casting vote when presiding at a meeting of the Joint Committee.

6. MEETINGS OF THE JOINT COMMITTEE

6.1 Part I of Schedule 12 of the Local Government Act 1972 shall apply to meetings of the Joint Committee.

6.2 At its first meeting and at each Annual General Meeting thereafter the Joint Committee shall:

- 6.2.1 elect from among the Joint Committee Members the first Chairman and Vice-Chairman by a simple majority of votes provided that if a deadlock occurs between two or more Joint Committee Members a second secret ballot shall immediately be conducted for the election of the Chairman and Vice-Chairman;

- 6.2.2 adopt a Scheme of Delegation; and
- 6.2.3 approve the schedule of meetings for the remainder of the year.
- 6.3 Subject to paragraph 6.5 below, and the need exceptionally to call additional meetings, the Joint Committee shall meet at least [four] times each year. The Chairman shall decide the venue, date and time of all meetings of the Joint Committee. Wherever practicable, at least 10 Business Days' notice of such meetings shall be given to each Joint Committee Member, the Partnership Managing Director, the Joint Committee's s151 Officer, the Monitoring Officer, the Legal Advisor and to each Partner Authority's Head of Paid Service by the Clerk.
- 6.4 Meetings of the Joint Committee shall be open to the public and press except during consideration of items containing confidential or exempt information in accordance with the provisions of sections 100 to 100K of the Local Government Act 1972; and reports to and the minutes of the Joint Committee shall (subject to the provisions of sections 100 to 100K of the Local Government Act 1972) be available to the public and press as though they were the reports or minutes of a meeting of a Partner Authority.
- 6.5 Any Joint Committee Member may requisition a meeting of the Joint Committee by giving notice of such requisition to the Chairman and to the Clerk. Immediately upon receipt of such requisition, the Chairman shall call a meeting of the Joint Committee in accordance with paragraph 6.3 which shall be no later than 10 Business Days after the receipt by the Clerk of the notice of requisition.
- 6.6 The Standing Orders and Rules of Procedure shall be applicable to meetings of the Joint Committee. The Standing Orders and Rules of Procedure may only be amended or replaced if the amendment or replacement is agreed by not less than three-quarters of the Joint Committee Members.
- 6.7 The quorum for a meeting of the Joint Committee shall be [4] Joint Committee Members, which shall include at least one Joint Committee Member appointed by each Partner Authority; no business may be transacted at a meeting of the Joint Committee unless a quorum is present.
- 6.8 If a quorum is not present within 30 minutes of the time set for the commencement of a meeting of the Joint Committee (or a quorum ceases to be present during a meeting) the meeting shall be adjourned to the same time and venue five Business Days later or to such other date, time and venue as the Chairman (or other person who is chairing the meeting) shall determine.
- 6.9 The Chairman or Vice-Chairman may be removed by a majority vote of all of the Joint Committee Members present at a meeting of the Joint Committee subject to the Chairman or the Vice-Chairman being given the opportunity to address the meeting before the vote is taken to put his case as to why he should not be removed.
- 6.10 If the Chairman or the Vice-Chairman is removed by a majority vote of the Joint Committee or resigns or is otherwise unable to continue as Chairman or Vice-Chairman he may be replaced by the election of another Joint Committee Member as Chairman or Vice-Chairman as the case may be by a majority vote of the Joint Committee (in accordance with the provisions of paragraph 6.2).
- 6.11 The Chairman shall normally preside at all meetings of the Joint Committee. If the Chairman is not present within 15 minutes of the time for the commencement of a meeting, or being present does

not wish to preside or is unable to do so, then the Vice-Chairman shall preside at that meeting. If (in the event of the absence or non-availability of the Chairman) the Vice-Chairman is not present within 15 minutes of the time for the commencement of the meeting or does not wish to preside or is unable to do so, the meeting shall appoint another Joint Committee Member to chair the meeting.

7. DELEGATION TO SUB COMMITTEES AND OFFICERS

- 7.1 The Joint Committee may arrange for any of its functions to be discharged in accordance with the provisions of a Scheme of Delegation as approved by the Joint Committee.
- 7.2 The Joint Committee may appoint working groups to consider specific matters and report back to the Joint Committee or any sub-committee with recommendations.

8. SCRUTINY ARRANGEMENTS

- 8.1 Subject as set out in this paragraph 8 the decisions made by the Joint Committee shall for the time being be subject to the Scrutiny Arrangements of each Partner Authority and each Partner Authority acknowledges the requirements in paragraph 8.8 below for cooperation between the respective Scrutiny Committees of each Partner Authority.
- 8.2 Any decision of the Joint Committee, except those agreed as urgent in accordance with paragraph 8.3 shall not be implemented until the Scrutiny Arrangements of the Partner Authority whose membership has called in the decision or action has been completed.
- 8.3 Where a decision of the Joint Committee must be implemented without delay and as a matter of urgency the Clerk shall ensure that the chairmen of the Partner Authorities' Scrutiny Committees are immediately advised of the proposed urgent decision and their approval sought for call-in not to apply to that decision. Where such approval is given confirmation of that approval and the reasons for the decision being urgent shall be stated in the minutes of the Joint Committee meeting.
- 8.4 A summary record of decisions made by the Joint Committee will be made available to the public via the website of the Providing Authority which provides the Clerk within two Business Days of the decision being made. At the same time the Providing Authority which provides the Clerk will provide a copy of the summary record of decisions to all Partner Authorities for them to make available to their members as they see fit. The summary record will indicate which of the decisions are subject to the urgency provision and therefore are not available to be 'called in' prior to implementation.
- 8.5 Decisions of the Joint Committee (unless the Partner Authorities' Scrutiny Committees' chairmen agree otherwise in accordance with paragraph 8.3) shall be subject to call-in processes of each Partner Authority. If not called in during that period any decision shall then be available for implementation.
- 8.6 The Joint Committee Members and the relevant officers from each Partner Authority shall fully co-operate with the relevant Scrutiny Committee of any of the Partner Authorities and attend as directed by the Scrutiny Committee. The Partnership Managing Director may identify the appropriate officer(s) to attend a Scrutiny Committee. The Joint Committee Chairman may

nominate the Joint Committee Member(s).

- 8.7 Where a decision is called in by more than one Partner Authority, the Scrutiny Committee of each of the Partner Authorities calling in the decision will be invited to meet jointly to hear evidence, views, options considered, reasons for decision and to ask questions of appropriate Joint Committee Member(s) and the Partnership Managing Director and others invited to participate.
- 8.8 After these "hearings", each relevant Scrutiny Committee will meet separately to decide on what comment, view or recommendations (if any) it wishes to make to the Joint Committee.
- 8.9 Where the account to be given to the Scrutiny Committee requires the production of a report, then the Joint Committee Member or officer concerned will be given sufficient notice to prepare the documentation.
- 8.10 Once it has formed recommendations on a call-in (or proposals for development in accordance with paragraph 8.14) a Scrutiny Committee shall prepare a formal report and submit it for consideration by the Joint Committee.
- 8.11 The Joint Committee shall consider the report of a Scrutiny Committee at its next suitable meeting and shall issue a formal response to such a report.
- 8.12 The Clerk shall monitor the operation of the provisions relating to call-in and urgency annually, and submit a report to the Joint Committee with proposals for review if necessary.
- 8.13 A Scrutiny Committee should notify one of the Joint Committee Members for its Partner Authority if it includes in its work programme any aspect of policy development or review relating to the work or functions of the Joint Committee.

9. BUSINESS PLAN

- 9.1 No later than [31 July] in each year the Partnership Managing Director shall submit a draft Business Plan to the Head of Paid Service of each Partner Authority in respect of the next ensuing three Financial Years (covering that Financial Year and the following two Financial Years) (which draft Business Plan shall include a draft Annual Action Plan for the next Financial Year).
- 9.2 The Heads of Paid Service of the Partner Authorities shall within [20 Business Days] of receipt of the draft Business Plan consider and provide comments on or suggest amendments to the Partnership Managing Director to be included in a revised draft Business Plan and/or draft Annual Action Plan.
- 9.3 Subject to having considered any comments or suggested amendments from the Heads of Paid Service by no later than [30 September] in each year the Partnership Managing Director shall submit to the Joint Committee the draft Business Plan in respect of the next ensuing three Financial Years (covering that Financial Year and the following two Financial Years) (which draft Business Plan shall include a draft Annual Action Plan for the next Financial Year).
- 9.4 The Joint Committee shall consider the suitability of the draft Business Plan and draft Annual Action Plan for the performance during the next three Financial Years of the functions and activities delegated to it by the Partner Authorities (together with the contractual commitments of the Partner Authorities under any relevant contracts) in accordance with the Joint Committee's

Purpose and terms of Reference and shall use its reasonable endeavours to approve the draft Business Plan and draft Annual Action Plan (subject to such amendments as the Joint Committee may require) by no later than [30 November] in each year.

- 9.5 The Joint Committee shall perform the statutory functions delegated to it by the Partner Authorities and the activities referred to in paragraph 2 in conformity with the approved Business Plan (including the Annual Action Plan).
- 9.6 At any time within a Financial Year the Joint Committee may agree by a majority vote of the Joint Committee Members a proposal to amend the Business Plan (including the Annual Action Plan) for that Financial Year to accommodate any unforeseen circumstances and to assist the Joint Committee in achieving its Purpose and Terms of Reference.
- 9.7 Where the Joint Committee is to consider amendments to the Business Plan (including the Annual Action Plan) in accordance with paragraph 9.6 above, the Partnership Managing Director shall forthwith notify the Heads of Paid Service of each of the Partner Authorities of the proposed amendments. Each Partner Authority shall have a period of [20 Business Days] from receipt of the proposed amendments in which to consider them and where a Partner Authority (acting reasonably) considers the proposed amendments to be a Material Change that Partner Authority shall forthwith (and in any event within five Business Days of expiry of the [20 Business Day] notice period) notify the Partnership Managing Director that such amendments constitute a Material Change that requires the approval of the Partner Authority.
- 9.8 Where no Partner Authorities serve notice (in accordance with paragraph 9.7) on the Partnership Managing Director, the Joint Committee may implement such proposed amendments subject where necessary to having secured any necessary change in the budget in accordance with paragraphs 10.3 to 10.7 inclusive.
- 9.9 Where one or more of the Partner Authorities has notified the Partnership Managing Director that it considers the proposed amendments to be a Material Change, the Joint Committee shall not implement such proposed amendment unless and until the notifying Partner Authority has approved the proposed amendments and informed the Partnership Managing Director that it has approved such proposed amendments. Until such time as the proposed amendments have been approved, the current approved Business Plan (as may have been amended from time to time in accordance with this Constitution) shall apply.

10. ANNUAL BUDGET

- 10.1 The Joint Committee and the Partner Authorities will prepare the Annual Budget for future Financial Years in accordance with the following deadlines:
- 10.1.1 No later than [31 July] in each Financial year the Partnership Managing Director shall submit a draft Annual Budget to the Heads of Paid Service of the Partner Authorities in respect of the next Financial Year.
- 10.1.2 The Heads of Paid Service of the Partner Authorities shall within [20 Business Days] of receipt of the draft Annual Budget consider and provide comments on or suggest amendments to the Partnership Managing Director to be included in a revised draft

Annual Budget..

- 10.1.3 No later than [30 September] in each Financial Year the Joint Committee will approve the draft Annual Budget;
 - 10.1.4 No later than [31 October] in each Financial Year each Partner Authority will submit a report to its elected members to obtain approval for the draft Annual Budget and consider whether the draft Annual Budget should be included in its medium term financial plan;
 - 10.1.5 No later than [30 November] in each Financial Year each Partner Authority will provide any comments or proposed amendments to the draft Annual Budget to the Joint Committee;
 - 10.1.6 No later than [15 January] in each Financial Year the Joint Committee's s151 Officer will insert the actual costs to the Joint Committee into the draft Annual Budget and circulate it to the section 151 officer and Head of Paid Service of each Partner Authority and to the Joint Committee;
 - 10.1.7 No later than [15 February] in each Financial Year each Partner Authority will approve any amendments to the draft Annual Budget; and
 - 10.1.8 The Joint Committee will approve the Annual Budget by no later than [28 February] in each Financial Year.
- 10.2 If the Partner Authorities or the Joint Committee are unable to approve the draft Annual Budget for a Financial Year before [26 February] in any year, the Joint Committee shall perform its delegated functions and activities set out in paragraph 2 in conformity with the approved Annual Budget for the previous Financial Year subject to such adjustment for inflation as is reasonably required and to meet any increased costs of employment until such time as an Annual Budget is approved in accordance with this Paragraph 10.
- 10.3 At any time within a Financial Year the Joint Committee may agree by a majority vote amendments to the Annual Budget for that Financial Year to accommodate any unforeseen change in circumstances and to assist the Joint Committee in achieving the performance of its functions and other activities in accordance with the Joint Committee's Purpose and Terms of Reference.
- 10.4 Where the Joint Committee is to consider amendments in accordance with paragraph 10.3 above, the Partnership Managing Director shall forthwith notify the Head of Paid Service of each of the Partner Authorities of the proposed amendments to the Annual Budget. Each Partner Authority shall have a period of [20 Business Days] from receipt of the proposed amendments in which to consider them and to notify the Partnership Managing Director that such amendments require the approval of the Partner Authority.
- 10.5 Where no Partner Authorities serve notice (in accordance with paragraph 10.4) on the Partnership Managing Director the Joint Committee may implement such proposed amendment.
- 10.6 Where one or more of the Partner Authorities has notified the Partnership Managing Director that it needs to approve the proposed amendments, the Joint Committee shall not implement such

proposed amendments unless and until the notifying Partner Authority has approved the proposed amendments and informed the Partnership Managing Director that it has approved such proposed amendments.

- 10.7 The Partner Authorities shall each pay their contribution of the Annual Budget to the Accounting Authority in accordance with clause 13 and Schedule 5 of the Agreement and any additional contributions which may arise as a result of the operation of paragraphs 10.3 to 10.6 above shall be paid in accordance with clause 6.2.1 of the Agreement.

11. JOINT COMMITTEE MEMBER CONDUCT

- 11.1 Joint Committee Members shall be subject to the code of conduct for elected members adopted by the Partner Authority that nominated them to be a Joint Committee Member.

12. LIABILITY OF JOINT COMMITTEE MEMBERS

A Joint Committee Member shall have the same responsibilities and liabilities as those that apply when sitting on other committees and bodies as an appointed representative of his nominating Partner Authority.

13. DISSOLUTION AND RE-FORMING OF JOINT COMMITTEE ON ANOTHER LOCAL AUTHORITY JOINING

- 13.1 If it is agreed by all the Partner Authorities that should another local authority be permitted to join the Joint Committee , then the Joint Committee shall be dissolved with a view to a new Joint Committee being established, the constitution of which being on similar terms to this Constitution (as varied by the proposed Partner Authorities).

APPENDIX 1**Functions and activities delegated to the Joint Committee**

The role of the 2020 Vision Partnership Joint Committee (“the Joint Committee”) is (subject as follows) to:

1. Provide strategic direction for the continued improvement and development of the Partnership Venture; and
Direction, development and performance management of the Partnership Venture Services delegated to it by the delegating authorities
2. Secure the delivery of the following Functions and activities delegated to it by the Partner Authorities:
 - Human Resources policies and procedures (see Appendix i).
 - ICT network infrastructure, applications policies and procedures.
 - Finance and Procurement Rules, procedures, administration and best practice.
3. Undertake the functions set out in Appendix ii (which are currently delegated under the existing shared services arrangements (GOSS and ICT))
4. Provide strategic direction and oversee the performance, development and continued operation of the Partnership Venture on behalf of the Partner Councils and in accordance with the standards and specifications set out by those Partner Councils.

Appendix i**Delegated Employment Matters**

Each Partner Council delegates the following functions to the Joint Committee to apply to all staff employed by those Councils:

- HR Policies and Procedures
- Pay and Grading Policy
- Total Reward Policy (including financial and non-financial benefits)

Each Partner Council delegates the following functions in relation to Shared Services to the Joint Committee to undertake in accordance with approved policies:

- Appointment of Shared Service Heads
- To agree the staffing establishment required for each Service to meet the needs of the Partner Councils
- To determine pay and grading of staff
- To appoint and discipline staff
- To pay honoraria and acting up allowances
- To determine other benefits and allowances as are agreed
- To ensure that staff are appropriately skilled and trained

Note: It is agreed that in relation to the following posts:

- Cheltenham wish to exclude: Head of Paid Service; Managing Director Economic Development and Place; Director – Planning; Director - Environment; Deputy Chief Executive; Director Cheltenham Development Taskforce; Director of Resources; [Section 151 officer]; Monitoring Officer.
- Other Councils to consider this for themselves

Whilst the Joint Committee will make recommendations as to the terms and conditions of employment for the post in question to the Partner Council in question the final determination of those terms and conditions shall be made by the Partner Council making the appointment.

Appendix ii**Functions delegated under existing shared service arrangements****GO Shared Services**

The following services:

FINANCE AND PROCUREMENT**Finance**

- Accounts payable
- Purchase ordering
- Accounts receivable
- General ledger management
- Cash and bank input
- VAT
- Bank reconciliation
- Cheltenham Box Office Reconciliation
- Trust Funds
- Mortgages, Car Loans and Loans to Third Parties
- Freedom of Information Requests
- Mayor's/Chairman's Charity
- Leasing (Financial aspects) – Employee cars/pooled cars
- Leasing – Other Leases
- Support services costing
- Journals
- Statement of Accounts
- Collection Fund Accounting
- Fixed Asset accounting
- Financial Strategy/Budget Preparation
- Business Partnering
- Cheltenham Borough Homes Ltd
- Gloucestershire Airport
- Government returns – RO, RA, QRO, CO etc.
- Technical Accounting support
- Council Tax insert note
- Benchmarking
- Statistical reporting
- Treasury Management
- Insurance Support and advice
- Collate Precept data from Parish Council, Upper Tier Authorities, Police Authorities

Procurement

- Common Procurement Strategy, reflecting local flexibility
- Common Contract Rules
- Common suite of Standard Documentation
- Standardised procurement web pages
- Common Contract Register
- Full tender/quotation process
- Contract Management
- Contract Monitoring
- Spend Analysis, Reporting and identification of procurement savings
- Common Work Plan
- Supplier Adoption on E-portal where in use
- Category Management
- Purchase Order Management
- Purchase Cards
- Procurement Training provided by Shared Service

HR AND PAYROLL

Human Resources (HR)

- Workforce Intelligence
- Recruitment
- Leavers
- Induction
- CRB, Vetting and Barring Scheme, Independent Safeguarding Authority
- Employee Relations/Case work
- Grievance, Disciplinary & Capability
- Absence Management
- Change Management
- Redundancy
- Job Evaluation
- HR Procedure & Policy Development
- Health, Fire and Safety
- Benefits
- Employee Job Cycle
- Maternity/Paternity
- Pensions
- Long Service Awards
- Retirements and Flexible Retirements
- Death in Service
- Annual Leave and Flexi Leave
- Performance and appraisals
- Reward and recognition
- Apprenticeships, future jobs fund, backing young Britain
- Structure Charts

- Periodic staff communications
- Organisational HR Strategy
- Learning & organisational development, learning skills, knowledge, behaviours
- Other

Payroll

- Payroll Function

Business Systems Support and Maintenance

All as more particularly described in Schedule 1 of the s101 Agreements dated 1st April 2012 made between: Cheltenham Borough Council (1) and Cotswold District Council (2) (as subsequently amended by Variation Deed dated 29th April 2014); Forest of Dean District Council (1) and Cotswold District Council (2) (as subsequently amended by Variation Deed dated 14th April 2014); and West Oxfordshire District Council (1) and Cotswold District Council (2) (as subsequently amended by Variation Deed dated 29th April 2014)

GO Support and Hosting

The following ICT support and maintenance services (but specifically excluding Business Systems Support and Maintenance):

- Service Desk
- Data Centre Services (Server Hosting and Administration)
- Applications Support
- Data Communications and Network Management
- Network/Desktop Integration
- Interfaces
- ERP Service Continuity and Disaster Recovery
- Service Management and Evolution
- Configuration Management
- Security Management
- Printing/Scanning
- Procurement/Replacement of Hardware
- Recycling/Disposal of Hardware

All as more particularly described in Schedule 1 of the s101 Agreement dated 26th March 2013 made between Forest of Dean District Council (1), Cheltenham Borough Council (2), Cotswold District Council (3) and West Oxfordshire District Council (4) as amended by a Variation Deed dated 29th April 2014 made between the same parties

ICT

The provision of:

- ICT Business Solutions
- ICT Operations

APPENDIX 2**Terms of Reference of the Joint Committee****Strategic Direction**

- To be responsible for the on-going strategic delivery and governance of the Partnership Venture Shared Services to the required standards set out in the s101 Agreement[s].

Financial

- To develop and approve the Partnership Financial Case from time to time and to make recommendations to the Partner Councils accordingly for adoption.
- To receive reports on and monitor the Partnership Financial Case.
- To oversee the delivery of the financial savings and benefits as set out in the Partnership Financial Case

Delivery

- To be responsible for the delivery of the Partnership Venture in accordance with the Business Case (timescales, costs and performance) and to agree tolerances, identify and manage risks, issues or concerns as necessary.

Monitoring

- To approve annual service plans and performance reports for each of the Partnership Venture Services
- To receive reports on the performance of the Partnership Venture Services at such intervals as may be provided by the s101 Agreement[s] or as the Joint Committee may require; to make recommendations for service improvements as appropriate and to generally monitor the delivery of the Partnership in accordance with the s101 Agreement[s] for the Partnership Venture.

Improvement

- To be responsible for the on-going enhancement of the Partnership Venture and the Partnership Venture Services.
- To receive reports on improvements or changes to service delivery of the Partnership Venture Services from the Partnership Managing Director and to recommend for approval major changes to the service delivery to the Partner Councils as necessary.
- To receive reports on any potential expansion of the Partnership Venture and to make recommendations to the Partner Councils accordingly.
- To receive reports on any requests for service contracts outside of the existing Partner Councils from the Partnership Managing Director and to make recommendations to the Partner Councils accordingly.

Disputes

- To receive reports on cases where conflicts between the interests of the Partner Councils have arisen or are likely to arise and to agree the manner in which such conflicts will be managed or resolved if possible.

APPENDIX 3**Protocol in respect of the Chairman's Casting Vote**

The Joint Committee agrees the following Protocol in respect of the Chairman's right to cast a second or casting vote in the event of an equality of votes at a Joint Committee meeting:

Deferral Vote

In the event of an equality of votes the Joint Committee Members agree to proceed as follows:

- the Chairman shall move to defer the agenda item ('Deferral Vote')
- If the Deferral Vote is passed by a majority the item shall be deferred and the deferral process will be triggered
- If the Deferral Vote is tied, the Chairman shall have a casting vote to decide whether to defer the item or not
- If the Deferral Vote is lost then the agenda item shall stand and be voted on, with the Chairman having a casting vote.

Deferral Process

The deferral process shall be as follows:

- The agenda item shall be deferred for a period of not less than five Business Days ("Deferral Period") and the Joint Committee meeting shall be adjourned to a date beyond the expiry of the Deferral Period as determined by the person chairing the meeting. During the Deferral Period the Joint Committee Members shall be able to consult their Partner Authorities and discuss the agenda item with other Joint Committee Members.
- At the adjourned Joint Committee meeting the agenda item shall be discussed again and any written views received from Partner Authorities shall be reported to the Joint Committee for consideration by the meeting.
- If, at the adjourned meeting, there is an equality of votes in relation to that agenda item the person chairing that meeting shall have a casting vote.

This page is intentionally left blank

Page 118

Cheltenham Borough Council

Cabinet-13 October 2015

Request for rent subsidy from Broadlands Pre School & approval to dispose of Public Open Space

Accountable member	Cabinet Member for Finance, Councillor John Rawson
Accountable officer	David Roberts (Head of Property and Asset Management)
Ward(s) affected	Leckhampton
Key Decision	No
Executive summary	<ol style="list-style-type: none"> 1. The Council have been asked by Broadlands Pre School to consider a rent subsidy for the premise at Burrows Playing Fields. Broadlands Pre School satisfies 4 of the Council's Key Objectives and that, as a result, a rent subsidy is proposed. 2. The land is identified as Open Space and has been advertised in accordance with S123(2A) Local Government Act 1972. No objections have been received.
Recommendations	<p>That Cabinet :-</p> <ol style="list-style-type: none"> 1. Agrees to accept the recommendations of the 3rd Sector Panel and authorise a rent reduction of 80% against the lease between Cheltenham Borough Council and Broadlands Pre School. 2. Agrees to declare surplus the land and buildings that are currently let to Broadlands Pre School for a further term of 15 years 3. Delegates authority to the Head of Property and Asset Management, in consultation with the Borough Solicitor, to agree the terms of the lease.
Financial implications	<p>Under the current rent arrangements Broadlands Pre School pay £2000 per annum. The market rent of £5000 will be offset by a rent subsidy of 80 % equating to £1000. The council will receive future rents of £1000 per annum, a decrease of £1000per annum.</p> <p>Contact officer: Nina Philippidis,nina.philippidis@@cheltenham.gov.uk, 01242 264121</p>

Legal implications	<p>The Authority has a statutory obligation under section 123(2) of the Local Government Act 1972 to obtain the best consideration reasonably obtainable when disposing of land. Leases for a term exceeding 7 years are “disposals” within the meaning of this section. However, this requirement may be waived where the disposal is for the social, economic or environmental benefit of the inhabitants of the Borough, or any of them.</p> <p>Under section 123(2A) of the 1972 Act before disposing of public open space land the Authority must first advertise the proposed disposal for two consecutive weeks in a newspaper circulating in the area, and consider any objections to the proposed disposal.</p> <p>Contact officer: Rose Gemell, rose.gemmell@tewkesbury.gov.uk, 01684 272014</p>
HR implications (including learning and organisational development)	<p>N/A</p> <p>Contact officer: , @cheltenham.gov.uk, 01242</p>
Key risks	<p>Should Broadlands Pre School not take a new lease of the premise; it may stand vacant for a number of months, and the Council would then be responsible for the maintenance, insurance and business rates.</p>
Corporate and community plan Implications	<p>By agreeing this application Broadlands Pre School will contribute to supporting the Council Priorities of:</p> <ul style="list-style-type: none"> • Strengthening our economies • Strengthening our communities • Focussing on Children and young people
Environmental and climate change implications	<p>Nothing in this proposal is considered to impact negatively upon the Council's environmental and climate change aspirations</p>
Property/Asset Implications	<p>As set out in this report</p> <p>Contact officer: David Roberts@cheltenham.gov.uk</p>

1. Background

- 2.1** Broadlands Pre School is a registered charity they would like to renew their lease which expires on the 19th October 2015. They would like a renewal for a term of 15 years.
- 2.2** The rent they are currently paying is £2000 per annum this was effective from October 2010. The market rent is now £5000 per annum.
- 2.3** Broadlands Pre School have made an application under the Council's 3rd Sector Policy; a copy of the application is attached as Appendix II.
- 2.4** A meeting of the 3rd Sector Policy board considered the application from Broadlands Pre School for rent relief and concluded that a relief of 60% in addition to a subsidy of 20% applicable to charitable institutions renting Council-owned premises was appropriate. A copy of the panel's decision is attached as Appendix III.
- 2.5** The land upon which the buildings are sited is Open Space and the appropriate Notice advertising the proposed leasehold disposals pursuant to S123 (2A) of the Local Government Act 1972 has been placed in the Gloucestershire Echo. The Notices gave details of the proposed disposal and asked that if there were any objections that they are sent in writing to the Borough Solicitor . No objections have been received

2. Reasons for recommendations

- 2.1** The 3rd Sector Policy Board considered the application from Broadlands Pre School and concluded that the following subsidies could be applied:
 - 20% subsidy in respect of the Broadlands Pre School contribution to the Council's Objective 2 ' Strengthening our Economies'.---The Pre-School employs 13 people and enables parents to work whilst their children are being cared for
 - 20% subsidy in respect for the Broadlands Pre School contribution to the Council's Objective 3 ' Strengthening Our Communities' ---The Pre-School makes a direct contribution to local community life; the hall is available for hire, there is a parent –led management committee and there are regular community events
 - 20% subsidy in respect of the Broadlands Pre School contribution to the Council's Objective 5 ' A Focus on Children and Young People' —The Pre-School makes a direct contribution to positive outcomes for children and young people.
- 2.2** 20% subsidy reflecting the Broadlands Pre School is a registered charity
- 2.3** It is proposed that Broadlands Pre School shall occupy the property upon a full repairing basis and be responsible for the payment of all utility and rates bills as well as insuring the property.
- 2.4** The full Market Rent of the property has been ascertained to be £5000 per annum and a term of 15 years has been agreed but subject to a rent review every 5 years. With the rental subsidy proposed the rent that the Broadlands Pre School will be paying for the first five years will be £1000 per annum.
- 2.5** The S123 notice and cabinet approval is required before the Council can enter into a new lease with Broadlands Pre School.

3. Alternative options considered

- 3.1** The Council could decide not to offer Broadlands Pre School a rent subsidy or agree to the disposal of open space, this would result in the strong possibility that Broadlands Pre School would no longer be able to provide educational facilities within that area. The Council would then have a liability for the payment of rates and carrying out the maintenance.
- 3.2** The site has very limited alternative uses as there is limited pedestrian footfall. However the site with the appropriate planning permissions could be used for a hairdressers, offices or small soft play centre with associated coffee shop with ample free parking. As the building is located within an open space the Council will need to be minded about the use.
- 3.3** Consultation and feedback
- 3.4** The proposal has been discussed at Asset Management Working Group and they are supportive of the application.

4. Performance management –monitoring and review

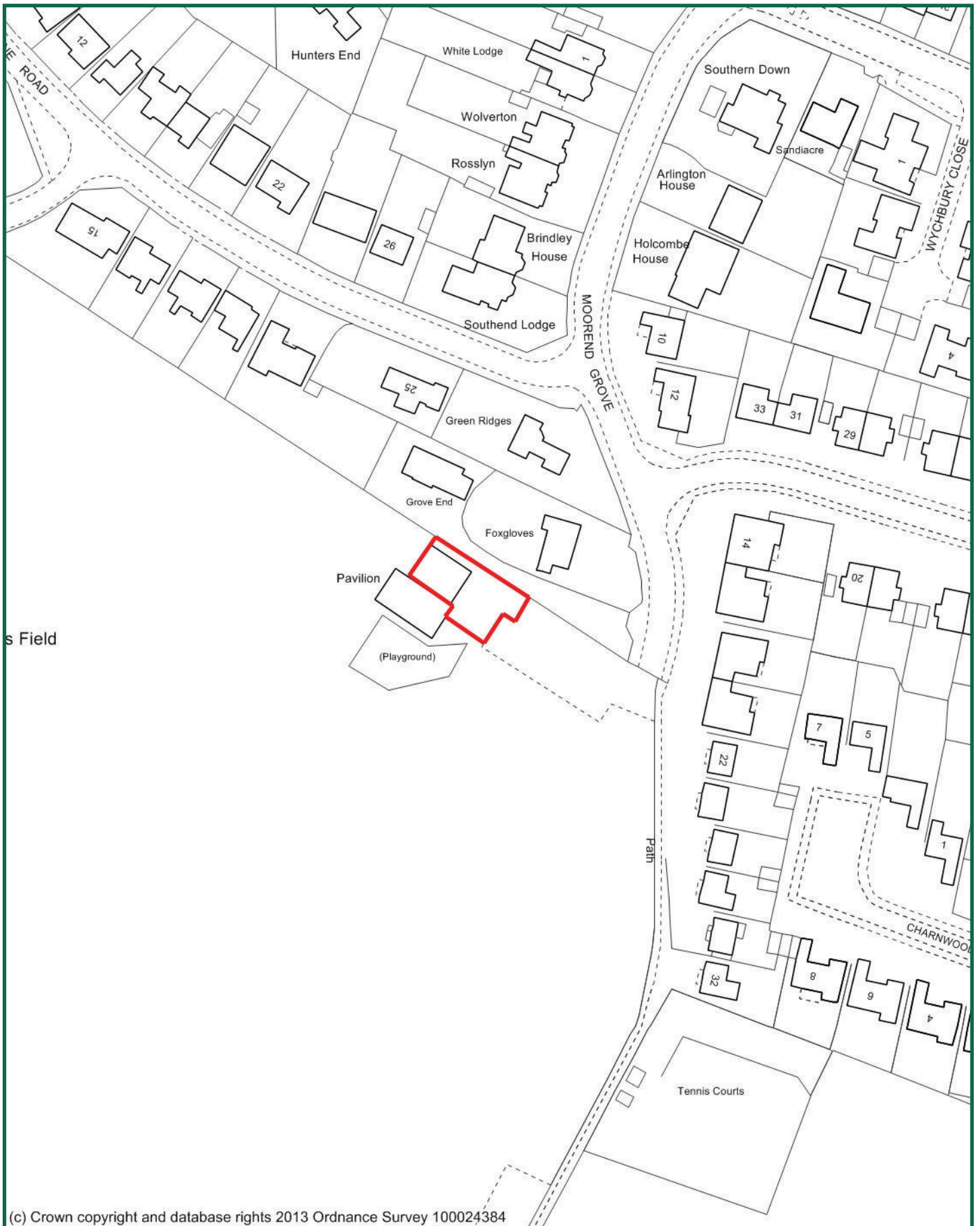
- 4.1** We will monitor the rent payment.

Report author	Contact officer: Simon Hodges Simon.Hodges@cheltenham.gov.uk, 01242 775148
Appendices	1. Risk Assessment 2. Submission by Broadlands Pre School 3. Decision of 3 rd Sector Assessment Panel.
Background information	N/A

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 tenant cannot sustain 20% rent payments this could jeopardise their continued operation of the building and this could result in the loss of a community service, empty rates and adverse publicity	Simon Hodges	10 th September 2015	2	2	4	Accept	Monitor and refer to Cabinet should such circumstances arrive		Simon Hodges	

This page is intentionally left blank

Page 124



This page is intentionally left blank

Page 126

Broadlands Pre-School Centre

Registered Charity No 1055656

Rental discounts to third sector, voluntary and community groups

Business and Community Plan

Submission to Cheltenham Borough Council

Dated

28 January 2015

Submission Guidelines

Any decision made by Cheltenham Borough Council to lease its property at less than 'best consideration' will be based on an objective assessment of the benefits your service provides to the community of Cheltenham at large.

We will use the information you provide in this document to calculate the percentage rental discount your organisation is entitled to upon the renewal of your lease agreement with Cheltenham Borough Council.

Rental discounts will be based upon the degree to which your activities are open to the community at large (i.e. is a paying membership required?) and to the extent your activities further the aims of the Council's community plan.

Cheltenham Borough Council's Corporate Strategy 2010-2015 identifies 3 key community objectives, which are as follows:

- Enhancing and protecting our environment
- Strengthening our economy; and
- Strengthening our communities

These are supported by an additional 'cross-cutting' objective of

- Enhancing the provision of arts and culture

Rental discounts will be determined by the degree to which you are able to demonstrate how your organisation **significantly contributes** towards supporting these objectives in your Business and Community Plan.

The Cabinet reserves the right to award an additional discount in exceptional cases, where the organisation concerned has demonstrated, by clearly evidenced business plans, that they are providing a comprehensive community benefit which is not satisfactorily reflected through the application of the rental discount criteria specified within this document.

Organisations will have the power to sub-let only with the agreement of the Council which will not be unreasonably withheld so long as the income is used to further the aims and activities of the organisation.

Alongside the Corporate Strategy is Cheltenham's Sustainable Community Strategy 2008-2011. This Strategy identifies nine priorities for Cheltenham:

- Promoting Community Safety
- Promoting Sustainable Living
- Promoting a strong and sustainable economy
- Building healthy communities and supporting housing choice
- Investing in environmental quality
- Investing in travel and transport

- Investing in arts and culture
- A focus on children and young people

Nearly all of these priorities 'fit' in some way to the 4 objectives in the Council's Corporate Strategy. The focus on children and young people is however more cross-cutting. In view of this, and in recognition of the fact that the Community Strategy has demonstrated a clear need to focus on children and young people, this will be set as an additional priority, with a particular focus on the 5 Every Child Matters outcomes being met.

The Every Child Matters outcomes are as follows:

- Be healthy
- Stay safe
- Enjoy & Achieve
- Making a positive contribution
- Achieving economic well-being

Calculating the Rent Subsidies

Where you are able to demonstrate clearly and to the satisfaction of Cheltenham Borough Council's Assessment Panel that you are making a **significant contribution** to one or more of the objectives identified within the Corporate Strategy and/or to one or more of the Every Child Matters outcomes for children and young people, you will be entitled to a 20% discount on the rental costs for significantly contributing to each objective/priority.

This discount will be staggered incrementally, as follows:

One objective	– 20% discount
Two objectives	– 40% discount
Three objectives	– 60% discount
Four or more objectives	– 80% discount

As agreed by the Cabinet in July 2010, a further 20% discount is available to all charities renting Council property.

As a general rule, when leases are due to be renewed and at the Cabinet's discretion, buildings that are operating primarily as social or sports clubs with a **paying membership** should only be given the standard 20% discount against the full market rent.

In addition, in order for the rental discounts to be agreed Cheltenham Borough Council will need to be satisfied that your activities are sustainable. It will therefore be important for you to provide a summary within your Business and Community Plan demonstrating your current and likely future business position, and to supplement this with a Financial Statement for the last financial year along with a projected Financial Statement for the following financial year.

Please complete the following Sections below to support your application for a rental discount

1. Enhancing and Protecting our Environment. *How, if at all, does your organisation significantly contribute towards meeting this objective? Your activities may include investing in environmental quality, investing in travel and transport, and/or promoting sustainable living*

- Broadlands has invested in training to become accredited to offer Forest School sessions. Forest School is a process that offers all learners regular opportunities to achieve and develop confidence and self-esteem through hands-on learning experiences in a woodland or natural environment with trees
- The children make use of Burrows Field to explore nature, such as collecting conkers in Autumn and flying homemade kites
- Part of the annual curriculum covers recycling and other environmental issues
- The children regularly visit Primrose Vale to see the produce at this local farm
- The outdoor space is filled with natural resources, including a vegetable garden
- On being awarded the Bristol Standard for May 2013-2014, the validation panel noted, *"It is clearly evident that your children benefit from having plenty of opportunities to use their imagination and be creative using open-ended natural resources in the outdoor area."* The Bristol Standard is a well-respected early years quality improvement programme, which we have been involved with for three years.
- By providing a local community based Pre-School, parents can walk from home and avoid driving to provision further away

2. Strengthening our Economy. *How does your organisation strengthen our local economy?*

- We procure local goods such as drinks and snacks for the children and use local services e.g. pay a cleaning company to come in daily to keep the facilities clean
- We invite a range of local businesses to lead activities with the children e.g. the Music Man and Sporting Minis
- We currently employ 13 people from the local community
- We engage with the local community by involving local business in fundraising events. This serves to advertise local businesses to the parents and children at Broadlands
- We pay for trips to local attractions such as Cattle Country and Hop, Skip and Jump
- By providing a local community based Pre-School, parents have the flexibility to work locally whilst their children are at the setting

3. Strengthening Communities. *Your activities may support this through a variety of mechanisms, such as promoting housing choice, building healthier communities, supporting older people, etc.*

- The Pre-School premises are available for hire for children's parties and after-school clubs, such as Rainbows
- Broadlands helps local families get to know each other better. There is a strong community feel at Broadlands. It is managed by a voluntary parent committee

and supported by an enthusiastic team of parent fundraisers. There are regular social events organised by the fundraising team

- The fundraising team organise a popular Summer Fair and Christmas Fair, inviting the local community to attend. These events are well supported by local businesses that donate prizes for the raffle
- Broadlands has a good relationship with the local school and the children visit at Christmas to watch the Nativity and in the Summer before the transition to school
- Broadlands is proud of its open inclusive entrance policy and has a diverse mix of local families

4. Enhancing the provision of Arts and Culture. *How does your organisation contribute to the provision of arts and culture and to supporting local people in accessing arts and cultural activities?*

- There is a focus on arts and crafts during the sessions, with plenty of opportunity to paint, play with modelling clay, cut, stick and draw
- Sessions are often focused around cultural events, so that the children are introduced to diverse aspects of our culture, as well as learning about different people's backgrounds e.g. Diwali, Christmas, St. Andrew's Day, Remembrance Day and Chinese New Year
- Parents are invited to come in and share their talents with the children. These include giving the children a taste of foreign languages, musical instruments and cake decorating
- The children are encouraged to engage with our local culture, such as visiting the Christmas Tree Festival at Emmanuel Church, annually visiting the Hindu temple in Cheltenham and going to shows at the Everyman Theatre. In turn, local religious leaders are invited to talk to the children at Broadlands

5. A focus on improving the life chances of children and young people. *Please identify how your organisation significantly contributes to meeting the outcomes for children and young people, as identified in Every Child Matters.*

Be Healthy

- Broadlands is a clean and healthy environment. As well as adhering to a hygiene policy, Broadlands promotes healthy eating with healthy snacks and packed lunches. A nutritionist runs sessions with the children to explain the importance of a healthy diet
- Children know that they should wash their hands before snack and lunch and after going to the toilet. They are very independent in doing so
- A local doctor visits the children to teach the children the importance of looking after their health

Stay Safe

- We regularly invest in training for the team at Broadlands to ensure they are able to provide a safe and caring environment for the children. We have a detailed child safeguarding policy, which is reviewed on a regular basis, as well as other procedures to guarantee their safety e.g. regular fire drill practices and alarmed doors. These are explained in detail in our policies and procedures document which can be downloaded from our website

- The site is secure and safe during session times
- The local fire service and police service visit to explain to the children how to stay safe
- Quote from Ofsted inspection, February 2013: *"The staff provide a warm, welcoming environment where children feel safe and secure in the setting."*

Enjoy and Achieve

- Free-flow movement into the enclosed outside garden encourages children to enjoy playtime outdoors, where they can engage in a variety of activities, whilst being active, riding scooters, climbing and exploring the world around them
- The sessions are organised to offer child-led free play and the enjoyment of the children is evident
- Each child has a key worker to monitor their progress and ensure their well-being
- Quote from Ofsted inspection, in February 2013, *"Children are eager to learn, active, happy and comfortable in their surroundings and as a result, they are progressing well in all areas of learning and development."*

Making a positive contribution

- Broadlands was rated 'good' by Ofsted when inspected in February 2013. By providing good-quality care, we are nurturing confidence and independence in the children as they progress through the pre-school. They are therefore well prepared for the next stage in their journey - the transition to school
- The staff team encourage good behaviour and the children interact well together at Broadlands
- Quote from Ofsted, February 2013: *"Children behave very well and clearly understand the rules of the setting; they make friends quickly and interact well together."*

Achieving economic well being

- Broadlands is run as a non-profit making organisation to make the fees as affordable as possible and therefore making Broadlands as inclusive as possible to local families. By being inclusive, every child is given an equal opportunity to thrive at Broadlands. This puts them in a good position to be successful as they progress through the education system and onto the world of work.
- Our equal opportunities policy also ensures that any child can attend Broadlands, whatever their background.

Financial and Business Management. *Please use this section to show how financially sustainable your current activities are, and to supplement this on a separate sheet with a Financial Statement for the last financial year along with a projected*

Financial Statement for the following financial year

Enclosed with this application form are a copy of last year's annual accounts, which have been filed at the Charities Commission and Companies House. These show a healthy balance sheet reserve and cash position.

In addition a copy of the 2014-15 budget commentary is attached. This provides an example of the financial rigour that the committee apply to running the setting along with re-assurance that Broadlands is being run in a financially sustainable manner.

It is the committee's goal to ensure the setting breaks-even each year and that excess cash is invested in the facilities. There is a major project scheduled to replace the outside play area once the new lease has been signed.

Appendix

Agreed principles

Disposals

This policy will not apply to public services which are commissioned or contracted out to third sector organisations and which have a clear monetary or commissioned value to the Council to i.e. Instances such as where a third sector group takes over the management or provision of a service on behalf of the Council should be dealt with separately. In these cases formal contracts or service level agreements would invariably be applicable.

New lettings

- The proposed disposal must fall within a general consent (as set out at Appendix B);
- There must be a 'sponsoring service' and a relevant Cabinet member in support of the disposal at less than best consideration;
- The proposal must contribute towards meeting identified priorities in the current Community Plan and/or Corporate Business Plan;
- A business plan must be submitted, clearly indicating the community benefits of the proposed operation and its financial viability over both the short and longer term;
- There must be a clear request for a discount on the basis that the funds are not available to meet the full market rent, but indicating how the proposal will be sustainable in the longer term;
- If a planning consent will be required, there must be a reasonable prospect that this can be obtained in a timely fashion, as advised by the Council's Development Control Manager;
- In the case of municipal shops, any related shopping facilities must not be adversely affected;
- The current state / condition of the premises and any proposed repairs by the in-coming tenant will be taken into account in assessing the market rent.

Existing leases

i.e. an existing third sector tenant is unable to meet the increase in rent following a rent review or lease renewal, or they have requested a 'rent holiday'.

- Up to the last three years business accounts must be submitted as evidence of a current inability to pay the full rent;
- The proposed disposal must fall within a general consent (see Appendix B);
- There must be a sponsoring service and a relevant Cabinet member in support of the disposal at less than best consideration;
- The proposal must contribute towards meeting identified priorities in the current Community Plan and/or Corporate Business Plan;
- A business plan should be submitted, clearly indicating the community benefits of the proposed operation and how it will be viable in the longer term;
- In the case of municipal shops, any related shopping facilities must not have been adversely affected by the existing tenancy.

Temporary licences

E.g. Access licences to cross Council land. These are not classed as a disposal and therefore the disposal strategy does not apply and neither does 'opportunity cost'.

- Access must be necessary to allow the organisation to function;
- The applicant must exempt from the State Aid rules as set out under Legal implications (see paragraph 1.6.2 above);

An 80% discount will be applied in the case of temporary licences, to align with the discount given to charities on business rates.

Legal documentation

- The unrestricted market value of any disposal should be noted in the legal documentation, so as not to risk undermining the value of other Council assets;
- The unrestricted market value of the disposal should be noted in the financial accounts;
- The Council should be able to request an annual progress report on the operation if it so chooses;
- If the tenant or use changes, the Council will have the option to withdraw from the agreement;
- The disposal must comply with European legislation relating to state aid.

General disposal consent

Under S123(2) of the Local Government Act 1972 the consent of the Secretary of State is required to carry out a disposal at less than best consideration.

From time to time, the Secretary of State issues so-called 'General Consents' which apply to disposals meeting specified criteria. Where a general consent has been issued, a qualifying disposal can proceed without the need for referral to the Secretary of State. The General Disposal Consent (England) 2003 applies to disposals where:

- a) The local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole of the whole or any part of its area, or of all or any persons resident or present in its area:
 - i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being; and
- b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds)

Application for rent discount under the council's property lettings and disposals to the third sector, voluntary and community groups policy

Assessment carried out on 16 February 2015 by:

- Des Knight – Finance
- Richard Gibson – Strategy and Engagement
- Helen Down - Strategy and Engagement

Name of Organisation:	Broadlands Pre-School Centre
Registered Charity?	Yes 1055656
Does the organisation have a paying membership?	No
Name /address of property	Moorend Grove Cheltenham Gloucestershire GL53 0EY

Based on their Business Plan, what contribution does this organisation make to the Council's Corporate Strategy and/or Cheltenham's Sustainable Community Strategy?	Which objectives does the Organisation significantly contribute towards? (Tick and give reasons where appropriate)	Does the business plan show how these activities are sustainable? Yes	% subsidy awarded
Objective 1: Enhancing & protecting our environment (includes investing in environmental quality, investing in travel and transport and promoting sustainable living)	No, although there was a submission about the pre-schools contribution to the environment, the panel were not convinced that this makes a direct contribution.	N/A	0
Objective 2: Strengthening our economy	Yes, the Pre-School employs 13 people and enables parents to work whilst their children are being cared for	Yes, the budget commentary for 2014-15, show that the organisation will run at break-even and that the organisation has reserves of approx. £58k so can sustain its activities.	20
Objective 3: Strengthening our communities (includes promoting community safety, promoting housing choice, building healthier communities and supporting older people)	Yes, the Pre-School makes a direct contribution to local community life; the hall is available for hire, there is a parent –led management committee and there are regular community events.	As above	20
Objective 4: Enhancing the provision of arts and culture	No, although there was a submission about the pre-schools contribution to the provision of arts and culture, the panel were not convinced that this makes a direct contribution.	N/A	0
Objective 5: A focus on children and young people i.e. where One or all of the following outcomes for	Yes, through all of their activities, the Pre-School makes a direct contribution to positive outcomes for	As above	20

children and young people are met: -Be healthy -Stay safe -Enjoy & Achieve -Making a positive contribution - Achieving economic well-being	children and young people.		
Sub-total			60%

As agreed by the Cabinet in July 2010, a further 20% discount is available to any charity renting council property = 80% in total

State Aid avoidance checklist:	
Is the proposed tenant a not for profit organisation?	Yes
Is the use of the building for a community purpose?	Yes
Are the activities carried out by the organisation of local interest only?	Yes

Recommendation:

The panel recommends that Cabinet offer an 80% rental discount off the market rent to Broadlands Pre-School Centre.

Cheltenham Borough Council

Cabinet – 13 October 2015

Budget strategy and process 2016/17

Accountable member	Cabinet Member for Finance, Councillor John Rawson
Accountable officer	Section 151 Officer, Paul Jones
Accountable scrutiny committee	Budget Scrutiny working group
Ward(s) affected	All
Key Decision	Yes
Executive summary	The purpose of this report is to propose a broad strategy and outline a process for setting the budget, housing rents and council tax for 2016/17. It outlines a number of principles that need to be established at this stage to enable budget preparation to commence.
1. Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Approves the budget setting timetable at Appendix 2. 2. Approves the budget strategy and MTFS outlined in section 5 and Appendix 3. 3. Approves the reserve realignments outlined in section 7 and the level of reserves projected at Appendix 4. 4. Notes the expected cut in government baseline funding of £277k for 2016/17, the estimated funding gap of £1.825m and the large amount of work done so far to bridge this gap. 5. Notes the intention for this Council to remain in the Gloucestershire Business Rates Pool in 2016/17 as outlined in section 6. 6. Requests the Section 151 Officer and the Cabinet Member for Finance to consider suggestions from the Budget Scrutiny Working Group in preparing the interim budget proposals for 2016/17 as outlined in section 8.

Financial implications	<p>This report sets out the budgetary process for 2016/17 and the general financial parameters under which the budget will be prepared.</p> <p>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>None specifically arising from the report recommendations. The budget setting process is governed by the Budget and Policy Framework Rules (contained in the Council Constitution) and the process recommended in this report is designed to meet the requirements of those Rules.</p> <p>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p>None at this stage, other than the need to ensure proper consultation with staff and trade unions in relation to the budget.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@tewkesbury.gov.uk, 01242 264355</p>
Key risks	<p>The Council, as part of its work on corporate governance, has a corporate risk management strategy and corporate risk register, which highlights key risks to the organisation in achieving business objectives. The high level risks will need to be addressed as part of the budget process and may require additional resources or the re-direction of existing resources to mitigate unacceptable levels of risk. These risks are regularly reviewed by the Corporate Governance Group and Cabinet and the Overview and Scrutiny Committee have the option to scrutinise any aspect of the risk register.</p> <p>See risk assessment at Appendix 1.</p>
Corporate and community plan Implications	<p>The annual budget aims to deliver the outcomes defined by the Council's corporate business plan and resourcing should be aligned to the delivery of corporate plan priorities.</p>
Environmental and climate change implications	<p>None arising from this report</p>

1. Background

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

2. Budget / business planning timetable

- 2.1 The budget and policy framework requires that the Council publish a timetable setting out the key dates in the budget setting process. A draft budget timetable, attached for approval at Appendix 2, sets out the sequence of events leading up to the setting of the budget and council tax level for 2016/17.

- 2.2** The timetable allows sufficient time to consider alternative budget proposals or amendments put forward to the budget proposed by the Cabinet.
- 2.3** The following fundamental principles, established in previous budget rounds, are incorporated into the process of determination of the budget for 2016/17:
- That Cabinet should make timely decisions in order to assist the officers in presenting the budget proposals to Cabinet and Council in accordance with the timetable.
 - That if opposition parties have worked up alternative budget proposals, they should be validated by GO Shared Services, in time for the initial budget meeting in February 2016.
 - That Members aim to set Cheltenham Borough Council's budget and council tax at the initial Council budget meeting.

3. The national funding scenario

- 3.1** Since 2009/10 the Council's core funding from the Government has been cut by some £4.2 million, from £8.8 million to £4.6 million.
- 3.2** Local government is undergoing rapid transformation in order to respond to the challenges associated with reduced government grants and growing pension costs. With 2015 Spending Review cuts potentially ranging from 25-40% over the next 4 years, and annual pension contributions projected to double over the next two decades, there is an immediate case for the delivery of further savings and increased efficiencies.
- 3.3** The proposed levels of central government funding for this Council, as set out in the Local Government Association funding model are set out in the table below. Overall 'core' central government funding (referred to as the settlement funding Assessment) is estimated to reduce by a further 5.9% in 2016/17.

	2015/16 £m	2016/17 £m
Revenue Support Grant	2.110	1.779
Baseline Funding (Cheltenham's target level of retained Business Rates)	2.579	2.633
Settlement Funding Assessment	4.689	4.412
Actual cash (decrease) over previous year	(0.762)	(0.277)
% cash cut	(14.0%)	(5.9%)

- 3.4** New mechanisms have been introduced to redirect central government funding, principally New Homes Bonus and the Retained Business Rates scheme. These changes have forced local authorities to engage much more with what is happening on the ground in their areas (e.g. with the quantity of new housing development and the number of empty homes) and how this might impact on their funding. The way the funding mechanisms have been introduced also place much greater discretion in the hands of the Chief Finance Officer, and with that comes the ability to be much more tactical in how the system is operated - especially in making provisions for potential rate retention losses.
- 3.5** Looking beyond the Autumn Statement, some government policies are likely to change significantly and probably very quickly, but the downward pressure on local government funding

is almost certain to continue. Accordingly, a further reduction in funding of 7-8% per annum in Revenue Support Grant (RSG) has been built into our financial model for the years 2016/17 to 2019/20.

4. 2015/16 and MTFS funding gap

- 4.1** The Medium Term Financial Plan 2014 – 2018, approved by Council in February 2015, projected a funding gap for the period 2015/16 to 2018/19 of £3.7m. This was the financial gap between what the Council needs to spend to maintain services (including pay and price inflation) and the funding available assuming a 14.0% cut in government support in 2015/16.
- 4.2** The MTFS projections have been updated, at Appendix 3, to reflect the best estimates of the financial pressures impacting on the Council, including an updated view on business rates income and the potential funding cuts after the Autumn Statement is announced. The updated estimate of the funding gap for 2016/17 is now £1.825m and the estimated MTFS gap over the period 2016/17 – 2019/20 is £3.903m.
- 4.3** The Government expects councils to make a significant contribution to reducing the national budget deficit and the Council will continue to face reductions in its 'core' funding over the next few years. Future budgets will undoubtedly contain some difficult decisions and may require some sources of 'one off' finance to enable longer-term savings to be delivered through efficiency savings and cost/staffing reductions.
- 4.4** The 2020 Vision for Joint Working with our GO partner councils is one option of our future thinking for delivering savings. The principal efficiency savings through the 2020 Vision will be gained by amalgamating services through reductions in operational costs arising from reduced management and staffing costs.
- 4.5** The MTFS at Appendix 3 gives a clear steer in terms of the activities we will be pursuing over the coming years in order to deliver a balanced budget. It also sets out some alternative solutions which may be less palatable.

5. Cabinet Budget Strategy

- 5.1** In the current exceptionally difficult national funding situation, the Cabinet's overriding financial strategy has been, and is, to drive down the Council's costs. Our aim is to hold down council tax as far as possible, now and in the longer term, while also protecting frontline services from cuts – an immensely challenging task in the present climate.
- 5.2** The key mechanism for carrying out this strategy is the Bridging the Gap (BtG) programme, which seeks to bring service costs in line with available funding. To date, this programme has been very successful in managing funding gaps, with over £7.5m generated annually from BtG work streams including service reviews, shared services, increased income generation and assets management initiatives. This achievement has made it possible to adopt a more strategic approach to identifying savings rather than relying on 'salami slicing' of budgets.
- 5.3** The BtG programme has also developed the 'Bridging the Gap Strategy' which indicates broadly how the Council may close the projected funding gap over the period of the MTFS. It includes savings targets rather than necessarily specific worked up projections of cost savings and includes the accommodation strategy (based on the recent purchase of Delta Place); sharing management and staffing costs through the 2020 Vision programme; asset rationalisation; future waste initiatives and savings targets for commissioning reviews.
- 5.4** The Cabinet believes this longer term approach to finding efficiencies, with increasing emphasis on shared services and the development of new models of service delivery through commissioning, is essential if we are to find the very substantial savings that are needed without

having a damaging impact on services.

- 5.5** The starting point for constructing the 2016/17 budget has been a projected MTFS funding gap of £1.825m which assumes a further year's freeze on parking charges.
- 5.6** Bridging a gap of this size is a huge challenge for the Council, but the challenge is being met by an energetic and proactive approach to identifying budget savings, carried out as part of the BtG programme. This work has already made significant progress towards bridging the gap, having identified at this early stage potential savings and additional use of New Homes Bonus of £1.448m, leaving £377k to find, assuming a 1.99% council tax increase.
- 5.7** It is therefore the Cabinet's intention to meet the shortfall in funding in 2016/17 from a newly created budget strategy (support) earmarked reserve in order to deliver a balanced budget. This will give the Council time to work up its long-term strategy for delivering substantial savings over the next 4 year period.
- 5.8** The detailed schedule of target savings is discussed in greater detail within the MTFS at Appendix 3. They include further savings from organisational change; savings resulting from the establishment of the Cheltenham Trust to manage leisure and culture services; and savings resulting in the expansion of Ubico. They also include a target for the new Managing Director (MD) of Regulatory and Environmental Services to develop, in conjunction with Cabinet, a strategy for delivering further income through this Council's aspiration for further improved economic performance.
- 5.9** One of the major issues which the Cabinet and Council will need to consider in formulating the 2016/17 budget is what use it makes of New Homes Bonus money to support the budget. The growth of income from the New Homes Bonus, and the fact that it is being top-sliced from the RSG, mean that the Council has little alternative but to regard this money as an important part of its income stream. As New Homes Bonus income is projected to increase to £2.187m in 2016/17, one way of bridging the residual gap would be to take an additional £700k into the revenue budget.
- 5.10** Clearly work remains to be done towards building a robust base budget for 2016/17 and this may result in the funding gap increasing. In addition, the Government's final financial settlement may be worse – perhaps substantially worse – than currently indicated. It is therefore important that the work of identifying budget savings should continue up to the publication of the draft budget proposals and beyond.

Council tax

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

Service growth

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

6. Gloucestershire Business Rates Pool

- 6.1** In October 2012, Council approved the principle of Cheltenham joining the Gloucestershire Business Rates Pool, subject to a thorough assessment of risks and rewards and agreement of satisfactory governance arrangements.
- 6.2** Continuation within the pool was delegated to Section 151 Officer and Chief Executive and this is reviewed on annual basis.
- 6.3** The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership. In the first year of operation the Pool reported a surplus of £774,862.
- 6.4** In 2014/15, the pool suffered a significant loss due to the impact of backdated appeals on rateable values and, in particular, the successful backdated appeal by Virgin Media, the largest valued business in Tewkesbury. The final pool position for 2014/15 published a deficit of £2.3m following a safety net payment to Tewkesbury of £3.9m, as reported to Cabinet and Council in July 2015.
- 6.5** Despite writing to the then Secretary of State, informing him of the serious impact of the Government's policy on backdated appeals of business rates, to date no financial compensation or other consideration has been received. Letters have now been sent to the new Secretary of State on the advice of the Local Government Association setting out the latest position and the ongoing uncertainty surrounding the Virgin Media issue.
- 6.6** The ongoing issue with Virgin Media relates to their request for a single listing. They are currently listed with 68 different councils. Following meetings with the DCLG and the LGA recently, it was made clear that this will not be resolved quickly. Further information is needed from Virgin Media in order for the Valuation Office to consider the matter and due to the size, complexity and potential impact for many councils and the DCLG, it is unlikely to be resolved this financial year. However, there is a small risk that the Virgin Media issue may be fast tracked and resolved this financial year which would have a serious impact on the Gloucestershire business rates pool.
- 6.7** As reported to Cabinet and Council in July 2015, the Chief Finance Officers agreed to look at the composition of the pool and determine whether the amount of business rates retained in Gloucestershire could be maximised by having fewer members in the pool and lowering the levy rate. There is a technical working group currently modelling the various options.
- 6.8** There are a number of options but with each option it is important to continue to support the principle of maximising the benefit of business rate growth in Gloucestershire to encourage future economic growth. The governance arrangements will allow for the full integration and collaboration of all councils so that we continue to share the risks and rewards of pooling business rates. The decision as to whether this Council remains in the pool from 2016/17 will need to be made by 31st October 2015.

- 6.9** The MTFS at Appendix 3 assumes a one-off drop in business rates income in 2016/17 of £285k, with income levels recovering as development 'goes live' across 2017/18 and 2018/19. Despite this, the anticipated level of business rates due to this Council in 2016/17 is still above the baseline funding target (Cheltenham's target level of retained Business Rates) which will result in Cheltenham still being liable to a 'levy'.
- 6.10** Taking the above into account, it is the opinion of the Section 151 Officer that this Council will benefit from remaining in the pool in 2016/17 as it will result in a reduction in the levy payment due to Government, which will be distributed in accordance with the governance arrangements.

7. Reserves

- 7.1** The Section 151 Officer has a statutory obligation under the Local Government Act 2003 to report on the adequacy of the Council's reserves to Cabinet and Full Council, at the time the Council considers its budget for the coming year.
- 7.2** Earmarked reserves can be maintained as a means of building up funds to meet known or predicted requirements. Financial rule B11.4 states that the Section 151 Officer has delegated authority to approve in year transfers to and from earmarked reserves to support the activities of the council.
- 7.3** The Executive Board has reviewed all of the earmarked reserves held at 1st April 2015 and determined which reserves and levels are still required. As a result of this work a number of realignments are recommended for Cabinet to consider in order to establish a budget strategy (support) earmarked reserve.
- 7.4** A projection of the level of reserves to be held at 31st March 2015, and the proposed reserve realignments are detailed in Appendix 4.
- 7.5** In addition, the Section 151 Officer has undertaken a calculation of the optimum level to be held in respect of general balances. This level is based upon a risk assessment of the budget and is detailed within Appendix 3, Annex 1.

8. Budget Scrutiny Working Group

- 8.1** The cross party Budget Scrutiny Working Group will continue to support the budget process by:
- Considering options for bridging the funding gap i.e. proposals for charging or reduction in expenditure
 - Reviewing the work programme for commissioning and options being considered
 - Developing members' scrutiny skills and understanding of financial matters
 - Developing the approach to budget consultation.
- 8.2** This strategy report will be considered by this Group on 15th October 2015 and both the Cabinet Member for Finance and the Section 151 Officer are keen that this Group should play a significant part in developing and supporting the budget process.

9. Budget Setting Process 2016/17 – key stages

- 9.1** In approaching the budget setting process for 2016/17, the Cabinet will endeavour to adhere to some well-established principles designed to deliver budget proposals in a timely manner following proper process, including:

- Early and clear direction input from Cabinet and Senior Leadership Team.
- Ensuring that Financial Services (GOSS) maintain a strong role in moderating the process.
- Section 151 Officer to lead and advise on strategic budget issues.
- Agreeing Cheltenham Borough Homes (CBH) management fee and Housing Revenue Account (HRA) budget as early as possible.
- Maintaining good communications between Chief Executive, Senior Leadership Team, Council Leader, Cabinet Member for Finance and Section 151 Officer over budget progress / issues.
- Ensuring consultation with all stakeholders and ensure that employees are aware.
- Including the Overview and Scrutiny Committee and the Budget Scrutiny Working Group in the budget process.

- 9.2** The proposed key stages in the process for setting the budget for 2016/17 are summarised in the timetable at Appendix 2 and are detailed below. The timing of events may change as the process develops.

Publication of budget timetable

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

Budget preparation

- 9.4** Between October and November 2015, the Cabinet Member for Finance and officers will work with the Cabinet towards the creation of 'interim budget' proposals which will make the following assumptions:

- The projection will be for a standstill budget, prepared under a general philosophy of no growth in levels of service. Inflation for contractual and health and safety purposes will only be allowed where proven at the appropriate inflation rate.
- The Chancellor has previously announced that public sector pay increases will be capped at 1%, and whilst pay awards in local government are covered by collective bargaining between employers and trade unions and is not subject to direct control from central government, it is not unreasonable to assume that the local government employers will mirror what happens in the rest of the public sector. Therefore, a 1% pay award has been assumed in 2016/17.
- The current MTFS assumes inflation on fees and charges at an average rate of 2% annually over the 5 year period. This increase will be assumed in the preparation of the standstill budget and any deviation from this will form part of the interim budget proposals. At this stage the Cabinet is minded to continue to freeze car parking charges for a sixth year.
- The impact of prevailing interest rates on the investment portfolio will be assessed in preparing the budget. The Treasury Management Panel will consider the position in respect of treasury management activity during the budget setting cycle.
- An assessment of the charges to be made to Cheltenham Borough Homes and the Housing Revenue Account will be incorporated in the budget proposals, including assessing the impact on the General Fund of the changes to the housing subsidy system.
- A council tax increase of 1.99% (equivalent to £3.72 a year for a Band D taxpayer) has been used for modelling purposes.
- Proposals for service growth will be included, though only for invest to save schemes.

Publication of initial budget proposals

- 9.5 The Cabinet will present its initial budget proposals and publish them for consultation in line with the advertised plan. The initial budget proposals will include all general fund revenue, capital and housing revenue account estimates to meet a balanced budget, together with assumptions made on future council tax and rent levels.

Budget Consultation

- 9.6 As a result of the extensive budget consultation exercise carried out in 2010, a residents' focus group was formed which has met annually since to consider budget proposals. It is the Cabinet's intention for this group to meet again this year. In addition to the formal budget consultation, some targeted consultation around specific issues may be undertaken.
- 9.7 The formal budget consultation period will be no less than four weeks and will take place during December 2015 to January 2016. The Cabinet will seek to ensure that the opportunity to have input into the budget consultation process is publicised to the widest possible audience. During the consultation period all interested parties will be welcome to provide feedback on the initial budget proposals. Groups, businesses, tenants, residents, staff and trade unions will be encouraged to comment on the initial budget proposals at this time. They will be asked to identify, as far as possible, how alternative proposals complement the Council's business plan and community plan, how they will be financed, and how they will help the Council to achieve best value. Presentations will be made to key business groups as part of the consultation process.
- 9.8 The Budget Scrutiny Working Group and Overview and Scrutiny Committee will be invited to review the interim budget proposals in the meetings scheduled for January 2016 and feed any comments back to the Cabinet.
- 9.9 Whilst the Cabinet will be as flexible as possible, it is unlikely that any comments received after the consultation period can be properly assessed to consider their full implications and to be built into the budget. Accordingly, if alternative budget proposals are to come forward, this should happen as early as possible.
- 9.10 All comments relating to the initial budget proposals should be returned to the Section 151 Officer by the end of the consultation period for consideration by the Cabinet in preparing their final budget proposals. Consultation questionnaires will be available in key locations and for completion on line via the Council's website. Comments can be e-mailed to money matters@cheltenham.gov.uk.

Assessment of alternative Budget Proposals

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

Final Budget Proposals and Council Approval

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

2016.

10. Housing Revenue Account

- 10.1** Draft proposals for the Housing Revenue Account will also form part of the same process for considering the General Fund revenue and capital budgets.
- 10.2** The financial projections contained in the HRA Business Plan are currently being updated to reflect revised estimates for:
- Impact of the changes in housing and welfare policy
 - Need to spend on stock investment and maintenance
 - Stock numbers
 - Rent and service charge income, which take into account announcements made in the Summer 2015 budget.
- 10.3** The revised projections will be available to inform decisions on the level of management and maintenance and capital investment in 2016/17 (to include fees payable to Cheltenham Borough Homes and administrative charges from Council Divisions).
- 10.4** The HRA financial strategy adopted by the Council in recent years has been to seek ongoing efficiency savings in management and maintenance, to retain a contingency balance of approximately £1 million on the account and use any surplus resources to fund capital investment in the stock.
- 10.5** Future investment will focus on retaining the decency standard and further neighbourhood works including the potential to build new social housing using the funding 'headroom' following the abolition of the housing subsidy system.

11. Reasons for recommendations

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

12. Alternative options considered

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

13. Consultation and feedback

- 13.1** The consultation process is described fully above. In view of the size of the challenge the Council faces in setting the 2016/17 budget, consultation has already commenced with trade unions.

14. Performance management – monitoring and review

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

Report author	Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Budget timetable 3. Medium Term Financial Strategy (MTFS) 4. Movement on earmarked reserves and general balances
Background information	<ol style="list-style-type: none"> 1. RSG projections 2016/17 – 2019/20

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
CR3	If the Council is unable to come up with long term solutions which bridge the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision	Director of Corporate Resources Mark Sheldon	1/9/2010	5	3	15	Reduce	The budget strategy projection includes 'targets' for work streams to close the funding gap which now include the 2020 Vision savings and a target for the new MD of Place and Economic Development. In addition there is a further target from the accommodation strategy.	On-going	Nina Philippidis	1/9/2010
	If funding streams including New Homes Bonus and Revenue Support grant do not meet expectations or are reduced further then the budget gap may increase above current projections.	Director of Corporate Resources Mark Sheldon	28/9/12	4	3	12	Reduce	Section 151 Officer to update Cabinet with latest information during the budget process. Section 151 Officer to take prudent view of income levels used in budget projections.	On-going	Paul Jones	

	<p>If income streams resulting from the introduction of the business rates retention scheme in April 2013 are impacted by the loss of major business and the constrained ability to grow the business rates in the town then the MTFS budget gap may increase.</p>	<p>Section 151 Officer Paul Jones</p>	14/09/2012	4	3	12	Accept & Monitor	<p>The council joined the Gloucestershire pool to share the risk of fluctuations in business rates revenues retained by the council.</p> <p>The Gloucestershire S151 Officers continue to monitor business rates income projections and the performance and membership of the pool.</p> <p>Work with members and Gloucestershire LEP to ensure Cheltenham grows its business rate base.</p> <p>The MD of Place and Economic Development is tasked with delivering against a £500k target through economic growth by 2019/20.</p>	<p>On-going</p> <p>On-going</p>	Paul Jones	
--	--	---	------------	---	---	----	------------------	--	---------------------------------	------------	--

This page is intentionally left blank
Page 152

Budget / Business Planning Process 2016/17 – Timetable of key stages / dates**Page 153**

July - November 2015	SLT / Service Managers work with the Bridging the Gap programme to identify options for savings and additional income
13th October 2015	Cabinet approve the budget strategy - guidelines, timetable and estimated funding gap for 2015/16 and the Cabinet's approach to the budget / MTFS
15th October 2015	Budget Working group - review the draft budget strategy
16th October 2015	Deadline to submit taxbase calculation - applicable date is 5th October 2015 (CTB1 figure used in New Homes Bonus calculation).
16th November 2015	Treasury Management Panel to consider budget estimates for treasury management budget assumptions
24th November 2015	Budget Working group - consider input to interim budget proposals and report direct to Cabinet
30th November 2015	Deadline for preparation of a 'standstill budget' on basis of no growth incorporating interim standstill budget projections / management fees for partner organisations (e.g. Ubico, Lesire & Culture Trust, CBH and shared services). In addition, proposals for savings / income and growth to be identified for the council and its partner organisations.
1st December 2015	Recalculate taxbase figure for Section 151 Officer sign off under delegated powers and production of briefing note for Cabinet Deputy
15th December 2015	Cabinet present interim budget proposals for consultation incorporating partner organisations budgets including proposals for growth, savings and levels of fees and charges and projection of the Medium Term Financial Strategy (MTFS)
16th December 2014 to 20th January 2016	Cabinet consult on interim budget proposals including Overview and Scrutiny committee, public and the business community
17th December 2015	Joint Consultative Committee - briefing on funding projections and estimated budget gap and strategy for closing the gap
January 2016	Finance Settlement
5th January 2016	Budget Working group - review consultation and make recs to O&S committee on budget
8th January 2016	Recalculate taxbase, if necessary, and confirm or amend figure under delegated powers
8th January 2016	Advise all precepting authorities (including parishes) re. relevant taxbase figures
18th January 2016	Treasury Management Panel – consider final recommendations to Cabinet in respect of treasury management activity
25th January 2016	O&S Committee consider recommendations from budget working group and forward to Cabinet/Council
27th January 2016	Deadline for preparation of final council budget incorporating final proposals for savings / income and growth from partner organisations.
29th January 2016	Approve final NNDR1 estimate and advise County Council and DCLG
29th January 2016	Deadline for submission of alternative budget proposals to Financial Services for validation.
9th February 2016	Cabinet present final budget proposals including response to consultation exercise
12th February 2016	Council meet to approve Cheltenham Borough Council budget only - approve proposed Council Tax and Council Services budget (approved in principal)

Page 154

15th February 2016	Special council meeting (if required) – meets the requirement for the proper officer to call a council meeting to discuss objections to an alternative budget within 7 days of receipt of objections.
17th February 2016	County Council due to approve budget and set Council Tax level
25th February 2016	Council meet to approve the Council tax resolution (includes GCC and police tax) – last day for Council to approve any proposed budget
25th February 2016	Final amendments to council tax leaflet/sign off for printing
26th February - 1st March 2016	Council tax charge calculation / bill file creation
2nd March 2016	Billing information sent to printers
3rd - 10th March 2016	Council tax bills printed/packed
By 11th March 2016	Bills to be issued (14 days notice required before first payment - some payments due on 1st April)

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

1. INTRODUCTION

- 1.1 The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document for the General Fund budget. It sets out and considers the financial implications of the Council's objectives and priorities and factors in financial pressures, including reducing government funding. The aim of the MTFS is to ensure a stable and sustainable financial position that will allow the Council to achieve its vision, aims and ambitions over the next 5 years (2015/16 – 2019/20).
- 1.2 The Council is committed to maximising the use of scarce resources and directing resources towards its priorities whilst keeping council tax at an affordable level. The MTFS is reviewed regularly during the budget process and reported to members at budget setting annually.
- 1.3 This year's review is once again overshadowed by further reductions in public expenditure. The Council faces a major challenge in managing the impact of these cuts on budgets and services, coupled with the impact of sustained low interest rates.
- 1.4 The Council's external auditor, Grant Thornton, undertakes a Value for Money review each year which assesses the Council's finances against Audit Commission criteria to determine whether or not the Council has proper arrangements in place for securing financial resilience, and challenging how it secures economy, efficiency and effectiveness. The review covers six themes, one of which is Strategic Financial Planning focusing on the MTFS.
- 1.5 In order to achieve an unqualified value for money conclusion, the external auditor will focus their findings based on the Council having robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future. The MTFS therefore has a significant role.
- 1.6 The Housing Revenue Account (HRA) is not included, as a separate budget and Business Plan is produced for the HRA to cover its planning processes. The revised HRA Business Plan, which is a direct response to the budget announcements made in July 2015, will be presented to Cabinet in December 2015.

2. LINKS TO OTHER COUNCIL PLANS

- 2.1 Cheltenham Borough Council's Corporate Strategy 2015-16 was agreed in March 2015. The strategy sets out the following:
 - A vision statement;
 - The four priority outcomes that the Council will be working towards;
 - The context for the year ahead in terms of needs, challenges and opportunities and proposed commissioning intentions;
 - The Council's priority actions to deliver the outcomes;
 - The milestones, indicators and risks by which progress will be measured.
- 2.2 The corporate strategy provides an over-arching long term framework for the MTFS, annual budget and action plan which will be reviewed and updated annually.

Our vision statement

- 2.3 As part of the development of the 2015-16 corporate strategy, we have developed a 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.

Our outcomes

- 2.4 Our corporate strategy 2015-16 focuses our efforts on three high level outcomes covering the issues that matter most to our residents, businesses and visitors. We also have an internal “transformation” outcome covering commissioning, asset management, business improvement and financial management. The outcomes are:
- Cheltenham's environmental quality and heritage is protected, maintained and enhanced
 - Sustain and grow Cheltenham's economic and cultural vitality
 - People live in strong, safe and healthy communities
 - Transform our council so it can continue to enable delivery of our outcomes for Cheltenham and its residents.
- 2.5 The role of the MTFS is to support the delivery of the Council's objectives and outcomes. A key delivery driver for this to be achieved is through joint plans with partners and stakeholders alike which are detailed in section 8 below.

3. FINANCIAL PROJECTIONS – REVENUE RESOURCE REQUIREMENTS

- 3.1 The key aim of the MTFS is to develop a series of financial projections to determine the longer term financial implications, in order to deliver the aims set out in the Council's corporate strategy.
- 3.2 As in previous years, the approach is to use the current financial year as a base position, inflate this to the price base of the budget year, and add unavoidable spending pressures and the implications of immediate priorities and previous decisions. This is then measured against the projection of available funding to determine affordability. The package of measures required to equalise the two calculations forms the financial strategy to ‘bridge’ the funding gap for each financial year.
- 3.3 The projection of the funding gap is shown in Table 1 overleaf.

Table 1: Projection of Funding Gap	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £
Net Cost of Services brought forward from previous year (assuming a balanced budget has been set)		14,588,385	14,101,112	13,610,801	13,556,238
Increased costs of existing services					
General Inflation		59,300	60,500	61,800	63,000
Employee related expenditure		81,500	81,900	83,200	83,800
Increase in NI contributions		215,200			
Shared Services contract inflation		18,850	19,100	19,300	19,500
Ubico Ltd contract inflation		66,260	67,100	67,700	68,300
Pension costs - 2013 Revaluation		406,000	406,000	406,000	406,000
Living Wage cost					4,000
Regulatory & Environmental Services Transformation (REST)		157,500			
Reduction in Housing Benefit Subsidy Grant		70,000			
Increase in Insurance Premium Tax		9,400			
Removal of Climate Change Levy (CCL) exemption		18,000			
Income					
Fees and Charges inflation		(204,900)	(209,100)	(213,100)	(217,500)
Recyclate income reduction		227,400			
Off-street car parking reduction		335,000			
<u>Provision for income freeze</u>					
Car Parking inflation		63,400	64,800	65,800	67,400
Waste & Recycling inflation		19,600	20,100	20,400	20,800
Land Charges inflation		4,400	4,400	4,500	4,600
Reserves					
Reduced contribution to General Balances		(9,365)			
Remove contribution to Business Rates Retention (BRR) Reserve		(100,000)			
Remove contribution to Local Plan Reserve		(100,000)			
Projected Net Cost of Service	14,588,385	15,925,930	14,615,912	14,126,401	14,076,138
Government Grant support (RSG)	(2,110,549)	(1,779,000)	(1,335,000)	(984,000)	(650,000)
NNDR	(2,507,443)	(2,975,318)	(3,280,000)	(3,380,000)	(3,530,000)
NNDR S31 Grants	(753,259)				
National Non-Domestic Rate - 2013/14 surplus	(187,360)				
National Non-Domestic Rate - 2014/15 surplus	(322,281)	251,963			
New Homes Bonus	(1,080,000)	(1,237,500)	(1,080,000)	(1,080,000)	(1,080,000)
Council Tax Freeze	(81,700)				
Parish Council Tax Support Funding	10,269	10,269	10,269	10,269	10,269
Collection Fund surplus	(111,100)	(150,000)	(50,000)	(50,000)	(50,000)
Contribution from BRR Reserve		(537,300)			
Council Tax (assumes 1.99% increase per annum)	(7,444,962)	(7,684,226)	(7,876,070)	(8,072,507)	(8,273,643)
Projected Funding Gap	0	1,824,818	1,005,111	570,163	502,764
Cumulative Funding Gap		1,824,818	2,829,929	3,400,092	3,902,856

- 3.4 The MTFS projections above reflect that the funding gap for the period 2016/17 to 2019/20 is **£3.9m** (i.e. the financial gap between what the Council needs to spend to maintain existing services and the funding available). The key assumptions for the preparation of these projections are explained below.

General

- 3.5 The net cost of services has been estimated by using the approved 2015/16 base budget as the base for future projections through to 2019/20.
- 3.6 General inflation on insurances, utilities, postage, IT maintenance agreements and non-domestic rates has been projected based on previous detailed information. Gas and electricity prices will remain static until the contracts come up for renewal at the end of April 2016. The Council's current energy procurement advisors have said that although gas prices are likely to remain somewhat stable over the next 12-24 months, it is more than likely that when the Council next has to re-tender electricity prices will increase significantly. The reason is that pass through charges resulting from government levies will begin kicking in from April 2016 so a price hike could be felt. Accordingly, budgets have been inflated by 2% per annum in recognition and pending further more detailed cost information.
- 3.7 Historically, annual premise repairs and maintenance budgets have not been inflated which has resulted in increased pressure to be able to maintain and run the Council's buildings within budget each year as prices continue to rise. To address this, inflation at 2% has been included in each of the years within the MTFS.
- 3.8 Major contracts and agreements are rolled forward based on the specified inflation indices in the contract or agreement.

Employee related costs

- 3.9 On the 8th July 2015 (summer 2015 Budget), the Chancellor announced a pay award cap of 1% per annum for 4 years from 2016/17 for public sector workers. Pay awards in local government are covered by collective bargaining between employers and trade unions and this is not subject to direct control from central government. However, it is reasonable to assume that the local government employers will mirror what happens in the rest of the public sector and this assumption has been built into the projections. Pay settlements for the years 2016/17 and onwards are estimated to be 1% per annum.
- 3.10 The net cost of service assumes an employee turnover saving of £350k per annum by the Council, which equates to 4.27% of base salary budget. This has been allocated across service areas according to headcount and gives managers clear cash targets within which they have to manage.
- 3.11 The Council is part of the Gloucestershire Pensions Fund, which is administered by the County Council. The rate of contribution paid to the fund by participating employers is set following a triennial revaluation of the Fund by the appointed actuary. The triennial revaluation of the Fund based on the position as at 31st March 2013, found that the Fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was not met at the valuation date.
- 3.12 Contribution rates are calculated on an individual basis for each participating employer. For the Council's element of the fund, the funding level was assessed at 60% (compared with 66% in 2010), with a shortfall of £45.3m. The fund actuary is aiming for this deficit to be recovered over a 20 year period, giving the following target contribution rates for the Council for this three-year valuation period:
- a 14.60% future service rate which should cover the liabilities scheme members will build up in the future, plus

- an annual lump sum past service deficit contribution (£2.780m in 2015/16), to cover the shortfall in the Fund. The Council needs to make cumulative provision for growth in contributions to the Pension Fund of £406,000 for each of the next four years. This is largely due to the value of gilts determining the value of future liabilities to the pension scheme, increased costs associated with increasing life expectancy rates and predicted returns on pension fund assets.

- 3.13 The creation of the single tier state pension, and the end of contracting out of the second state pension, will negatively impact on employers providing defined benefit pension schemes (such as the Local Government Pension Scheme). Currently, providing that such pension schemes meet statutory requirements, employers pay a reduced National Insurance (NI) contribution – the reduction is 3.4%. The introduction of the single tier pension will have the effect of increasing the employer's NI contributions by the amount of the current reduction – 3.4%. Provision of £215,200 for increased employer NI contributions with effect from 2016/17 has been included within the MTFS.
- 3.14 From April 2016, a new National Living Wage of £7.20 an hour for those aged 25 and over will be introduced. This will rise to over £9 an hour by 2020. The majority of the Council's staff are already paid above the Living Wage, however for the 11 employees who will remain under £9 per hour by 2020, the cost of £4,000 has been included from 2019/20 to allow for this increase.
- 3.15 An increase of 1% per annum has been assumed on members' allowances, in line with the anticipated employee annual pay award.

Fees and charges

- 3.16 A general assumption for a 2.0% increase in non-statutory fees and charges has been factored in. However, reviews of all charges are required annually by Service Managers. A provision to allow for a freeze on car parking and land charge fees has been made over the period of the MTFS.

North Place / Portland Street Car Parking Development

- 3.17 In the current financial year £335,800 of budgeted car parking income is being funded from a one-off Car Parking Equalisation Reserve. The Reserve was set up to cover the shortfall in car parking income during the intervening period before a multi-storey car park could be returned to the Council as part of the North Place redevelopment. This reserve contribution equated to around the amount due to be received as part of that arrangement. As the progress at this site has been delayed, the Council will continue to cover the cost in 2016/17 from one-off sources until the matter is resolved by 2017/18 (see sections 4.27 and 4.28 for further detail).

Waste & Recycling

- 3.18 Green Waste take up has continued to rise during 2015/16 and is anticipating an overachievement of income against budget. As volumes are considered to have stabilised with consistent renewals each year, the surplus of £27k has been built into the MTFS to offset some additional costs identified below.
- 3.19 Since April 2015 recycling prices have been negatively impacted by global events such as a fall in the price of crude oil and the troubles of the Chinese economy. Consequently, the Council is currently experiencing a significant drop in recycle income with current estimates indicating this to be in the region of £330k.
- 3.20 However, in October 2015, Ubico takes on bulking operations and the Joint Waste Team will be responsible for managing the contracts with re-processors which should enable a higher level of income to be secured than that currently being achieved via the present re-processor, Printwaste. On this basis, the indicative £330k is hoped to be a pessimistic scenario and likely to be improved upon once further intelligence is available by March 2016. In addition, locally food waste transfer has been rerouted to Bishops Cleeve which has resulted in a loss of recycling credits.

- 3.21 Trade Waste volumes have continued to decline as fewer businesses take up the service. As a result a base budget reduction of £62k has had to be made to bring it back in line with expectations. However, this has been marginally offset by a boost in Bulky Household Waste collections which recent trends indicate will achieve £21k additional income each year.
- 3.22 Some cost savings have been identified to offset the fall in income – firstly, £42k from a reduction in food waste disposal costs following the move to reroute from Dymock to the Anaerobic Digestion Plant at Bishops Cleeve; and secondly from fuel and general efficiencies totalling £75k.
- 3.23 The net additional cost per annum is £227k and this has been taken account of within the MTFS.
- 3.24 The MTFS further assumes that the Council will not be able to inflate waste and recycling income budgets with volume reductions at a cost of £19,600 in 2016/17 due to the high volatility in market conditions.

Revenue Support Grant (RSG)

- 3.25 The main issue in terms of funding availability is the estimation of the level of Revenue Support Grant (RSG) which the Council will receive. Future settlements may impact on effective longer-term financial planning and sustainability.
- 3.26 The 2015 Spending Review required each unprotected government department, including DCLG, to produce savings plans of 25% and 40%. Whilst the outcome of the Spending Review won't be known until 25th November 2015, previous iterations of the MTFS assumed cuts of 25% over the period to 2018/19. However, it is more than likely that the cut facing Cheltenham will be more severe than this and as such cuts of 31% across the period of the MTFS to 2019/20 have been assumed.
- 3.27 Should the cuts falling on the Council be ultimately deeper than anticipated, the projected funding gap will worsen by £767k (assuming cuts of 40% compared to 31% across the MTFS).

Retained Business Rates

- 3.28 The Business Rates Retention Scheme was introduced on 1st April 2013. Under the Scheme, the Council retains some of the business rates raised locally. The business rate yield is divided – 50% locally and 50% to the Government. The Government's share is paid into a central pool and redirected to local government through other grants. Of the 50% local share, the district councils' share has been set at 80%, with the County Council's share being 20%. A tariff is applied to reduce the local share to a baseline funding level set by the Government. Where the value of retained business rates exceeds the baseline funding level, 50% of the surplus is paid over to the Government as a levy; the remaining 50% can be retained by the Council.
- 3.29 In order to maximise the value of business rates retained within Gloucestershire, the Council entered into the Gloucestershire Business Rates Pool. Being a part of the Pool has the benefit of reducing the government levy from 50% to 19%. Any surpluses generated by the Pool are allocated in accordance with the governance arrangements agreed by the Gloucestershire councils.
- 3.30 There is a high level of volatility in the business rates system, mainly due to the level and impact of appeals lodged against rateable values but also due to the natural turnover of businesses, properties being left empty or demolished and the increasing trend for commercial properties to be converted into domestic dwellings. Changes to the value of businesses can have a significant impact upon the business rates collected. These factors make it difficult to predict the level of income the Council can retain in the future. Previously, for modelling purposes growth of 3% against the baseline has been predicted. Additional work has now been undertaken to gather intelligence available about any growth or decline in the business rate property base and forecast the level of business rates income c years. There is still a degree of uncertainty as

forecasting is based on high level information and it is not until the Valuation Office Agency visits a completed building that a final rateable value is known. The estimated timing for new, redeveloped or demolished premises may also be incorrect.

3.31 Furthermore, in 2016/17 there is rising concern about the likely levels of business rates over the next one to two years. The town is seeing increasing levels of redevelopment with the short term impact of reduced business rates income whilst schemes are in progress. Schemes which had been anticipated to be completed during 2015/16 are slipping into 2016/17 and some major redevelopments are unlikely to generate any business rates growth until the latter end of the next financial year. For example, the Brewery development is continuing and it is now known that Tesco's will not return before the end of 2016; the BMW Garage is not due for completion until December 2016; the Racecourse development will be assessed by a specialist rating unit which may result in significant delays in delivering additional income.

3.32 The MTFS assumes a one-off drop in business rates income in 2016/17 of £285k, with income levels recovering as development 'goes live' across 2017/18 and 2018/19.

New Homes Bonus (NHB)

3.33 The Government introduced the NHB as a cash incentive scheme to reward councils for new home completions and for bringing empty homes back into use. This provides match funding of £1,485 for each new property for six years (based on national average for band D property – i.e. £8,910 per dwelling over six years), plus a bonus of £350 for each affordable home (with £2,100 over six years).

3.34 Funding is not ring-fenced and is designed to allow the 'benefits of growth to be returned to communities'. Funding is split 80:20 between district and county authorities.

3.35 The Council currently includes 65% of its New Homes Bonus funding within base budget equating to £1.050m.

3.36 In 2016/17, the Council has already agreed to 'top slice' NHB by up to £157.5k to cover the interim costs of the recently approved senior management structure for Regulatory and Environmental Services and to use £200k as this Council's local contribution towards the 2020 Vision programme costs.

Council Tax

3.37 Collection fund surpluses arise from higher than anticipated rates of collection of the council tax collection rates. This is assessed annually and an estimate of £50k per annum has been assumed for the period covered in this MTFS with the exception of 2016/17 which has been calculated based on data held.

3.38 The taxbase represents the total number of chargeable properties in the borough, expressed as band D. The net budget requirement is divided by the taxbase to calculate the level of council tax for band D each year. The Council's taxbase is forecast to increase by 0.5% each year for the purposes of modelling the MTFS and a council tax increase of 1.99% is assumed from 2016/17.

Property maintenance

3.39 Current projections include a contribution to the Property Maintenance Reserve of £700k per annum. This has been 'top sliced' by £100k per annum to support maintenance costs arising from Delta Place. Previously the Council had been intending to increase this contribution annually to get to £1.0m per annum. However, in recent years this increase has been reassessed as the Council rationalises its asset portfolio and focuses on programme maintenance works which address health and safety priorities, with the support of the Asset Management Working Group.

Funding gap

- 3.40 Given the expectations on councils to make a significant contribution to reducing the national budget deficit, this Council faces a significantly more challenging financial position in the early years of the MTFS. The latest projections indicate a gap of **£3.9m** for the period of the MTFS (2016/17 to 2019/20).

4. STRATEGY FOR 'BRIDGING' THE PROJECTED FUNDING GAP

- 4.1 The Section 151 Officer and the Executive Board have identified a number of work-streams which form the longer term strategy for 'bridging the projected funding gap' which are detailed below:

Service reviews and 'Systems Thinking'

- 4.2 The Council is keen to ensure that services are of the highest quality and lowest cost. Service reviews, which involve benchmarking, have been used to support the commissioning programme. Also the Council uses 'systems thinking' as a strategy for improving service delivery by:

- designing the service to meet customers' needs and expectations, and
- optimising the realisation of cashable efficiency gains by removing failure demand and waste from the system

- 4.3 The principal aim of the work is to examine how services are provided in order to seek improvements and efficiencies and reduce costs through the use of 'systems thinking' analytical approaches. This has also been very successful, with interventions in a number of areas which have resulted in more efficient services and are projected to deliver savings in the process.

- 4.4 In July 2015, Council endorsed the proposals put forward in respect of the Environmental and Regulatory Services Division, referred to as the 'REST' project. The objective of the proposal was to create senior capacity to achieve better, more focussed and more efficient services in the longer term.

- 4.5 Whilst the proposal came with an up-front cost, funded from a one-off allocation through New Homes Bonus, the intention was that the additional cost would be recouped through organisational changes elsewhere in the division as part of a phase 2 restructure.

Shared services

- 4.6 There has been major progress in the establishment of shared service arrangements with some significant efficiency improvements being achieved. The Council has established a shared ICT service with the Forest of Dean District Council acting as lead employing authority and continues to benefit from Audit Cotswolds, a shared audit service with Cotswold District Council and West Oxfordshire District Council and shared Legal and Building Control services with Tewkesbury Borough Council. In 2015/16, Gloucester City Council joined One Legal further expanding the services it provides.

- 4.7 The programme for a shared Enterprise Resource Planning (ERP) system which replaced individual payroll, HR, finance and procurement systems with three other councils (Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council) has acted as a catalyst for potential future shared working. This system became the platform for a full shared service, referred to as GO Shared Services (GOSS), which has reduced the cost of 'back office' functions and management structures.

- 4.8 Additionally, the Council worked with Cotswold District Council to form a company called Ubico Ltd in April 2012, which provides environmental services including waste and recycling collections and street cleaning, producing savings for both councils. More recently Forest of Dean District Council, West Oxfordshire District Council, Tewkesbury Borough Council and Stroud District Council have joined ; benefiting from this significant expansion and

is anticipated to result in a streamlining of services and reduction in costs for the benefit of its shareholder councils - £39k in 2016/17 and potentially £40k in 2018/19.

- 4.9 Looking further into the future and bearing in mind the need to close the budget gap over the whole period of the MTFS, the 2020 Vision for joint working with our GO partner councils is one potential means of delivering further savings, building as it does on an already shared ERP, data communications and Network Connectivity. Furthermore, access to £3.8m Transformational Challenge Award (TCA) funding will also enable further 'joining up' of application software and infrastructure across the partnership.
- 4.10 The major efficiency savings from this programme would be gained by closer partnership working and sharing services, achieving reductions in management and operational costs whilst retaining local democracy and local decision making. Current estimates suggest that the programme could deliver £581k of efficiency savings for Cheltenham across the period covered by the MTFS, thus making a significant contribution to closing the medium term funding gap.
- 4.11 The above identified savings do not at this stage assume a different delivery vehicle other than the traditional Section 101/102 model used for existing shared services and therefore do not assume any changes arising from pensions. However the Local Government Pension Scheme (LGPS) is currently, and will continue to be, a financial burden to this Council which is unsustainable in the long term.
- 4.12 Establishment of a local authority-owned company model may allow the development of staff terms and conditions which are modern, fit for purpose, and designed to attract new employees whilst retaining existing valued staff. The gradual move away from the LGPS (by using a stakeholder pension scheme for *new* employees) is likely to enable pension costs to be manageable and avoid the hikes in annual contributions experienced under the LGPS, and therefore, contribute additional savings by 2019/20 – estimated at £1m across the partnership, and £227k specifically to this Council.
- 4.13 To summarise:
- The move to alternative models has allowed the core organisation to shrink down, delivering senior management savings.
 - There is now a collaborative approach across the existing partnership with much sharing of information, reports and approaches to issues.
 - This has reduced the Council's overall accommodation needs thereby increasing the potential for bigger savings arising from the accommodation strategy and relocation from the Municipal Offices.

Commissioning

- 4.14 Commissioning is defined by the Cabinet Office as "the cycle of assessing the needs of people in an area, designing and then securing appropriate service". Commissioning requires a better focus on clearly defined local outcomes that are desired from a service and a willingness to consider alternative models for service delivery.
- 4.15 By adopting this strategic approach services will be transformed, where warranted, and may not necessarily as at present be provided through a directly employed workforce; a mixed economy (sharing services, outsourcing, creation of "not for profit" vehicles, third sector and Parish Councils) approach to delivery of services may result. The key tests for successful commissioning will be good quality services, with good outcomes for the citizen and community and long term financial viability.
- 4.16 The MTFS assumes continued savings arising from the establishment of The Cheltenham Trust, a charitable trust set up to deliver the town's leisure and culture services – an additional £425k in total across 2016/17 to 2018/19 which will deliver total savings in the provision of these services of £709,400.

- 4.17 The Central Depot Bulking Facility project is anticipated to deliver total savings of £92k, of which £46k is due to be delivered in 2015/16 and £46k in 2016/17.
- 4.18 The Budget Strategy includes an aspiration to deliver £50k of savings in respect of Waste and Recycling services by 2019/20. The specifics of delivery have not been established and this target will form the basis for discussions between the Council, the Joint Management Unit and Ubico Ltd so that firm proposals can be developed across the period of the MTFS.

- 4.19 An alternative method for delivering these savings targets may be a procurement exercise whereby we state the value of the contract and we ask the 'Market' to respond in terms of what could be delivered within that sum.

Income

- 4.20 The fees and charges the Council makes for its services are an important and potentially vulnerable income stream. It is essential to the Council's financial health that these charges are set appropriately and in line with the Financial Procedure Rules.
- 4.21 The Audit Commission published in 2008 a comprehensive report entitled "Positively Charged - Maximising the benefits of local public service charges", in which it examined in detail the use of fees and charges. Although the report is now seven years old, its basis remains valid and provides a sound foundation for understanding the pressures on Local Authorities in managing charging schemes. The report recognised that councils do not always make the most effective use of their charging powers.
- 4.22 Over the course of the MTFS, officers will review the level of fees and demand in line with current legislation, including a review of any concessions in order to maximise this workstream in delivering savings.
- 4.23 No new revenue projections are presented within phase 1 of the 2020 Vision business case. However, the opportunity to trade services is still of interest to members across the partnership and will be retained as a future objective, potentially deliverable through the creation of a teckal company.
- 4.24 As highlighted above, Council recently approved a restructuring proposal in respect of the Environmental and Regulatory Services Division to create senior capacity to achieve better, more focussed and more efficient services in the longer term.
- 4.25 The other key influence on the proposal was the urgent need to create senior level capacity to improve Cheltenham's economic performance in the light of the Athey Consulting report. It emphasised the need for collaboration with Cheltenham Development Task Force, GFirst LEP, government agencies and local businesses. Government policy continues to promote economic growth and reward local authorities who are successful in this objective through the business rates retention scheme and via New Homes Bonus. The 'REST' project is therefore, crucial to shaping the Council's response to the need for economic growth in that it embraces the land use and infrastructure planning functions which are crucial to unlocking growth potential by facilitating the growth in existing business.
- 4.26 As a consequence of these decisions, a base budget target of **£500k** has been identified in 2019/20 to deliver on this aspiration of improved economic performance. This is further explored in Section 5 and it will be for the Managing Director (MD) of Place and Economic Development to develop, in conjunction with Cabinet, a strategy for delivery.
- 4.27 With regards to the North Place / Portland Street development, the Council had anticipated the guaranteed initial income of £350k pa in the 2016/17 financial year on the basis of the build completion of the 300 space multi storey car park on North Place by December 2016.

- 4.28 As the developer remains in legal dispute with Morrisons the delivery timescale of the car park is therefore unlikely to be met, and in the short term it is suggested that the best solution is to meet the 2016/2017 shortfall from reserves on a one off basis, pending recourse to further negotiations and if need be legal action to deliver an increase stream by 2017/18 as reflected in the Budget Strategy.
- 4.29 Over a number of years the Council has been developing a co-ordinated approach to advertising and sponsorship opportunities which could support the costs of maintaining and improving a number of its assets around the town. This started with the approval of an Advertising and Sponsorship policy and during 2015/16 has resulted in the award of contracts for the management of the letting of advertising space on roundabouts, banners, boundary signs, car parks and open spaces for advertising and sponsorship opportunities. These contracts will contribute an additional £63,100 towards the costs of maintaining the assets being used for advertising and sponsorship, which in turn helps to protect and improve them for the benefit of our residents.

Asset management

- 4.30 The Council has a significant property portfolio including some key public buildings which place significant pressure on our budget and represents a significant cost to the tax payer. Annually the Council allocates £700k towards the planned maintenance of public buildings.
- 4.31 The Council is aiming to reduce the net cost of its property portfolio through increasing income streams or reducing management and operational costs. The Council has an updated Asset Management Policy which outlines its strategic approach to asset management.
- 4.31 The asset base is under constant review to identify potential property disposals which could both raise capital resources (capital receipts) and reduce the incidental costs of holding properties (e.g. on-going maintenance costs, business rates, etc.). Similarly, vacant properties and land are being reviewed to identify alternative uses that might better support the Council's corporate plan objectives and generate an income. It is anticipated that this approach will deliver either increased rental income and/or reduced costs and a target of £30k across 2016/17 and 2017/18 has been included to reflect this ambition.
- 4.33 Other workstreams identified for consideration will include looking into the viability of holding an asset management investment portfolio as well as giving consideration to enable projects within the borough with our partners through our access to capital resources and borrowing capability.
- 4.34 The Council currently holds a base budget of £297,300 for vehicle operating leases on behalf of Ubico. A further review of the financing of this arrangement has resulted in a realignment of the budgetary requirement allowing £97,300 to be made available to support the budget gap.
- 4.35 As part of the Accommodation Strategy, the Council has recently purchased Delta Place which will be held as an investment property until the Council is able to vacate the Municipal Offices and make Delta Place its main base in the town. This will generate a rental income in the short to medium term contributing towards the Council's funding gap, and as options for alternative use of the Municipal Offices come forward there will be opportunities to maximise the revenue stream and / or capital receipts arising from this strategic asset.
- 4.36 As a result of a detailed debt profiling exercise, the acquisition of Delta Place will realise a saving of £100k per annum from 2016/17.
- 4.37 A further target in 2019/20 of £100k is included in recognition of the second stage of the Accommodation Strategy. As outlined in the Accommodation Strategy report to Council on 14th April 2015, officers are investigating 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 and further reports will be made to Cabinet / Council as more detail becomes available and decisions are required.

Use of New Homes Bonus

- 4.38 The Council currently includes 65% of its New Homes Bonus (NHB) funding within base budget (2015/16) which equates to £1.050m. The Council will need to decide how it wishes to budget further NHB income as it will be an important element of future financing arrangements. This will be dependent on the rate of housing delivery locally and how this compares with delivery in other authorities across England. However, housing projections are notoriously difficult to predict accurately over the longer term and will need to be assessed prudently in making any assumptions about likely resource availability. The estimate of NHB for 2016/17 is £2.127m which is considered to be sustainable over the period of the MTFS.
- 4.39 A recent canvass of the other Gloucestershire Districts confirmed that four already use 100% of NHB to fund its base budget with the other council having an annual 'cap' at £2.2m.
- 4.40 Given the Government's view that the NHB is part of local authorities' income stream, and not simply a "nice to have" extra, the MTFS assumes this will incrementally increase to £2.1m. The assumptions behind the projections are that a sustainable level of prudent growth year on year equates to an additional 300 properties per annum (Source: CBC Strategic Land Use Team).

The residual funding gap

- 4.41 Taking into account that the identified work-streams are delivered throughout the period covered by this MTFS, the projected residual funding gap (assuming a 1.99% increase in council tax annually from 2016/17) is shown below in Table 2.

BRIDGING THE GAP STRATEGY					
	2016/17	2017/18	2018/19	2019/20	Total
Total Current MTFS Funding Deficit	1,824,818	1,005,111	570,163	502,764	3,902,856
Service Reviews & 'Systems' Thinking					
REST		157,500			157,500
Shared Services					
2020 Vision - Shared Services	150,900	224,100	124,000	82,000	581,000
2020 Vision - Teckal Company				227,000	227,000
Additional waste target from new joiners	39,000		40,000		79,000
Efficiency gain on procurement					
- GOSS re-tendering of banking arrangements	10,000				10,000
Commissioning					
L&C Review - trust savings	231,500	150,500	43,000		425,000
Central Depot Bulking Facility	46,000				46,000
Joint Management Unit for Waste				50,000	50,000
Income					
Additional income target through economic growth - role of MD Place and Economic Development				500,000	500,000
Business Rates additional target through pooling			50,000		50,000
North Place development income		350,000			350,000
Advertising & Sponsorship contract	63,100				63,100
Asset Management					
Rationalisation of asset portfolio & Review of Investment Property	10,000	20,000			30,000
Vehicle Operating Lease - reduction to base budget	97,300				97,300
Accommodation Strategy	100,000			100,000	200,000
Other					
Use of NHB to support Base Budget	700,000	250,000	100,000		1,050,000
Total Identified Savings/Income	1,447,800	1,152,100	357,000	959,000	3,915,900
Shortfall / (Surplus) against MTFS Funding Gap	377,018	(146,989)	213,163	(456,236)	(13,044)

NB: traffic lights denote risk associated with delivery

- 4.42 It is worth noting that whilst economic recovery over the course of the current MTFS would obviously assist in closing the projected funding gap, some costs (e.g. pay awards) may also increase.
- 4.43 The MTFS and more specifically Table 2 above, indicates broadly how the Council may close the projected funding gap over the period of the MTFS. In some instances it includes savings targets rather than necessarily specific worked up projections of cost savings and includes further shared services; asset management reviews; future waste initiatives and savings targets for commissioning reviews.
- 4.44 Of the identified budget gap of £3.9m, savings targets of the full £3.9m have been identified. To assist in closing the gap, it is proposed to create a specific earmarked reserve; a 'budget strategy

(support) reserve', at the earliest opportunity. This will provide greater resilience and time for the Council to embed its strategy for closing the gap and will also allow for slippage in savings delivery.

- 4.45 The Executive Board have reviewed the current levels of existing earmarked reserves and are able to recommend the realignment of £229,229 into a newly created budget strategy (support) reserve. In addition the Section 151 Officer has undertaken an adequate risk-assessed approach to the level of general balances that should be held to meet unforeseen expenditure. The determination is that general balances should not fall below £1,334,100 (Annex A). With the balance held at 31st March 2015 amounting to £1.599m, the Section 151 Officer is able to recommend a further transfer to the budget strategy (support) reserve of £200,000; giving a total in that reserve of £429,229.
- 4.46 It is a further recommendation from the S151 Officer (as detailed in Section 6) that any future underspends or fortuitous windfalls are earmarked for transfer to either general balances or the budget strategy (support) reserve.

5. ALTERNATIVE SOLUTIONS TO BRIDGING THE FUNDING GAP

- 5.1 The Section 151 Officer, in consultation with the Executive Board, was tasked with reviewing alternative solutions, in particular should there not be political support for 2020 Vision, to the Council's funding gap. These are considered below.

Council Tax increase above 1.99%

- 5.2 The Council could reduce the projected funding gap by increasing council tax above 1.99%. Council tax increases of 5% would generate an additional circa £230,000 income per annum. This approach would be unpopular in the current economic climate and we should bear in mind that the electorate now have the right under the Localism Act to call a referendum if it is felt that a council tax increase is too high.
- 5.3 Given the size of the projected funding gap and the level of uncertainty surrounding future government grant settlements, a more radical approach will be required to identify alternative solutions if there is no appetite for the 2020 Vision. To abandon 2020 Vision will leave a 'hole' in the strategy of at least £800k, assuming that all the other work-streams can be delivered. It will also put some 'commissioning' projects at risk; such as the provision of leisure and cultural services, as any alternative ways of reducing expenditure may involve complete closure of some of these facilities. The following alternatives have been considered:

Unitary status / Devolution

- 5.4 There does not appear to be any 'appetite' from across the district councils to consider Unitary Authority status for Gloucestershire; indeed one of the main drivers for the 2020 Vision is surrounding democracy and the need to have sufficient resources to be able to exercise choices so that it can address local needs and priorities.
- 5.5 Both Gloucestershire and Oxfordshire councils have signalled their intent to seek further powers from Government as part of the current devolution agenda. In both cases the aim is to bring responsibility for significant public expenditure to a single point of control, thus creating the potential to secure higher quality outcomes for local people in the context of reduced public expenditure.
- 5.6 Devolution is not an alternative to the 2020 Vision Programme – the two concepts would work well together. Devolution is about securing higher level strategic decision making powers from Government or other national agencies together with additional funding that goes with those powers. The 2020 Vision Programme is about finding more cost effective ways of retaining local service delivery in light of the continuing pressure on local funding. The 2020 Vision Programme

does not undermine any devolution conversations; if the Government supports the devolution proposals it would enhance our collective ability to respond to any powers that might be devolved because the partners would have a louder voice together than they would alone.

- 5.7 Given the scale, cost and timeliness associated with the setting up of a Unitary Authority in Gloucestershire and the uncertainties surrounding a devolution deal, the Section 151 Officer does not believe this to be a viable alternative over the period covered by this MTFS.

Sharing with the County Council

- 5.8 In order for shared services to be successful, two factors are crucial; common ICT systems and common services.
- 5.9 The only strong commonality of services that district and county councils could share is back-office functions and senior management. Given that this Council is already sharing the majority of its back-office functions, that it has invested in a shared ERP through the GO partnership and in addition is sharing two of its statutory posts, the Section 151 Officer is of the opinion that this route will not deliver the substantial savings required to close the funding gap.

Looking to alternative partners

- 5.10 Despite not having natural geographical boundaries with our existing GO Shared Services partner councils, the willingness to work together and share best practice has already delivered considerable success. It is worth reminding ourselves what the key objectives were from the original GO Programme:
- **Cashable savings** – All GO organisations have within their strategic aims and ambitions, the need to find solutions to budgetary pressures.
 - **Staff retention and opportunities** – It is essential to retain good staff in local government to meet the challenges currently being faced by councils. In addition, it is essential that jobs remain in the borough.
 - **Service efficiencies** – All councils undertake similar work, thus creating duplication of effort and resources. Joint training, single sourcing and standardised documentation also provide opportunities for service efficiencies.
 - **Service resilience** – All councils lack capacity and resilience to respond to peaks in demand or absence of staff. The lack of capacity also leads to buying in external expertise which can be expensive.
 - **Enhanced reputation** – At a strategic level, the implementation of a shared ERP application and service across Gloucestershire and West Oxfordshire may provide a catalyst for future shared services. If the approach can deliver successful outcomes then it may well serve as a proof of concept that other potential shared services could adopt.
- 5.11 The Council adopted these objectives within the original business case at the time it agreed to join the GO Programme, and with the exception of reviewing the delivery vehicle mechanisms, in broad terms the objectives of the 2020 Vision remain the same whilst respecting and maintaining the political independence of each council.
- 5.12 An alternative solution may be to look at authorities who share natural geographical boundaries (e.g. Tewkesbury Borough Council, Gloucester City Council) although this will require detailed early negotiations to start now and will require a 'willingness' from those councils to want to share services with us. Periodic informal approaches from officers to/from other Gloucestershire district authorities have not proved fruitful. In addition, the lack of a shared ERP system and data communications / network connectivity would complicate the sharing of any transactional services and require substantial up-front

- 5.13 Whilst the Section 151 Officer considers this 'potentially' to be a viable alternative, it may be more prudent to ensure that the existing 2020 Vision allows additional partners to join the existing partnership, thus releasing greater economies and efficiencies for the benefit of taxpayers and stakeholders.

Outsourcing

- 5.14 Where staff move to a transferee admission body within the LGPS, the funding deficit relating to those staff would normally remain with the transferring employer i.e. Cheltenham Borough Council (CBC). In theory contractors could be asked to take on this deficit but it would be surprising to receive any bids for the contract if this were the case.
- 5.15 Even if they were prepared to take on the deficit the contractor would factor this additional burden into the contract price. It should also be noted that the transferring employer (CBC) has to guarantee any pension liabilities of the new admission body.
- 5.16 Therefore, the transferring employer (CBC) retains this deficit but has fewer members to fund it, and whilst any future liability is removed a guarantee still remains in place. The transferring body would then have to pay the new body for the use of their services and it is assumed that their cost would include their superannuation costs.
- 5.17 It is important that any transferring employer such as CBC retains sufficient budget to cover the deficit contribution costs for the staff that transfer to another employer and this ongoing cost needs to be factored into the business case exercise when considering the outsourcing option.
- 5.18 Based on the 2013 valuation report for CBC, the annual deficit contribution should be £3.433m per annum over 20 years. This follows the actuary assumption that this equates to 30.9% of CBC's pay base at 31st March 2013. The actuary has assumed annual salary growth over the repayment period in arriving at this annual cash figure. However, as staff transfer to other organisations, the pay base has reduced, thus potentially increasing the cost of future contributions required by CBC to stabilise the scheme.
- 5.19 In addition to this cost the newly admitted body will have a revised contribution rate which the contractor would request is 'added' to the contract sum.
- 5.20 When factoring in both this additional cost and the requirement to preserve stabilisation within the LGPS, it is the opinion of the Section 151 Officer, that further outsourcing to private contractors, is no longer a viable option for CBC.
- 5.21 It should be noted that in the case of a local authority-owned company model, an element of control is retained by the Council.

Contribution of 'arms-length' services and the Housing Revenue Account

- 5.22 On 8th July 2015, the Chancellor announced that rents in social housing would be reduced by 1% a year, cumulative, for four years resulting in a Government estimated 12% reduction in average rents by 2020/21. The impact of the changes in housing and welfare policy will be reflected in the updated HRA business plan but the headline figure suggests an estimated loss of rental income of **£6.7m** to 31st March 2020.
- 5.23 Officers and Members constantly review the performance of Cheltenham Borough Homes (CBH) in the context of the savings challenge. This has thrown up a number of issues and potential advantages in considering the contribution which the Housing Revenue Account (HRA) might make in helping to address the MTFS funding challenge.
- 5.24 Whilst the services delivered by CRH are largely funded via the ring-fenced Housing Revenue Account (HRA), there may be oppo are further costs and thereby generate savings

within the general fund. A potential example of this would be through shared accommodation arrangements when CBH's existing lease comes up for renewal. CBH are currently examining all opportunities for cost savings as part of the HRA Business Plan review although these efficiency savings would be to the benefit of the HRA.

- 5.25 Whilst the Section 151 Officer considers some merit in exploring these opportunities, the recent Government proposals will place significant burden on the HRA.

Large Scale Voluntary Transfer (LSVT) of the housing stock

- 5.26 Stock transfer is a tried and tested method of releasing financial capacity for investment in housing and associated services, free from the constraints of the HRA (Housing Revenue Account) debt cap.
- 5.27 A transfer would require the support of a majority of the Council's secure and introductory tenants who voted in a ballot. The previous stock transfer ballot in Cheltenham took place in 1997 and was a "no" vote in the ratio 2:1.
- 5.28 The model would see housing stock transfer from CBC to CBH. The transfer would involve the conversion of CBH from a company wholly owned by Cheltenham Borough Council to an independent body.
- 5.29 A value for transfer of the stock would be agreed between CBC and CBH. The valuation would be derived from a 30 year discounted cash-flow model, applying a discount rate to future incomes and expenditures.
- 5.30 As a direct result of the proposed changes in housing and welfare policy mentioned above, high level modelling has suggested that the capital receipt to be gained is not significant, and with the other conditions that would need to be in place (tenant and political support) the Section 151 Officer does not consider this option as a viable alternative.

Commercial focus and economic growth

- 5.31 Cheltenham is uniquely placed to grow. The creation of a growth zone, as promoted in the Strategic Economic Plan (SEP), is to ensure the availability of quality employment land in proximity to the M5 motorway, attractive to businesses and with excellent connectivity throughout Gloucestershire and rest of the UK. This will serve latent demand in the marketplace and provide space required to enable businesses to grow; particularly on the town's margins and with the neighbouring district of Tewkesbury, which is also geographically well positioned to deliver growth development to the north-west of Cheltenham and along the M5 corridor.
- 5.32 The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership. In the first year of operation the Pool reported a surplus of £774,862.
- 5.33 In 2014/15, the pool suffered a significant loss due to the impact of backdated appeals on rateable values and, in particular, the successful backdated appeal by Virgin Media, the largest valued business in Tewkesbury. The final pool position for 2014/15 published a deficit of £2.3m following a safety net payment to Tewkesbury of £3.9m, as reported to Council in July 2015.
- 5.34 Despite writing to the then Secretary of State, informing him of the serious impact of the Government's policy on backdated appeals of business rates, to date no financial compensation or other consideration has been received. Letters have now been sent to the new Secretary of State on the advice of the Local Government Association setting out the latest position and the ongoing uncertainty surrounding the Virgin Media issue.
- 5.35 The ongoing issue with Virgin Media relates to their request for a single listing. They are currently listed with 68 different councils. Following discussions with the DCLG and the LGA recently, it was

made clear that this will not be resolved quickly. Further information is needed from Virgin Media in order for the Valuation Office to consider the matter and due to the size, complexity and potential impact for many councils and the DCLG, it is unlikely to be resolved this financial year. However, there is a small risk that the Virgin Media issue may be fast tracked and resolved this financial year which would have a serious impact on the Gloucestershire business rates pool.

- 5.36 As reported to Cabinet in July 2015, the Chief Finance Officers agreed to look at the composition of the pool and determine whether the amount of business rates retained in Gloucestershire could be maximised by having fewer members in the pool and lowering the levy rate. There is a technical working group currently modelling the various options.
- 5.37 There are a number of options but with each option it is important to continue to support the principle of maximising the benefit of business rate growth in Gloucestershire to encourage future economic growth. Given the above outlined risk regarding Virgin Media it is highly likely that Tewkesbury will remove themselves from the pool until 2020. Therefore any growth development to the north-west of Cheltenham and along the M5 corridor is unlikely to benefit from pooling until after this date when the Government is due to re-set the baseline funding targets.
- 5.38 A 64 hectare site in Fiddlers Green, Cheltenham, has been identified to accommodate GCHQ expansion and development of a Cyber Park to include supply chain providers. Initial estimates suggest that this site alone could generate significant additional business rates, which, under the existing regulations, Cheltenham would retain 40%. There are obvious constraints such as planning, which will need to be carefully considered alongside the Joint Core Strategy.
- 5.39 The Section 151 Officer considers this to be a unique opportunity available to Cheltenham but is of the opinion that it is a high risk strategy on its own. His opinion is therefore that this strategy should be considered alongside, rather than as an alternative, to the 2020 Vision and further supports the target of £500k attributed to the new Managing Director of Place and Economic Development in 2019/20.

Borrowing to fund investment property and prudent use of capital resources

- 5.40 The Cheltenham Development Task Force with its panel of experts has demonstrated that growth can be delivered to the benefit of the town on a relatively low cost margin. Net direct receipts (circa £12m) have been amassed from strategic disposals at Midwinter and North Place and these could have been ring-fenced to deliver longer term revenue streams.
- 5.41 In April 2015, Council approved the provisional allocation of the capital receipt from the sale of the North Place and Portland Street car parks to support key property investment aspirations. Whilst the majority of the allocated schemes will provide a social return on investment very few will provide a financial return. At the Council meeting on 14th April 2015, there were some worthy alternative options put forward for the use of sums allocated to the purchase of Delta Place which would also not deliver a financial return on investment.
- 5.42 The current allocation of £2.5m towards the purchase of Delta Place will provide a return on investment of £100k per annum (4%). Had the Council been in a position to allocate £9m towards the purchase, the return on investment could have equated to circa £460k per annum (5.1%).
- 5.43 The UK commercial property market, according to M&G Real Estate's research, anticipates the market delivering returns of between 6% and 8%, significantly high when compared against the bank forecast for interest rates. With liquidity in the market and increased investor confidence, performance for the current year is forecast to be exceptional.
- 5.44 There have been aspirations around purchasing further investment properties to return an annual revenue stream to the Council which could support the base budget. The Council is at liberty to do this by relying on its s12 Investment Power. However, this power assumes that if the main purpose of the acquisition was to generate a revenue stream the Council would not borrow to

finance the activity. If the Council did, it could be opened up to a challenge of borrowing to invest which breaches one of the golden rules and could be classified as an ultra vires activity.

- 5.45 However, the Localism Act 2011 introduced a general power of competence for local authorities in England to allow them to do “anything that individuals generally may do”. Authorities such as Mansfield District Council are using this power to borrow and invest in property which may be a future opportunity for this Council, albeit any proposals will be dependent on market conditions and prevalent interest rates.
- 5.46 The Council should prioritise the use of its future investment capability to help drive local growth, supporting business expansion by meeting the local demand for flexible business space, thus creating a self-reinforcing positive benefit in terms of business rates growth.
- 5.47 In order to achieve this aspiration the Council will need to adopt a more hard-headed approach to capital investment, at least in the short term, to avoid adding further financial liabilities where the authority is extending its direct on-going revenue liabilities, or effectively underwriting the project-related risks of partner organisations. This may well include a minimum target for the internal return expected on capital investment.
- 5.48 The Council has currently allocated its existing capital resources to identified projects, and so the Section 151 Officer recommends the Director of Resources and Special Projects, in conjunction with One Legal, investigates how the Council may use its general power of competence to facilitate investment opportunities. Council may wish to make a future recommendation that all future proceeds be ‘earmarked’ for investment activity that provide for a specified minimum rate of return.

Cutting discretionary services

- 5.49 It is the opinion of the Section 151 Officer that the only ‘serious’ alternative to achieving a balanced budget over such a short timescale is through a reduction in discretionary services and scaling back statutory services, although it is recognised this will be viewed as the most ‘brutal’ alternative.
- 5.50 The Council currently spends in excess of £1.8m on discretionary services which includes leisure and cultural provision, parks and gardens, tourism, community development, and support to the third sector, although arguably it is this ‘spend’ that makes Cheltenham a great place to live, work and stay and helps to ensure that we meet our customers’ needs as outlined in our vision statement.
- 5.51 Contrary to public perception, Cheltenham does not spend significantly more than the average district council on cultural related expenditure per head of population. According to the CIPFA local authority budget comparative profile 2015/16, Cheltenham spends £23 per head of population with the average across all district councils at £22 per head.
- 5.52 Any cuts to these services will undermine our priorities and objectives, identified within the Council’s Corporate Plan 2013 to 2017, although it is becoming clear that we can only rely on Central Government funding to cover the costs of our statutory functions.

6. FINANCIAL PROJECTIONS - RESERVES

- 6.1 This Council is aspirational and horizon scanning in the approach it takes to delivering its services, and supporting those it works with in partnership to ensure Cheltenham is a vibrant and desirable place to live, work and invest. As a result, when funding has become available either through budget underspends or one-off funding, a strategy of utilising opportunities for improving and investing in the town has been followed, as opposed to the alternative of retaining in reserves for a “rainy day”.
- 6.2 However, recognising the change in the Council’s short to medium term finances will require an alternative approach to be taken over the next few financial years with a focus on delivering services within approved budgets and bolstering the Council’s reserves to ensure it is able to meet any unforeseen costs in the future.
- 6.3 The General Reserve is held to protect existing service levels from reductions in income levels as a result of the economic downturn and other unforeseen circumstances. CIPFA’s Local Authority Accounting Panel (LAAP) issued a guidance bulletin on local authorities’ reserves and balances.
- 6.4 As part of the annual budget setting process and in reviewing the MTFS, the Council needs to consider the establishment and maintenance of reserves. These can be held for three main purposes:
- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
 - a means of building up funds (earmarked reserves) to meet known or predicted requirements.
- 6.5 The Council has, over a number of years, earmarked significant funds for specific reserves. These are reviewed twice yearly by full council under the guidance of the Section 151 Officer. Over the course of this MTFS, the value of earmarked reserves will be reduced as they are used to finance planned expenditure.
- 6.6 Given this scenario it is important that any future budget underspends or available one-off funding sources are primarily transferred to specific earmarked reserves or general balances to provide greater resilience. A review of the adequacy of the level of reserves remains a key element of the Section 151 Officer’s annual review of budget.

7. WORKING IN PARTNERSHIP

- 7.1 Partnerships form the basis of an increasing range of the Council’s services and extend from joint activities within a loose working arrangement to complex and formally structured vehicles for service delivery.
- 7.2 The Council welcomes the opportunity to work with partner organisations to deliver our proposed outcomes as this adds value for the taxpayers of Cheltenham but will always seek to ensure that:
- The financial viability of partners is assured before committing to an agreement
 - Responsibilities and liabilities of each of the partners are clearly understood by parties to any agreement;
 - Accounting arrangements are established before any payments are made; and
 - The implications of the terms and conditions of any funding arrangements are considered before any monies are accepted.

- 7.3 Some of the areas that we are working in partnership include:
- We have established a joint local authority company with Cotswold District Council that will deliver a range of environmental services including waste and recycling collections and environmental maintenance;
 - We work with a wide range of community groups such as friends of groups, Tidy Cheltenham, Cheltenham in Bloom, who are leading the way in improving their local environment;
 - We are working in partnership with Gloucestershire County Council and other partners to coordinate the Cheltenham Development Taskforce project that will result in significant investment into the borough to secure its longer-term economic success;
 - We work in partnership through the Public Sector Employment Partnership to develop a range of workforce development initiatives such as improved NVQ training and the apprenticeship scheme;
 - We work with the Cotswold Destination Management Organisation to ensure that there is a coordinated approach to promoting the county;
 - The Council has over 4,500 properties which are managed by Cheltenham Borough Homes which is our Arms Length Management Organisation (ALMO);
 - Gloucestershire NHS and the council jointly-fund a Healthy lifestyles development officer who delivers a programme of activities in the borough to improve their health and wellbeing;
 - We provide a range of grant funding to voluntary sector partners who are able to deliver cost effective services to their communities, including Gloucestershire Association for Voluntary and Community Action which is responsible for co-ordinating and representing the voluntary sector in the town;
 - We have created an independent Trust to deliver our leisure and culture services and we also support a wide range of organisations that are providing a diverse range of arts and cultural activities in the borough such as Cheltenham Festivals and the Everyman Theatre.
 - We are working in partnership with a range of commissioners and support service providers to ensure that our local response in Cheltenham supports a coordinated approach to supporting victims of domestic abuse and sexual violence

8. AREAS OF UNCERTAINTY ASSOCIATED WITH THE MTFS

- 8.1 There are inevitable risks associated with the assumptions made within this document. Employee turnover may vary from that assumed with both financial and service consequences. Net expenditure may be more than has been assumed, either as a consequence of additional demand, reduced income following fall in demand, or for new responsibilities which are inadequately provided for within government grant.

- 8.2 There are additional risks associated with the wider economic situation. Inflation and interest rate assumptions may prove to be incorrect, and the formulae and mechanisms used to calculate local government funding may change. A number of areas of uncertainty are considered below:

Central Government Funding

- 8.3 The key forthcoming events regarding Central Government are the outcome of the Spending Review on 25th November 2015, the provisional settlement later in December 2015 and the Budget in March 2016. On all these occasions, ministers will have the chance to change funding, council tax or the rates retention scheme.
- 8.4 Over the last and current parliaments, the Government has followed a very clear agenda of rewarding growth in housing and business rates. In contrast to the previous distribution of funding via RSG, funding doesn't automatically flow to those with a growing population, but has been used to reward and incentivise growth in housing and economic development. This has resulted in a different distribution and some very clear winners and losers.
- 8.5 New mechanisms have been introduced to redirect funding, principally New Homes Bonus and the Retained Business Rates scheme. s have forced local authorities to engage

much more with what is happening on the ground in their areas, and how this might impact on their funding. A significant level of risk still remains due to the volume of outstanding business rates appeals which are being processed by the Valuation Office. Where appeals are successful, refunds of business rates are generally repayable back to the 2010/11 financial year (occasionally 2005/06) which reduces the business rates yield in the year in which the refund is made.

- 8.6 The Council will need to decide how it wishes to budget further NHB income as it will be an important element of future financing arrangements. This will be dependent on both the rate of housing delivery locally, and how this compares with delivery in other authorities across England. However, housing projections are notoriously difficult to predict accurately over the longer term and will need to be assessed prudently in making any assumptions about likely resource availability.
- 8.7 The current government is continuing to pursue a very clear fiscal policy which has resulted in significant funding cuts for local government. All the indications are that there will be continued downward pressure on funding for local government at the next Spending Review.

Pensions (LGPS)

- 8.8 The stabilisation process introduced for this Council following the 2010 valuation is still operating but given the increased deficit and the negative cash-flow position, the level of annual (cash) contribution increases have gone up from the 1% increase per annum over the last 3 years to a 2% increase per annum (£406k) for the next 3 years beginning 1st April 2014. By operating the stabilisation process, this Council's contribution rate is still well below the true employer contribution rate that would have applied without stabilisation.
- 8.9 Table 3 illustrates the funding level changes between the 2010 triennial valuation and the 2013 triennial valuation and provides a position statement on the levels of pension fund members at 31st March 2010 and 2013 respectively:

Table 3: Funding level 2010 64% - 2013 61%	2010 £000's	2013 £000's	Increase (Decrease) £000's	Increase (Decrease) %
Past service liabilities				
Actives	33,603	28,111	(5,492)	
Deferred pensioners	17,245	20,897	3,412	
Pensioners	48,689	64,263	15,574	
Total	99,777	113,271	13,494	
Assets	65,724	67,984	2,260	
Surplus / (deficit)	(34,053)	(45,287)	(11,234)	
Funding Level	66%	60%		(6%)
	Number 2010	Number 2013	Increase (Decrease)	Increase (Decrease)
Membership				
Actives	573	352	(221)	(38.6 %)
Deferred pensioners	779	821	(42)	5.4%
Pensioners	657	749	92	14.0%

- 8.10 When reducing staff, if there were to be a recruitment freeze the modelling suggests that the number of pensioners would continue to rise long after the remaining workforce has stabilised. If the workforce was reduced by early retirement then pensioners would rise more quickly. A report by the Audit Commission in 2010 indicated that the LGPS could sustain a reduction in members of around 20% (down to 2004 staffing levels) without affecting the financial health of the LGPS. Given the reduction in active members of the LGPS for this Council for the period 2010 to 2013 equates to circa 38% you would have to question the sustainability of the scheme for this Council.

- 8.11 Table 4 analyses the cash-flow data for the period 1st April 2010 to 31st March 2013 and extrapolates the data through to 31st March 2019 based on the 2013 formal valuation results and decisions surrounding service provision that have already been made.

Table 4: Cash-flow data 1st April 2010 to 31st March 2018	Employer Contributions Fixed Sum £000's	Employer Contributions 14.6% £000's	Employee Contributions £000's	Benefits Paid £000's	Net Cash-flow £000's
2010/11	1,254	1,782	819	4,355	(500)
2011/12	1,387	1,656	760	4,502	(699)
2012/13	1,525	1,167	537	4,490	(1,261)
2013/14	1,728	1,095	503	4,500	(1,174)
2014/15	2,374	952	437	4,590	(827)
2015/16	2,780	837	384	4,682	(681)
2016/17	3,186	854	392	4,775	(343)
2017/18	3,592	871	400	4,871	(8)
2018/19	3,998	871	400	4,968	301

- 8.12 It is clear from the above that, unless this Council increases its contributions above those modelled in this MTFS, it will only achieve a net positive cash-flow from 2019; a difficult scenario to balance given the necessity to make further reductions in net expenditure. This analysis further demonstrates that the LGPS is a financial burden to this council.
- 8.13 While a reducing workforce reduces cash flow in the short term it also reduces the future liabilities and these make up the majority of the cost of pension funding. The past service deficit still needs to be funded (as do the remaining future liabilities) therefore there needs to be sufficient levels of contributions from both employers and employees as well as an appropriate investment strategy to achieve the objective of the pension fund.
- 8.14 Whilst there are undoubtedly cashable benefits in future years from reverting active pension fund members to stakeholder schemes, these benefits will not be realised until the fund has been stabilised and returned to a positive cash-flow. Once this position is reached, the fund will be in a position to invest surplus cash rather than having to sell assets to fund its current pension liabilities.
- 8.15 Employers whose contribution rates have been "stabilised" (and may therefore be paying less than their theoretical contribution rate) should be aware of the risks of this approach and should consider making additional payments to the Fund if possible.

Adequacy of capital resources and property repairs and renewals fund (reserve)

- 8.16 The Director of Resources has raised the issue of the long term financing of the Council's capital programme on a number of occasions. The work to cost the Asset Management Plan remains outstanding. This work should identify additional funding requirements over the coming years and may consider alternative forms of financing, including prudential borrowing.

Business rates appeals

- 8.17 The impact of appeals remains volatile and there are a large number of appeals outstanding. Changes to the value of businesses can have a significant impact upon business rates collected and provision is made in the business rates estimate for future appeals which is reviewed annually. The 2017 revaluation when all rateable values are reset will result in a new round of appeals being lodged. Based on previous revaluations a very large number of appeals will be lodged. Initially there will be no evidence to indicate the accuracy of the new rateable values and the likely success rate of appeals, therefore a significant increase in the provision will be necessary to address the high volatility.

Business rates – resetting of the baseline in 2020

- 8.18 The Council is able to retain 40% of any growth in business rates income measured against the Baseline, which was set when the business rates retention scheme was introduced in 2013/14. The baseline is due to be reset in 2020 which adds to the uncertainty. If Cheltenham's baseline goes up then in order to retain any additional income the level of growth will need to increase.

Cap on reserves

- 8.19 The Government is discussing plans to place a cap on the level of councils' reserves. This has been openly criticised by local government representatives as this could place further financial risk on local government and fails to recognise local issues including the differentiation between 'general' and 'earmarked' reserves. Should firm proposals come forward appropriate representation to the Government reflective of this Council's position will need to be made.

9. RISKS ASSOCIATED WITH THE MTFS

- 9.1 There are inevitable risks associated with the assumptions for both revenue and capital projections. Employee turnover may vary from that assumed with both financial and service consequences. Net expenditure may be more than has been assumed, either as a consequence of additional demand, reduced income following falls in demand e.g. further reductions in car parking revenues, or for new responsibilities which are inadequately provided for within government grant e.g. Syrian refugee crisis.
- 9.2 On the capital side, major projects that require additional resources and rely on a level of new capital receipts may prove to be optimistic in the current economic climate.
- 9.3 The MTFS assumes that the current system of local government funding will continue.
- 9.4 There are additional risks associated with the wider economic situation. Inflation and interest rate assumptions may prove to be incorrect, although this has been factored in to some extent by assuming the worst case scenario.
- 9.5 The prospect of business failures and a reduction in available tenants may result in rent reductions or rent free periods in order to attract new occupiers to the council's commercial property portfolio.
- 9.6 The Council continues to review the MTFS regularly and highlight changes to the Bridging the Gap programme board and the Council's Senior Leadership Team.

10. Conclusion

- 10.1 The Council has a track record of strong financial management but is now in a period of significant volatility and uncertainty. The Council needs to plan now to ensure that its strong financial position continues throughout the period covered by this MTFS and beyond.
- 10.2 The development of this strategy for bridging the budget gap is an important contribution to the ongoing financial stability of the Council and the achievement of its corporate objectives.

ANNEX A: WORKING BALANCE – CALCULATION OF OPTIMUM LEVEL

Background

There are two approaches for deciding the optimum level of working balance. One approach is to apply a percentage to Net Budget Requirement, currently assessed as 10% (giving approximately £1,500,000). The alternative is a level based upon a risk assessment of the budget.

The Council uses a risk based approach to assess the appropriate level of working balance.

The framework for assessing the risks surrounding the budget needs to consider the following:

- Inflationary pressures.
- Pension Fund changes.
- Planned economy measures/service reductions.
- Interest rate variations.
- Volume variations on demand-led services such as planning charges, land charges.
- New services/initiatives.
- The risk of litigation.
- Emergency planning.
- Financial guarantees.
- Grant income.
- Future budget projections.

	Area of Risk	Explanation
1.	Inflationary Pressures	Historically the cost of pay awards has caused major variations to budget estimates. As at July 2015 it appears likely that there will be pressure to pay more than a 1% pay award in 2016/2017. A provision of £82,000 (1%) is recommended within the working balance to offset this risk. Inflationary risks on other costs are a factor elsewhere. The Ubico contract is driven by fuel and pay increases and a provision of 1% on the 2015/16 contract value suggest a figure of £66,400 should be kept as a provision in the working balance.
2.	Pension Fund Changes	The 2013 triennial review has brought a degree of certainty to future pension costs for 2014-2017. These should not impact adversely on the Council in the next 12 months so no specific provision is required at this point.
3.	Planned savings measures	The Medium Term Financial Plan includes numerous work streams for 'bridging' the Council's funding gap. Slippage can occur and the 'Bridging the Gap' Strategy uses a Red Amber Green (RAG) system for identifying those work streams at risk of slippage. Currently the strategy notes £200k of work streams considered 'amber' in terms of delivery and so these are accommodated within the working balance. The Council's base budget includes an annual target of £350k to recognise staff vacancy management. A smaller workforce coupled with reducing opportunities in a depressed public sector could impact on this budget principle and therefore a 25% allowance, equivalent to £87.5k for this is included within the working balance.

	Area of Risk	Explanation
4.	Interest rate variations	The current very low level of investment rates suggest that there is little down-side risk at present and no specific provision is recommended for 2016/2017.
5.	Volume variations demand led	During the economic downturn the Council was vulnerable to drops in key income streams, e.g. planning fees, car parking income etc. Our budget projections reflect current levels of income but a 1% provision amounting to £103,200 to reflect the volatility is recognised in the working balance.
6.	New services/ initiatives	No new initiatives have been identified that require specific provision within the working balance.
7.	Risk of litigation contingency	During 2015/2016 the budget has come under pressure as a result of the cost of planning appeals and other judicial challenges. The costs are uncertain but in recognition of current intelligence a provision of £350,000 is recommended.
8.	Emergency planning	Whilst the government will step in to assist in the event of a major disaster there are thresholds at which assistance is given. This threshold is 0.2% of the net budget. Financial support is then given at 85% of costs above this level. Provision of £1m would cost this Council £170,000; the cash flow impact would need to be handled from invested capital reserves.
9.	Financial guarantees/ contingent liabilities	Run-off of the old Municipal Mutual Insurance claims has begun but no provision is required at this stage. The Council has agreed to underwrite the Tour of Britain by up to £75k and as such provision for this amount has been made from the working balance. The Joint Core Strategy continues to require ongoing resource and a provision of £50k is included should the risk of additional costs arising be realised.
10.	Grant income	No new grant streams are anticipated in the 2016/2017 budget. No risks have been identified around existing grant flows that require specific provision in the working balance.
11.	Business rates retention	As part of the pooling arrangement, the Council could be required to contribute to large scale revaluations such as occurred with Virgin Media via Tewkesbury Borough Council. Provision for such occurrences should therefore be included within the working balance and as such £150,000 is estimated.

CONCLUSION

The assumptions above total £1,334,100 suggesting that we strive to maintain a working balance around this figure during 2016/17. The Council should not allow the working balance to fall below this figure. The current working balance is £1,599,226.

<u>Purpose of Reserve</u>			<u>31/3/15</u>	<u>2015/16</u> <u>Movement</u> <u>Revenue</u>	<u>2015/16</u> <u>Reserve</u> <u>Re-alignment</u>	<u>2015/16</u> <u>Movement</u> <u>Capital</u>	<u>31/3/16</u>
			£	£	£	£	£
<u>EARMARKED RESERVES</u>							
<u>Other</u>							
RES002	Pension Reserve	To fund future pension liability	-177,246	0			-177,246
RES003	Economic Development Reserve	To fund future economic studies	-4,200				-4,200
RES005	Keep Cheltenham Tidy Reserve	Keep Cheltenham Tidy campaign - scheme contributions	-626				-626
RES006	Cultural Development Reserve	To fund future arts facilities/activity	-22,361				-22,361
RES008	House Survey Reserve	To fund cyclical housing stock condition surveys	-121,525	-7,500			-129,025
RES009	Twinning Reserve	Twinning towns civic visits to Cheltenham	-4,279				-4,279
RES010	Flood Alleviation Reserve	To fund future flood resilience work, delegated to the Flood working group for allocation	-104,227	50,000			-54,227
RES012	Pump Room Insurance Reserve	Insurance reserve for stolen jewellery / damaged collections	-13,735		13,735		0
RES013	TIC Shop Reserve	Accumulated profits held for TIC shop improvements	-29		29		0
3014	GF Insurance Reserve	To fund risk management initiatives / excess / premium increases	-79,371		-13,735		-93,106
3016	Joint Core Strategy Reserve	To fund Joint Core Strategy	-68,780				-68,780
3018	Civic Pride Reserve	To pump prime civic pride initiative / match funding	-492,137	105,100			-387,037
3019	Land Charges Reserve	Cushion impact of fluctuating activity levels	0				0
3020	Ubico Reserve	Replacement fund	-170,000		100,000		-70,000
RES021	Cheltenham Leisure & Culture Trust	To cover unforeseen deficits in operations within new trust	-270,000		70,000		-200,000
RES022	Homelessness Reserve	To cover future homelessness prevention costs	-50,000	35,100			-14,900
RES023	Transport Green Initiatives Reserve	To fund Transport Green Initiative Schemes	-34,600				-34,600
			-1,613,116	182,700	170,029	0	-1,260,387
<u>Repairs & Renewals Reserves</u>							
RES201	Commuted Maintenance Reserve	Developer contributions to fund maintenance	-107,629	39,000			-68,629
RES202	Highways Insurance Reserve	County highways - insurance excesses	-15,000		15,000		0
RES203	Revs & Benefits IT Reserve	Replacement fund to cover software releases	-30,000		30,000		0
RES204	I.T. Repairs & Renewals Reserve	Replacement fund	-40,901	35,665			-5,236
RES205	Property Repairs & Renewals Reserve	20 year maintenance fund	-1,032,142	296,000			-736,142
			-1,225,672	370,665	45,000	0	-810,007

<u>Purpose of Reserve</u>			<u>31/3/15</u>	<u>2015/16</u> <u>Movement</u> <u>Revenue</u>	<u>2015/16</u> <u>Reserve</u> <u>Re-alignment</u>	<u>2015/16</u> <u>Movement</u> <u>Capital</u>	<u>31/3/16</u>
			£	£	£	£	£
<u>Equalisation Reserves</u>							
RES101	Rent Allowances Equalisation	Cushion impact of fluctuating activity levels	-77,900	77,900			0
RES102	Planning Appeals Equalisation	Funding for one off appeals cost in excess of revenue budget	-152,932	-40,000			-192,932
RES103	Licensing Fees Equalisation	Past income surpluses to cushion impact of revised legislation	-11,155				-11,155
		To cover any additional losses arising in the value of Icelandic deposits and/or to reduce the borrowing arising from the capitalisation of the losses	-174,012				-174,012
RES104	Interest Equalisation	Fund cyclical cost of local plan inquiry	-7,230	-100,000			-107,230
RES105	Local Plan Equalisation	Fund cyclical cost of local elections	-92,100				-92,100
RES106	Elections Equalisation	To fund fluctuations in income from closure of car parks	-350,000	335,800	14,200		0
RES107	Car Parking Equalisation	To fund fluctuations in income from retained business rates	-140,608	-397,300			-537,908
3108	Business Rates Retention Equalisation						
			-1,005,937	-123,600	14,200	0	-1,115,337
<u>Reserves for commitments</u>							
3301	Carry Forwards Reserve	Approved budget carry forwards	-674,848	577,850	0	0	-96,998
<u>CAPITAL</u>							
RES402	Capital Reserve - GF	To fund General Fund capital expenditure	-791,061	-220,500	0	-584,000	-1,595,561
TOTAL EARMARKED RESERVES			-5,310,634	787,115	229,229	-584,000	-4,878,290
<u>GENERAL FUND BALANCE</u>							
B8000 - B8240	General Balance - RR	General balance	-1,599,226	-9,365	200,000		-1,408,591
	Budget Strategy (Support) Reserve	NEW earmarked reserve			-429,229		-429,229
			-1,599,226	-9,365	-229,229	0	-1,837,820
TOTAL GENERAL FUND RESERVES AND BALANCES			-6,909,860	777,750	0	-584,000	-6,716,110

Cheltenham Borough Council Cabinet – 13 October 2015 Licensing Act 2003 Licensing Policy Statement

Accountable member	Councillor Andrew McKinlay, Cabinet Member Development and Safety
Accountable officer	Mike Redman, Director of Environmental & Regulatory Services
Ward(s) affected	All
Key/Significant Decision	No
Executive summary	<p>Section 5 of the Licensing Act 2003 requires the Council to review, determine and publish its Licensing Act 2003 Policy Statement every three years.</p> <p>The current policy statement was adopted by Council on 10 February 2012. Whilst it is not technically necessary to review the adopted policy statement until 2016, it was deemed appropriate to undertake an early review to reflect various changes in law, good practice and changes in the local licensing landscape.</p> <p>Consultation has been undertaken and this report is asking Cabinet to consider the consultation feedback and to adopt the revised policy.</p>
Recommendations	<p>Cabinet is recommended to:</p> <ol style="list-style-type: none"> 1. Note the consultation feedback and officer comments; and 2. Adopted the revised policy attached at Appendix 2.

Financial implications	<p>No financial implications arising from this report.</p> <p>Contact officer: Sarah Didcote, sarah.didcote@cheltenham.gov.uk, 01242 26 4125</p>
Legal implications	<p>Contained in the body of the report.</p> <p>Contact officer: Vikki Fennell, Vikki.fennell@tewkesbury.gov.uk, 01684 272015</p>
HR implications (including learning and organisational development)	<p>While there are no direct HR implications as a result of the report, there may be additional monitoring work required or other work resulting from some of the changes. Workloads and working hours of officers should be reviewed regularly to ensure any additional demands are able to be met with the available capacity.</p> <p>Contact officer: Richard Hall, richard.hall@cheltenham.gov.uk, 01242 77 4972</p>

Key risks	As identified in Appendix 1
Corporate and community plan Implications	<p>Cheltenham has a strong and sustainable economy</p> <p>Communities feel safe and are safe.</p> <p>Our residents enjoy a strong sense of community and involved in resolving local issues.</p>
Environmental and climate change implications	<p>None</p>
Property/Asset Implications	<p>None</p> <p>Contact officer: David Roberts@cheltenham.gov.uk</p>

1. Background

- 1.1** Section 5 of the Licensing Act 2003 ("2003 Act") requires the Council to review, determine and publish its Licensing Act 2003 Policy Statement ("policy statement") every three years.

2. The Licensing Act 2003

- 2.1** The 2003 Act is the primary legislation that deals with the licensing requirements relating to:
- a) the sale by retail of alcohol,
 - b) the supply of alcohol by or on behalf of a club to, or to the order of a member of the club,
 - c) the provision of regulated entertainment, and
 - d) the provision of late night refreshment.
- 2.2** The licensable activities listed above are authorised through the issue of:
- a) a premises licence; or
 - b) a club premises certificate; or
 - c) a temporary event notice.
- 2.3** The council is obligated to promote the four licensing objectives when discharging its functions under the 2003 Act including setting policy. The licensing objectives are:
- a) the prevention of crime and disorder;
 - b) public safety;
 - c) the prevention of public nuisance; and
 - d) the protection of children from harm.

3. The Policy Statement

- 3.1** The draft proposed policy statement is attached at **Appendix 2** of this report.
- 3.2** The policy statement sets out the principles the council will apply when determining applications under the 2003 Act for up to the next five years. It also provides guidance to licence holders and applicants on how to make an application and advises them how the council will determine applications.
- 3.3** The draft amended policy reflects changes in primary legislation, case law and national guidance. Changes to the policy also draw from the council's experience since the 2003 Act came in to force.
- 3.4** The profile of alcohol in particular has become a popular issue locally. Its availability has caused, and continues to cause, problems for the council and other regulatory partners in, for example, the prevalence of pre-loading, crime, disorder, street drinking, underage sales and public nuisance.
- 3.5** Equally however, there is recognition that the trade in alcohol has benefits for the town particularly in relation to the economic contribution made through, for example, a vibrant and popular night-time economy that draws thousands of people on most nights and investment in the town by

businesses selling alcohol.

- 3.6** This policy statement is a key document for the council in terms of how it seeks to address the challenges brought by the licensable activities whilst at the same time promoting the town as a safe place to visit and invest.
- 3.7** This policy statement also forms part of a wider night-time economy strategy to promote a greater diversity in the night time economy that is less focused on alcohol, supporting better management of licensed premises and public spaces, working to reduce alcohol related health harms by preventing vulnerability, promoting safe drinking limits and reducing pre-loading and working to promote a clean environment.
- 3.8** In the context of the wider night-time economy strategy, this policy statement sits alongside initiatives such as the adoption of the late night levy, the implementation of the Reducing Alcohol Related Violence (RARV) project, the alcohol coordination group and the REST outcomes and priorities.
- 3.9** Taking into account all of the measures above, the policy statement proposes a more proactive policy approach to the regulation of the licensable activities whereby the council is more proactive and prescriptive in shaping the licensing landscape in the town. For example, the proposed amended policy sets out measures to identify certain areas where more intensive intervention may be appropriate, proposes recommended core trading hours & admission times, better management of outside areas and seeks to introduce a best practice guide for drinks promotions.
- 3.10** This is a change from the current policy that is much more reactive in that it deals with matters on a case to case basis without being particularly prescriptive.
- 3.11** The amended new policy statement sets out a proposed policy vision to make Cheltenham a safe and clean town that offers a greater diversity in the night time economy that is not solely focused on alcohol and that protects the quality of life for residents. In order for the council to achieve this vision, it must become more proactive in shaping the licensing landscape in the town.

Measures Proposed

- 3.12 Designated area of concern** – The policy statement is proposing to designate the town centre as an area of concern. As set out in the policy, there are areas of the borough where evidence does not suggest that they should be designated as Cumulative Impact Areas but nonetheless will require regular review to establish whether the concentration of licensed premises is considered to have begun to cause cumulative impact on one or more of the licensing objectives.
- 3.13** Adopting such an area will enable the council and other partners to monitor the number of licensed premises in the designated area and any risk factors that may indicate that the area is reaching a point when a cumulative impact is likely or imminent. It will also provide the Council and its partners an opportunity to put measures in place to address the concerns highlighted.
- 3.14 Core Hours for Licensable Activities** – Whilst the council will avoid arbitrary restrictions on licensing hours, at the same time it recognises that later opening hours has brought increased levels of crime, disorder and nuisance.
- 3.15** The draft policy statement is therefore proposing core trading hours for licensed premises. The council believes that licensable activities carried on within these hours will generally not have a harmful impact on the licensing objectives, address the concerns raised by local residents and businesses and are less likely to attract representations.
- 3.16 Latest admission times** – Through the policy statement, the council does not want to encourage a practice whereby persons should seek to ‘top up’ their alcohol intake by seeking out those premises that are admitting customers at the latest times because persons moving between

venues late at night can lead to crime, disorder and public nuisance.

- 3.17** The policy statement therefore proposes, amongst other proposals, to restrict the latest admission time for licensed premises.
- 3.18 Takeaway food premises** – There is a propensity for takeaway premises open late at night to be associated with disorder as persons under the influence of alcohol having left, or in some cases being ejected from, late night venues congregate there.
- 3.19** As such, the policy statement proposes, amongst other proposals, to restrict the sale of alcohol at premises which are principally used for selling hot food for consumption off the premises.
- 3.20 Pavement Cafes and External Areas** – Whilst the council wishes to promote a ‘cafe culture’ in Cheltenham because of the added life and vitality this brings to the town, there is also recognition of the fact that the use of such areas can cause nuisance to local residents and other premises in the vicinity. The policy statement therefore proposes to restrict the use of external areas to 23:00.
- 3.21 Code of Good Practice for Drinks Promotions** – It is a known fact that the price of alcohol does have an effect on the amount people consume and that people are more attracted to premises that offer low cost alcohol. This can, and does, cause people to consume more alcohol than they would normally and can lead to crime, disorder and public nuisance issues.
- 3.22** The issue of cheap alcohol and preloading is a complex one. The council does not wish to unnecessarily impose operational restrictions on licensed premises, but equally recognises that action is required to deal with the problem of the availability of cheap alcohol.
- 3.23** To this end and as a first proportional step, the policy statement is proposing the adoption of a code of good practice for drinks promotions. Based on the good relationship the council has developed with the on-trade through the work of Cheltenham Safe, there is confidence that the trade will be receptive. There is however recognition that more work will be required with the off-trade in terms of dealing with drinks promotions and the prevalence of preloading and street drinking.
- 3.24 Film Classifications** – The council has a statutory obligation to classify films for public screening. The BBFC is the nominated body that classify films to be exhibited in cinemas on behalf of Licensing Authorities. Films that have not been classified by the BBFC and are to be screened in the borough must be submitted to the council for classification.

The council has always had this statutory responsibility but never formalised its approach. The policy statement sets out a proposed approach.

- 3.25 Pool of Model Conditions** – The council is also proposing to adopt a pool of model licence conditions as part of the policy statement. The purpose of the pool of model licence conditions would be to promote the use of clear, proportionate and enforceable conditions.

4. Statutory Guidance

- 4.1** Section 4 of the 2003 Act states that, in carrying out its functions, the Council must ‘have regard to’ guidance issued by the Secretary of State under section 182.
- 4.2** The relevant section of the statutory guidance can be found in the background papers for this report.

5. Reasons for recommendations

- 5.1** To ensure that the Council complies with its duties under section 5 of the 2003 Act.

5.2 To ensure that the Council can effectively discharge its licensing function under the 2003 Act.

6. Alternative options considered

6.1 The Council can resolve not to adopt the revised policy statement. However this option would result in the Council failing to comply with its duty and function under the 2003 Act.

7. Consultation and feedback

7.1 Consultation on the revised policy was undertaken for 12 weeks between April and July this year.

7.2 Four responses were received. Attached at **Appendix 3** is the consultation feedback and officer response.

Report author	Contact officer: Louis Krog, louis.krog@cheltenham.gov.uk, 01242 26 4217
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Draft Policy Statement 3. Consultation Feedback and Officer Response
Background information	<ol style="list-style-type: none"> 1. Licensing Act 2003 2. Revised Guidance issued under section 182 of the Licensing Act 2003 (October 2014) 3. Cheltenham Borough Council's Licensing Act 2003 Licensing Policy Statement Approved by Council 10th of February 2012

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
	There is a risk that the council may not be able to properly regulate activities under the Act if it fails to adopt the revised policy.	Director of Environmental & Regulatory Services	October 2015	3	2	6	Accept	Adopt policy		Licensing Team Leader	
	This may also cause a risk to the council's reputation and the town's reputation as a safe, vibrant and desirable destination to work, live and visit.	Director of Environmental & Regulatory Services	October 2015	3	2	6	Accept	Adopt policy		Licensing Team Leader	

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

This page is intentionally left blank

Page 190

Licensing Act 2003

Licensing Policy Statement



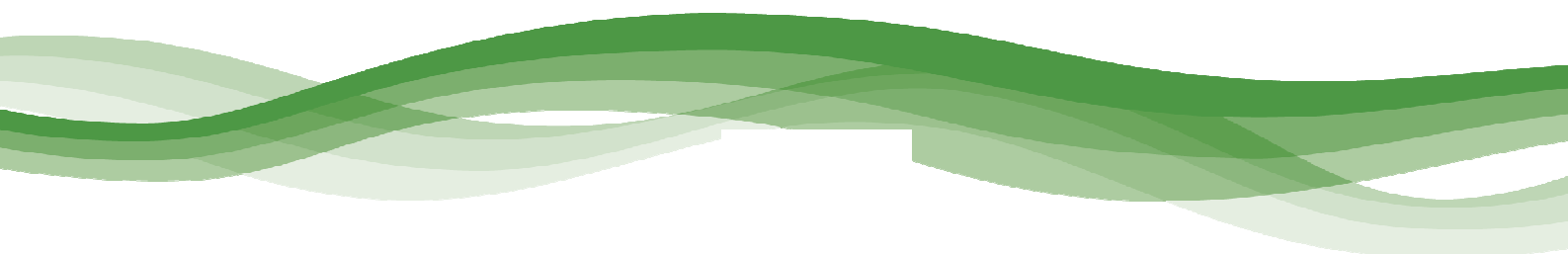
All enquiries should be directed to:

Licensing Section
Municipal Offices
Promenade
CHELTENHAM
GL50 9SA
Tel: 01242 775200
E-mail: licensing@cheltenham.gov.uk
Website: www.cheltenham.gov.uk

This Policy was approved on xx.

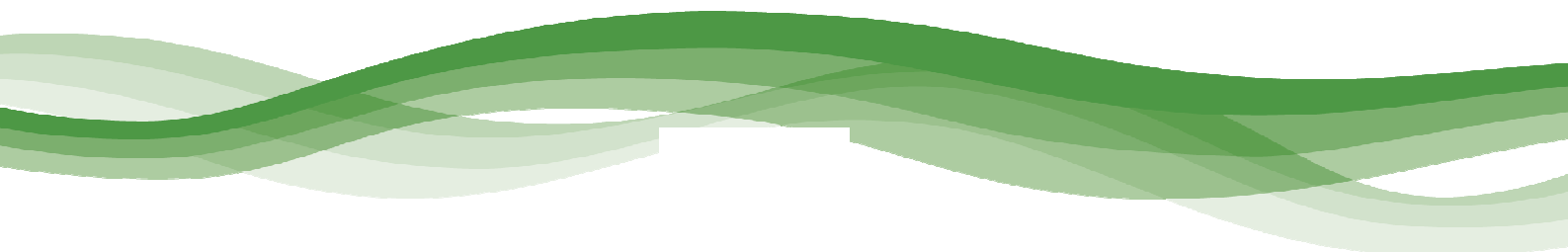
Draft LA2003 Policy Index

	Page
Policy Vision Statement	4
1. Introduction	5
Licensing Principles, Process & Scope	6
Scope	7
Licensing Objectives	7
Consultation	8
Duration and Review	8
2. The Borough of Cheltenham	9
3. Licensing Process – Making an Application	10
Premises Licences and Club Premises Certificates	10
Operating Schedule	10
Guidance on Operating Schedules	11
a) Crime and disorder	
b) Public safety	
c) Public nuisance	
d) Protection of children from harm	
Plans	16
4. Determination of Applications	
Delegated Functions	18
Unopposed Applications	19
Opposed Applications	19
Representations	19
Appeals	20
5. Temporary Events Notices	21
6. Integrating Strategies & Specific Policies	23
Encouraging Diversity in the Night-time Economy	24
Management of Licensed Premises	25
Promoting safe drinking limits	30
Shops Selling Alcohol (Off Licences)	32
7. Film Classifications	34
8. Events on Council Land	35
9. Enforcement	36
Appendix A – Statutory Consultees	37
Appendix B – Statutory Responsible Authority	38
Appendix C – Pool of Model Conditions	41
Appendix D – Designated Area of Concern	55



Policy Vision Statement

We want Cheltenham to be a safe and clean town that offers a greater diversity in the night time economy that is less focused on alcohol and protects the quality of life for residents.



1. Introduction

- 1.1 This Licensing Policy Statement (“policy”) has been produced in accordance with the requirements of the Licensing Act 2003 (“the Act”) and is in line with guidance issued under Section 182 of the Act. Section 5 (as amended) of the Act requires Cheltenham Borough Council (“the council”), acting in its capacity as the Licensing Authority to prepare and publish a statement of its licensing policy at least every five years.
- 1.2 This policy was last reviewed in 2012. In determining the policy the council has taken into consideration any comments made by consultees. The council has also taken into consideration the statutory guidance, changes in legislation and the experience of administering and enforcing the Act since its introduction.
- 1.3 The main purpose of this policy is to provide clarity to applicants, responsible authorities, elected Members and other persons on how the council will determine applications for the sale/supply of alcohol, the provision of regulated entertainment and the provision of late night refreshment and also to provide a basis for all licensing decisions taken by the council over the next five years. It will also inform elected Members of the parameters within which licensing decisions can be made.
- 1.4 An effective licensing policy, alongside other initiatives, will work towards promoting the positive aspects of deregulation under the Act, such as promoting tourism, increasing leisure provision and encouraging the regeneration of the town centre as well as controlling the negative impacts such as increase in noise, nuisance, anti-social behaviour and crime and disorder.
- 1.5 Other matters also taken into account in formulating this policy:
 - a) Cheltenham Borough Council’s corporate strategy and outcomes.
 - b) Local planning policy in particular the Joint Core Strategy and the Cheltenham Plan.
 - c) Gloucestershire’s Police and Crime Plan.
 - d) Section 182 statutory guidance.
- 1.6 Licensing law is not the primary mechanism for the general control of nuisance and anti-social behaviour by individuals once they are away from licensed premises and, therefore, beyond the direct control of the individual licensees. There are a range of mechanisms including:
 - a) Planning controls;
 - b) Positive measures to create a safe and clean town centre environment in partnership with local businesses, transport operators and other departments of the local authority, including the provision of Closed Circuit Television (CCTV);
 - c) Police enforcement of the general law concerning disorder and anti social behaviour, including the issuing of fixed penalty notices;
 - d) The prosecution of any personal licence holder or member of staff at such premises who is selling alcohol to people who are drunk;

- e) The confiscation of alcohol from adults and children in designated areas;
 - f) Police powers to close down instantly for up to 24 hours any licensed premises or temporary event on grounds of disorder, the likelihood of disorder or noise emanating from the premises causing a nuisance; and
 - g) The power to seek a review of the licence or certificate in question.
- 1.7 It should be understood that this policy and the statutory guidance cannot anticipate every scenario or set of circumstances that may arise and as such there may be circumstances where the policy or guidance may be departed from in the interests of the promotion of the licensing objectives and where it is deemed appropriate to do so. In such cases the council will give full reasons for departing from this policy.

Licensing Principles and Process

- 1.8 This policy sets out the process the council will adopt in dealing with licence applications with particular regard to the various types of premises and permissions and the various conditions that can be attached to licences if relevant representations are made. It also highlights the council's undertaking to avoid duplication with other statutory provisions and its commitment to work in partnership with other enforcement agencies.
- 1.9 The council is the Licensing Authority under the Act and is responsible for granting premises licences, club premises certificates, personal licences and administering temporary events notices in the borough.
- 1.9 The objective of this policy is to:
- a) promote the four licensing objectives;
 - b) ensure that the premises are appropriate for their proposed use;
 - c) ensure the premises layout and condition is acceptable for the proposed use;
 - d) ensure that the premises are being managed responsibly; and
 - e) promote the policy vision statement.
- 1.10 This policy also seeks to promote the council's wider priorities, in particular that:
- Cheltenham has a clean and well-maintained environment;
 - Cheltenham has a strong and sustainable economy;
 - Communities feel safe and are safe;
 - People are able to lead healthy lifestyles; and
 - Our residents enjoy a strong sense of community and are involved in resolving local issues.
- 1.11 The council's powers and duties as the licensing authority are delegated by the council to its licensing committee, sub-committees and officers. The council approaches these delegations in accordance with the table of

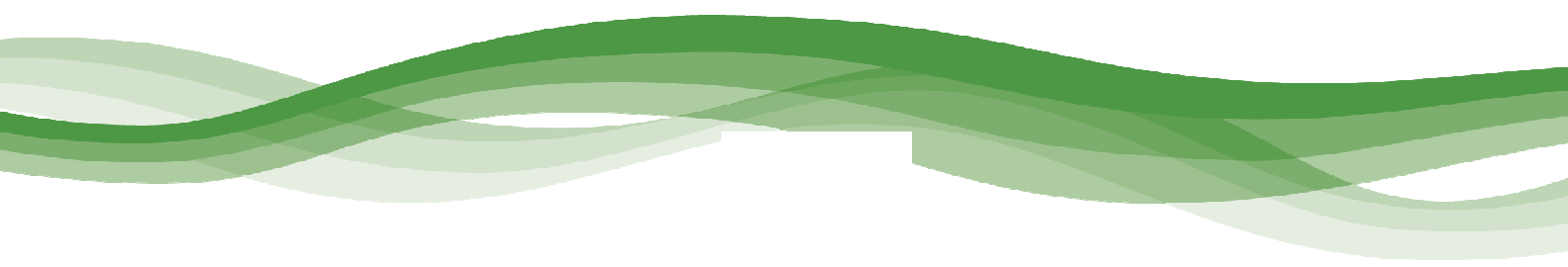
delegation set out below or otherwise in accordance with the council's adopted constitution.

- 1.12 The policy will be used as a basis in coming to consistent and transparent decisions in respect of licence applications.
- 1.13 The policy does not:
- a) Undermine the right of any individual to apply for a variety of permissions and to have each application considered on its individual merits; or
 - b) Override the right of any person to make representations on an application, or seek a review of a licence or certificate, where the Act allows.

Scope

- 1.14 This policy relates to the licensable activities defined by section 1(1) of the Act, namely:-
- a) retail sales of alcohol;
 - b) the supply of alcohol by or on behalf of a club;
 - c) the provision of regulated entertainment; and
 - d) the provision of late night refreshment.

Licensing Objectives

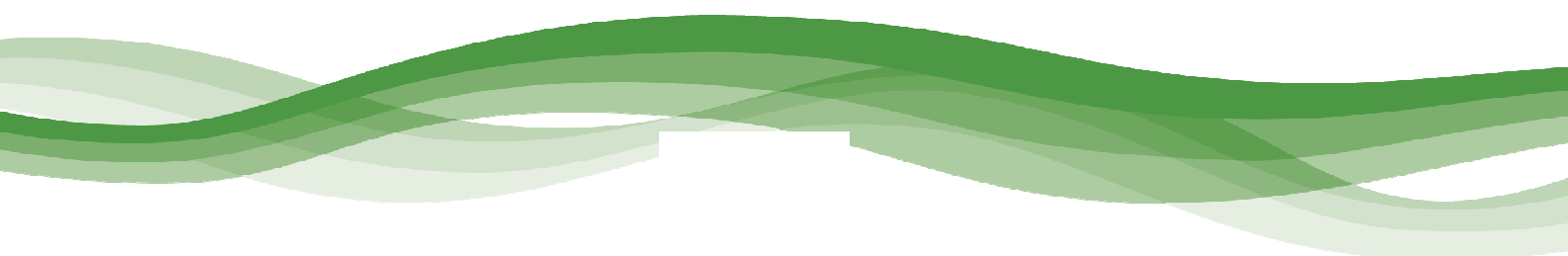
- 1.14 The council will carry out its licensing functions under the Act with a view to promoting the four licensing objectives, which are:
- a) The prevention of crime and disorder;
 - b) Public safety;
 - c) The prevention of public nuisance; and
 - d) The protection of children from harm.
- 1.15 The aim of the licensing process is to regulate licensable activities so as to promote the licensing objectives.
- 1.16 In determining a licensing application, the overriding principle adopted by the council will be that each application is determined on its merits. Licence conditions will be tailored to the individual application and only those necessary to promote the licensing objectives will be imposed.
- 1.17 The council will also have regard to wider considerations affecting the residential population and the amenity of the area. These include littering, noise, street crime and the capacity of the infrastructure.
- 1.18 Each of the four objectives is of equal importance and will be considered in relation to matters centred on the premises or within the control of the licensee and the effect which the operation of that business has on the vicinity.
- 

Consultation

- 1.19 In accordance with section 5 of the Act and prior to the publication of this Policy the Licensing Authority consulted with the persons and organisations stipulated in [Appendix A](#) of the policy.

Duration and Review

- 1.20 The policy takes effect on xxxx and will remain in force for a period of no more than five years. During this time it will be subject to regular review and updating or modification as appropriate, for example to take account of any changes in licensing legislation.



2. The Borough of Cheltenham

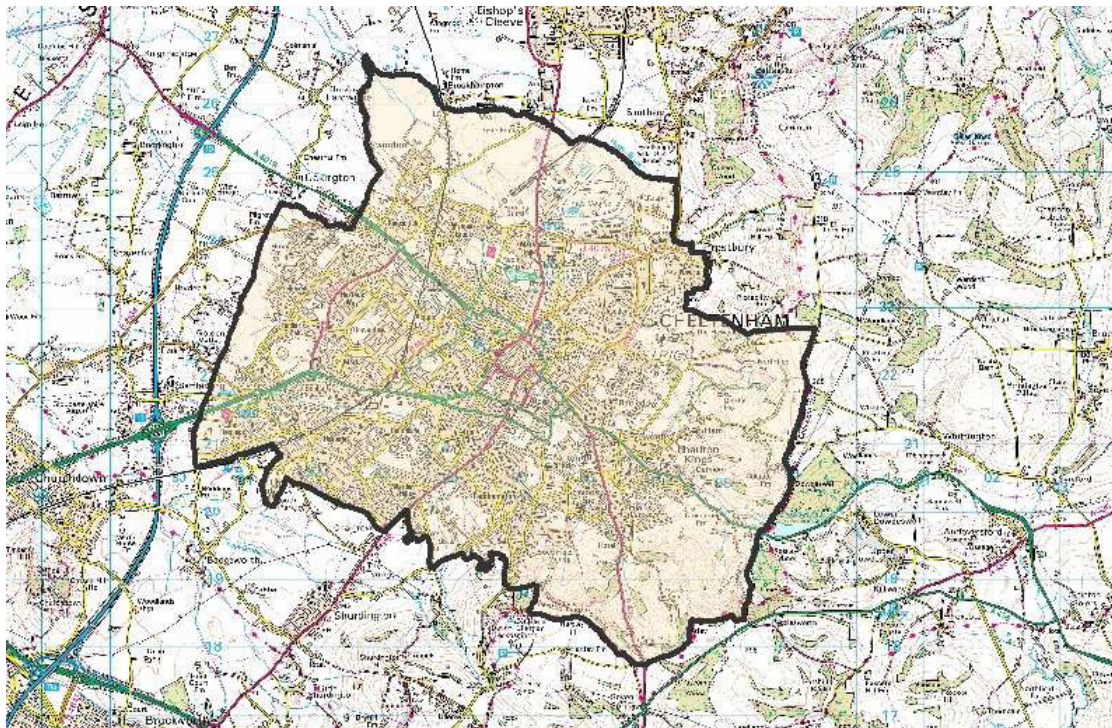
The Area

Until the late 1700s, Cheltenham was a small market town that became a fashionable resort after spa waters were discovered. Over the years it has attracted major employers and has gained a reputation for being an international festival town. This, together with its architectural heritage, educational facilities and quality environment, makes Cheltenham an attractive place to live, work and play.

The borough, which includes 5 parishes, has a population of approximately 114,000 who live in 20 wards. The borough is mainly urban with some areas of surrounding countryside. It covers an area of approximately 4,680 hectares of which 17 % is designated as green belt and 22 % as an area of outstanding natural beauty.

Demography

The population is approximately 114,000, and these figures will continue to rise over the next 20 years.



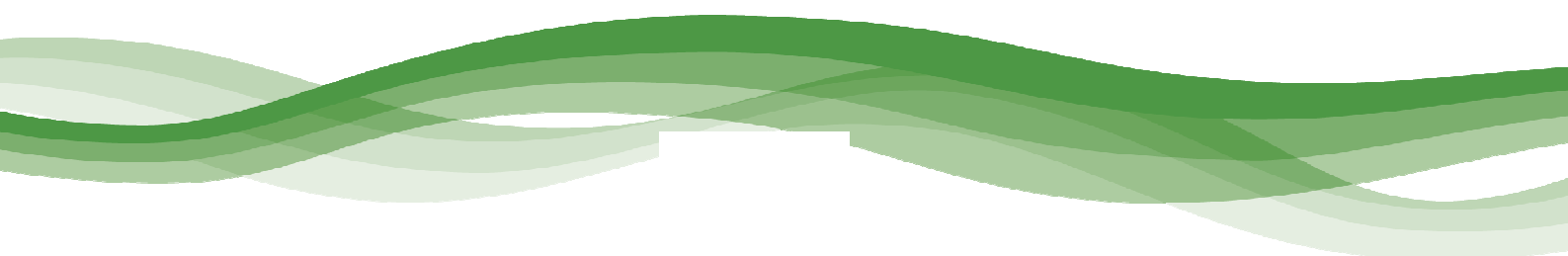
3. Licensing Process - Making an Application

Premises Licences & Club Premises Certificates

- 3.1 The relevant application forms and associated documents are obtainable from the council's website at <http://www.cheltenham.gov.uk/licensing> or from the licensing section during normal office hours.
- 3.2 The council offers pre-application advice for certain licence application types. For more information on the pre-application advice, please visit the [website](#).

The Operating Schedule

- 3.3 The operating schedule is a key document and, if prepared comprehensively, will form the basis on which premises can be licensed without the need for additional extensive conditions. The council expects an operating schedule to indicate the steps that the applicant proposes to take to promote the licensing objectives.
- 3.4 All applicants for the grant or variation of a premises licence or club premises certificate are required to provide an operating schedule as part of their application.
- 3.5 Applicants are strongly recommended to discuss their operating schedules with the responsible authorities prior to submitting them.
- 3.6 The complexity and detail required in the operating schedule will depend upon the nature and use of the premises. For premises such as a public house where public entertainment is not provided, only a relatively simple document will be required. For a major public entertainment venue it will be expected that issues such as public safety and crime and disorder will be addressed in detail.
- 3.7 Applicants will also be expected to propose practical measures to prevent disturbance to local residents and to indicate what action will be taken to prevent or reduce noise emanating from the premises.
- 3.8 The operating schedule must be on the prescribed form and include a statement of the following:
 - a) Full details of the licensable activities to be carried on at and the intended use of the premises;
 - b) The times during which the licensable activities will take place;
 - c) Any other times when the premises are to be open to the public;
 - d) Where the licence is only required for a limited period, that period;
 - e) Where the licensable activities include the supply of alcohol, the name and address of the individual to be specified as the designated premises supervisor;
 - f) Whether alcohol will be supplied for consumption on or off the premises or both; and



- g) The steps which the applicant proposes to promote the licensing objectives.

Guidance on Operating Schedule

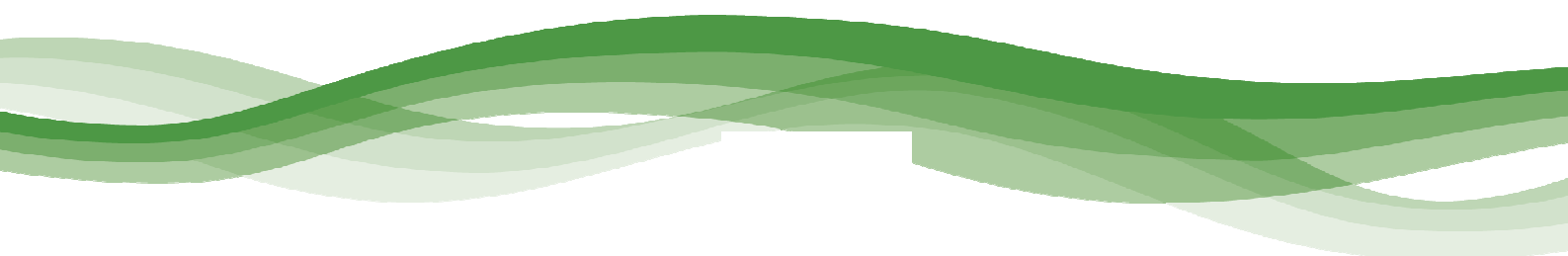
- 3.9 The following guidance is intended to assist applicants by setting out criteria and considerations that they should bear in mind when drawing up an operating schedule. They alert applicants to any matters that responsible authorities are likely to consider when deciding whether to make representations on an application or whether to call for a review.

a) Crime and Disorder

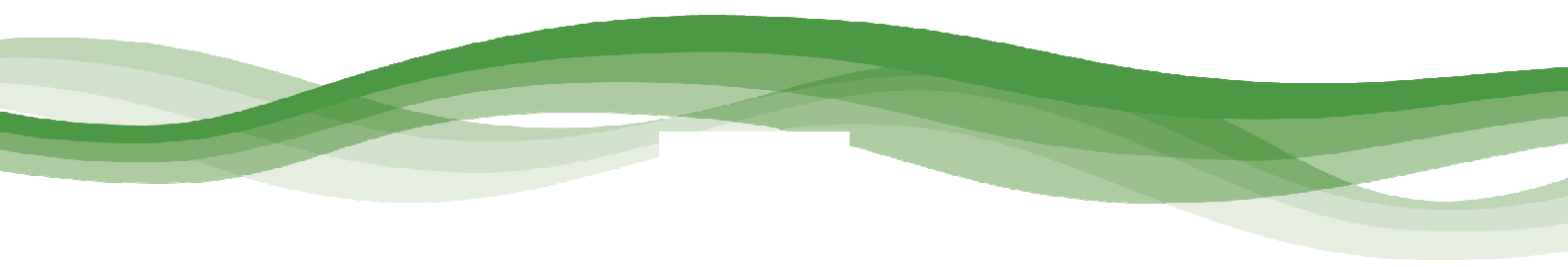
- 3.10 The promotion of the licensing objective, to prevent crime and disorder, places a responsibility on licence holders to become key partners in promoting this objective.
- 3.11 Applicants will be expected to demonstrate in their operating schedule that suitable and sufficient measures have been identified and will be implemented and maintained to reduce or prevent crime and disorder on and in the vicinity of their premises, relevant to the individual style and characteristics of their premises and events.

Considerations

- 3.12 When addressing the issue of crime and disorder, the applicant should demonstrate that those factors that impact on crime and disorder have been considered. These factors may include:
 - a) Underage drinking;
 - b) Drunkenness on premises;
 - c) Public drunkenness;
 - d) Drugs;
 - e) Violent behaviour; and/or
 - f) Anti-social behaviour.
- 3.13 In making their decision, regard should be given to the levels of crime and disorder in and around the venue, the level of compliance with conditions on existing licences and any available evidence on crime and disorder issues.
- 3.14 Applicants are recommended to consult the Reducing Alcohol Related Violence Codes of Practice when considering their operating schedule.
- 3.15 A pool of model conditions has been prepared and individuals preparing operating schedules are at liberty to use these conditions, or volunteer any other measures(s) to promote the licensing objectives. Please see Appendix C for the pool of model conditions for the prevention of crime and disorder.

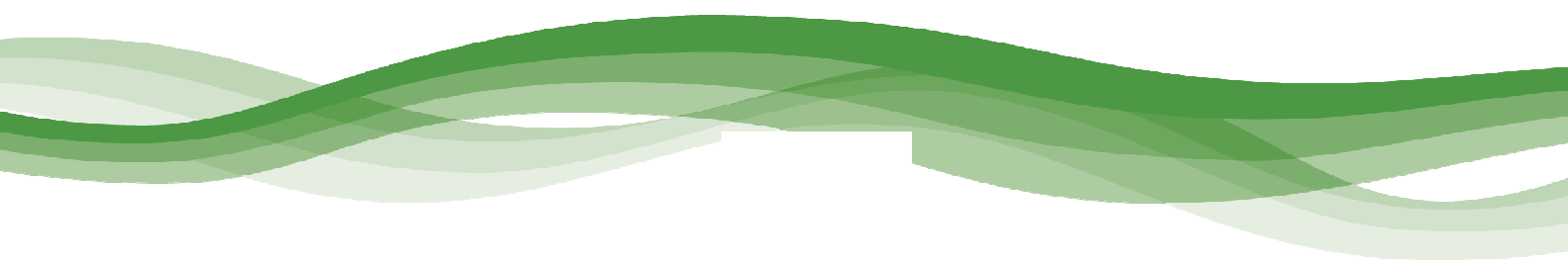



b) Public Safety

- 3.16 The council in its role as licensing authority must try to ensure the safety of people visiting and working in licensed premises. The council will need to be satisfied that measures to promote public safety including risk assessments, setting safe capacities and adequate means of escape are put in place and maintained, if not adequately provided for by other regulatory regimes.
- 3.17 Consideration should be given to whether:
- a) appropriate and satisfactory general and technical risk assessments, management procedures and certificates have been made available to the relevant responsible authority and to the council, that demonstrate that the public will be safe within and in the vicinity of the premises;
 - b) the premises already has a licence or a fire certificate that specifies the maximum number of people that can attend it or be present and, if not, whether a risk assessment has been undertaken to assess the maximum number of people in terms of capacity in various parts of the premises, so that they can be operated safely and can be evacuated safely in the event of an emergency;
 - c) there are procedures proposed to record and limit the number of people on the premises with opportunities for going outside and readmission;
 - d) patrons can arrive at and depart from the premises safely;
 - e) music, dance and performance venues will use equipment or special effects that may affect public safety (i.e. moving equipment, pyrotechnics, strobe lights, smoke machines);
 - f) there are defined responsibilities and procedures for medical and other emergencies and for calling the emergency services; and/or
 - g) the levels of compliance with conditions on existing licences relating to public safety.
- 3.18 The council seeks to encourage the use of toughened glassware and polycarbonate where appropriate in licensed premises. Where a relevant representation is received the council will consider imposing a condition prohibiting the sale of alcohol in annealed glass containers and require the use of polycarbonate or other safer alternatives in order to promote public safety in licensed venues.
- 3.19 A pool of model conditions has been prepared and individuals preparing operating schedules are at liberty to use these conditions, or volunteer any other measures(s) to promote the licensing objectives. Please see Appendix C for the pool of model conditions for public safety.
- 

c) Public Nuisance

Measures to limit nuisance

- 3.20 The council will expect applicants to set out in their operating schedules the steps taken, or proposed to be taken, to deal with the potential for public nuisance arising from the operation of the premises.
- 3.21 Applicants should identify and describe through a risk assessment how these risks will be managed. Public nuisance could include low-level nuisance perhaps affecting a few people living locally as well as major disturbance affecting the whole community.
- 3.22 Applicants will be expected to have included measures in their operating schedules that make adequate provision to:
- a) restrict the generation of noise within the premises and from activities associated with the premises in the vicinity, or from an open air site;
 - b) limit the escape of noise from the premises or open air site;
 - c) restrict noise emissions to below levels that could affect people in the vicinity going about their business, at work and when at home both while relaxing and while sleeping;
 - d) minimise and control noise from customers arriving at the premises, or open air site outside it and departing from it;
 - e) minimise and control noise from staff, contractors and suppliers and their activities;
 - f) minimise and control noise from vehicles associated with and providing services to the premises or open air site and their customers;
 - g) determine whether people standing or sitting outside premises are likely to cause obstruction or other nuisance;
 - h) whether the premises are under or near to residential accommodation;
 - i) the hours of the sale of alcohol in open containers or food for consumption outside the premises;
 - j) measures to make sure that customers move away from outside premises when such sales cease;
 - k) measures to collect drinking vessels and crockery, cutlery and litter;
 - l) the extent and location of areas proposed to be set aside for the consumption of food and alcoholic drink and for smoking;
- 

- m) whether there is a need for door supervisors to prevent or to control customers congregating in outdoor areas to smoke, consume food or drink (whether supplied from the premises or not).
 - n) adequate measures to prevent the following arising from the proposed licensable activity that may cause disturbance to people in the vicinity:
 - a. litter, smells, fumes, dust, smoke, or other emissions;
 - b. street fouling;
 - c. light pollution.
- 3.23 The role of the council is to maintain an appropriate balance between the legitimate aspirations of the entertainment industry and the needs of residents and other users of the town including businesses, workers, shoppers and visitors.
- 3.24 Playing of music can cause nuisance both through noise breakout and by its effect on patrons, who become accustomed to high sound levels and to shouting to make themselves heard, which can lead to them being noisier when leaving premises. Other major sources of noise nuisance are vehicles collecting customers, the slamming of car doors and the sounding of horns. These noises can be particularly intrusive at night when ambient noise levels are lower.
- 3.25 Where relevant representations are received, the council may attach appropriate conditions to licences, necessary to support the prevention of undue noise disturbance from licensed premises. Where premises remain open after 23:00, the licence holder will be expected to provide facilities which are relevant to controlling noise and the patrons of those premises late at night. The council also expects that premises which produce noise generating licensable activities are acoustically controlled and engineered to a degree where the noise from the premises when compared to the ambient noise level will not cause undue disturbance.
- 3.26 The provision of tables and chairs outside the premises, either on the highway or on private land, and the provision of beer gardens, can enhance the attractiveness of the venue. It can have the benefit of encouraging a continental style café culture and family friendly venues. However, late at night, tables and chairs and beer gardens can cause significant public nuisance to residents whose homes overlook these areas.
- 3.27 The 'smoke free public places' legislation in July 2007 has led to an increase in the number of people outside licensed venues. Where outside facilities are provided the council expects applicants to provide details in their application of:
- a) the location of open air areas; and
 - b) how the outside areas will be managed to prevent noise, smell, or obstruction and nuisance to neighbours and the public.
- 3.28 Licensees and their staff are expected to have sufficient measures in place to prevent such problems arising including a suitable litter and waste
- 

management program to ensure that the area outside the premises is kept free of litter at all times.

- 3.29 Where the council receives relevant representations, or where a responsible authority or an interested party seeks a review, the council may consider imposing conditions to improve the management of the outside area or prohibiting or restricting the use of these areas in order to promote the public nuisance objective.
- 3.30 Conditions may include maximum noise levels over particular time periods, the installation of acoustic lobbies, provision of signs, publicity and dispersal policies.
- 3.31 A pool of model conditions has been prepared and individuals preparing operating schedules are at liberty to use these conditions, or volunteer any other measures(s) to promote the licensing objectives. Please see Appendix C for the pool of model conditions for the prevention of public nuisance.

d) Protection of Children from Harm

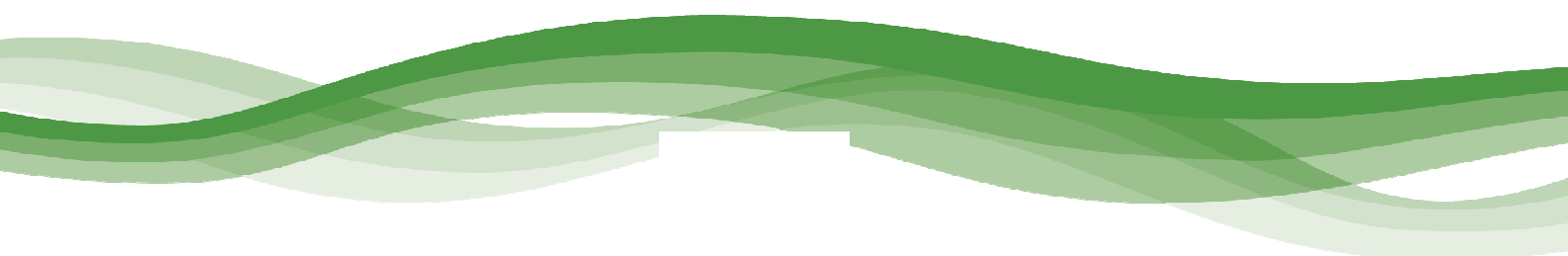
- 3.32 The council needs to satisfy itself that there are appropriate measures in place to protect children from harm.
- 3.33 To this extend it will expect applicants, where necessary, to consider the measures necessary to promote the licensing objective of protecting children from harm when on the premises.
- 3.34 These measures may include staff training on how to control the entry of children and young people under 18 and the vetting of staff who will supervise them. Applicants will have to give particular regard to these measures in applications for licences involving:
 - a) the sale of alcohol;
 - b) children's performances; and
 - c) attractions or performances likely to attract children.
- 3.35 It is an offence to sell alcohol to children. In this context, children are defined as individuals under 18. The provisions of the Act are that unaccompanied children under 16 should not be on "premises being used exclusively or primarily for the supply of alcohol" (eg "alcohol led" premises such as pubs, bars and nightclubs). In addition, it is an offence to allow unaccompanied children under 16 on premises licensed to sell alcohol for consumption on the premises after midnight but before 05:00.
- 3.36 Issues for consideration include:
 - a) installing effective measures to check the age of those young people who appear under 21 to ensure that alcohol is not sold to those under 18 and those under 16 are accompanied in alcohol led premises;
 - b) exclusive or primary purpose of the services provided at the premises;

- c) accompanied children under 16 on the premises of which the primary purpose is supply of alcohol for consumption on the premises are taking a table meal or are being entertained by a live performance;
- d) the hour to which accompanied children under 16 are proposed to be on the premises where the exclusive or primary purpose of the services provided at the premises is the supply of alcohol for consumption on the premises;
- e) due regard is paid to industry codes of good practice on the labelling and display of alcoholic drinks;
- f) are there adequate procedures for identifying unaccompanied or lost children and ensuring that they are kept safe and adequately supervised until they can be handed over to a responsible adult;
- g) the likelihood of children being attracted to the premises by the nature of activities or facilities provided whether or not these are licensed;
- h) is there evidence of heavy, binge or underage drinking on the premises;
- i) if the premises commonly provides entertainment or services of an adult or sexual nature;
- j) is there a strong element of gambling on the premises;
- k) age restricted films are to be shown classified in accordance with the recommendations of the British Board of Film Classification;
- l) the number of adults required for the supervision of children and the suitability and vetting of those adults to ensure they pose no risk to children.

3.37 A pool of model conditions has been prepared and individuals preparing operating schedules are at liberty to use these conditions, or volunteer any other measures(s) to promote the licensing objectives. Please see Appendix C for the pool of model conditions for the protection of children of harm.

Plans

3.38 A plan must also be attached to an application for a premises licence or a club premises certificate. The plan should be at a scale of 1:100. The plans do not have to be professionally drawn, however, they must be to scale and contain the relevant information as required under regulation. The council will accept plans of a scale other than 1:100, however this must be approved prior to submitting the application.



4. Determination of Applications

Decision Making Process

- 4.1 Decisions on licensing matters will be taken in accordance with an approved scheme of delegation below:

Matters to be dealt with	Full Committee	Sub Committee	Officers
Application for personal licence		If a police objection	If no objection made
Application for personal licence with unspent convictions		All cases	
Application for premises licence/club premises certificate		If a relevant representation made	If no relevant representation made
Application for provisional statement		If a relevant representation made	If no relevant representation made
Application to vary premises licence/ club premises certificate		If a relevant representation made	If no relevant representation made
Application to vary designated premises supervisor		If a police objection	All other cases
Request to be removed as designated premises supervisor			All cases
Application for transfer of premises licence		If a police objection	All other cases
Applications for interim authorities		If a police objection	All other cases
Application to review premises licence/ club premises certificate		All cases	
Decision on whether a complaint is irrelevant frivolous vexatious etc			All cases
Decision to object when local authority is a consultee and not the relevant authority considering the application		All cases	
Determination of an objection to a temporary event notice		All cases	
Determination of application to vary premises licence at community premises to include alternative licence		If a police objection	All other cases

condition			
Decision whether to consult other responsible authorities on minor variation application			All cases
Determination of minor variation application			All cases

Unopposed Applications

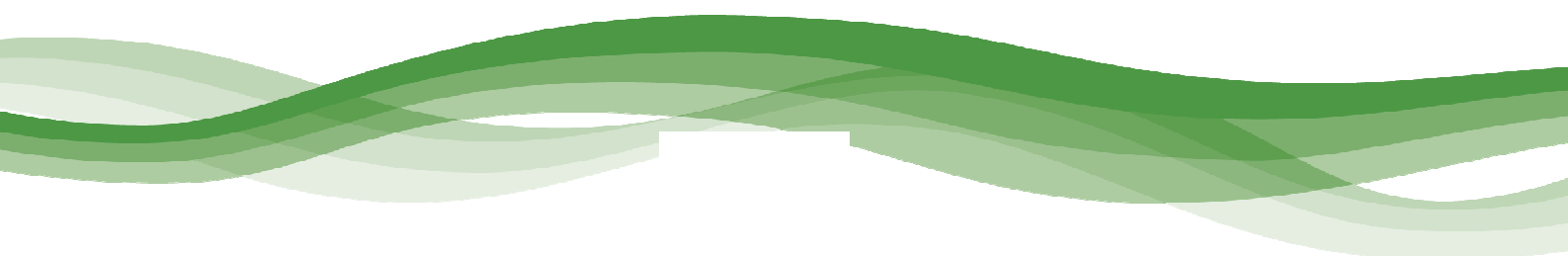
- 4.2 If no relevant representations are received the licence will be issued automatically with, in the case of a premises licence or club premises certificate, such conditions attached as are mandatory or are consistent with the operating schedule accompanying the application. The council will have no discretion to refuse the application or to alter or add to the conditions offered through the operating schedule.

Opposed Applications

- 4.3 Where relevant representations are made, the council must hold a hearing before a licensing sub-committee who will take such of the following steps as it considers necessary for the promotion of the licensing objectives.
- 4.4 The steps are:
- a) to grant the licence subject to the operating schedule modified to such extent as the sub-committee considers necessary for the promotion of the licensing objectives, and subject to the relevant mandatory conditions;
 - b) to exclude from the scope of the licence any of the licensable activities to which the application relates;
 - c) to refuse to specify a person in the licence as the premises supervisor;
 - d) to reject the application.

Representations

- 4.5 The council has discretion on whether to grant applications for licences and to impose conditions on granting and reviewing licences, only when relevant representations are made.
- 4.6 In brief "relevant representations" is the expression used in the Act for comments including objections on applications.
- 4.7 For a representation to be relevant it must:
- a) relate to the effect of the grant of the licence on the promotion of the licensing objectives;

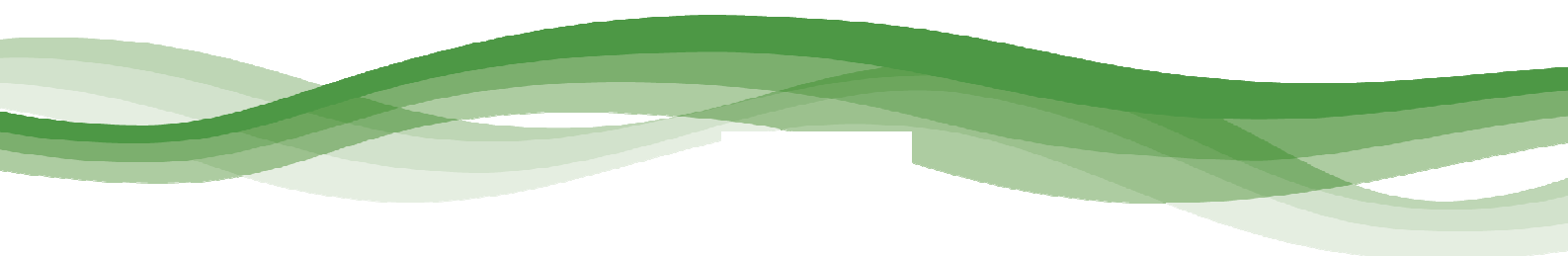


- b) be made by a responsible authority or other persons;
- c) not be 'frivolous or vexatious' or, in the case of a review, 'repetitious' if made by other persons; or
- d) if it concerns the designated premises supervisor be made by a chief officer of police and include a statement explaining the reasons for the objection.


4.8 Representations can also be made in support of an application.

Appeals

- 4.9 Anyone aggrieved by a decision of the council has a right of appeal. This is set out in schedule 5 of the Act.
- 4.10 The council will inform the appropriate parties of their right of appeal in accordance with the Act, when confirming a decision of the licensing sub-committee.
- 4.11 Aggrieved parties should lodge any appeal with the Magistrates' Court within 21 days of the notification of the decision.

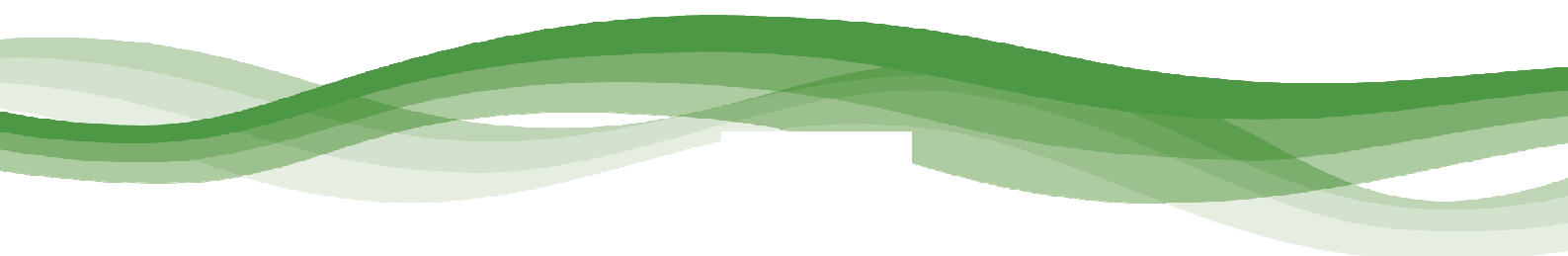


5. Temporary Event Notices (TENs)

- 5.1 The Act enables certain organised events for less than 500 people to take place following notification to the council, the police and environmental health.
- 5.2 The limit on the number of TENs which may be given by any applicant is 5 within the same year, unless the applicant holds a personal licence, in which case the limit will be 50 within the same year.
- 5.3 A number of limitations are imposed on the use of TENs by the Act. The limitations apply to:
- the number of times a premises user may give a TEN (50 times in a calendar year for a personal licence holder and five times in a calendar year for other people);
 - the number of times a TEN may be given for any particular premises (12 times in a calendar year);
 - the maximum duration of an event authorised by a TEN is 168 hours (seven days);
 - the maximum total duration of the events authorised by TENs in relation to individual
 - premises (21 days in a calendar year);
 - the maximum number of people attending at any one time (fewer than 500); and
 - the minimum period between events authorised under separate TENs in relation to the same premises (not including withdrawn TENs) by the same premises user (24 hours).
- 5.4 Although the statutory legal minimum time required for the notification of a TEN to the council, police and environmental health is 10 working days, or 5 working days for a late temporary event, it is essential that proper consideration of the proposed event is given. Statutory guidance allows the council to publicise its preferred timescale for notification.
- 5.5 Where an existing premises licence is in operation the council would encourage a TEN to be submitted at least 4 weeks but not more than 12 weeks before an event. For applications where there is not a current premises licence, for example community events, 15 working days in advance of the event would be encouraged to allow for proper consideration of the event.
- 5.6 The council will encourage bona fide community events. A TEN for existing licensed premises will not be encouraged where the proposal is simply to extend the existing hours of operation.
- 5.7 Applicants are encouraged to consult responsible authorities prior to formal notices being submitted.
- 5.8 The council expects those who have given notice of a temporary event to have identified the particular issues having regard to their type of premises and/or activities, and to have in place written policies for addressing issues such as drunkenness, crime/disorder and drugs on their premises and for
- 

ensuring staff are trained on these policies. The Reducing Alcohol Related Violence Codes of Practice contains guidance on promoting the licensing objectives including potential risks and possible solutions for the different types of licensable activities.

- 5.9 The processing of TENs by the council is controlled by a strict statutory timetable, therefore, the council will not accept a notice unless it is complete in all respects at the time of submission.

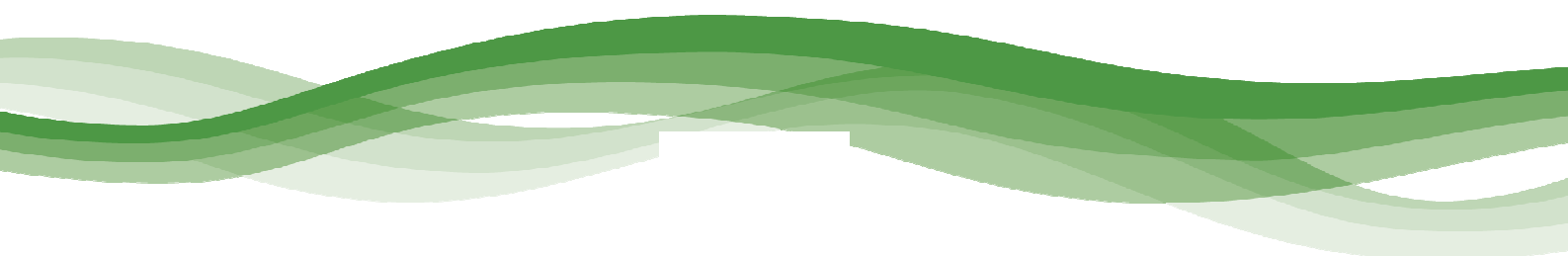


6. Integrating Strategies & Specific Policies

- 6.1 The council has established a good track record of partnership work and will continue to work in partnership with the police, local residents, businesses, licensees, communities and regulatory agencies towards safeguarding the quality of life for residents, and the creation of a safer and more pleasant environment for all.
- 6.2 In particular, Cheltenham has a vibrant night-time economy that far exceeds other towns of similar sizes. The town offers a rich choice of entertainment and facilities making it a destination attracting usually high numbers of visitors some travelling considerable distances to enjoy what the late night economy has to offer.
- 6.3 Although the vast majority of people visiting the town do so safely and responsibly, an active night-time economy nonetheless demands additional resource and cost for the council, police and other partners to deal with associated crime, disorder and other anti-social behaviour.
- 6.4 Although the challenges associated with the supply of alcohol are more prevalent during the night-time economy, there are nonetheless also challenges during other times of the days.
- 6.5 In addressing these challenges, the council will continue to work with partners in particular the licensed trade, licensing enforcement, the police, the noise pollution team, community safety partnerships, Gloucestershire fire service and planning enforcement.

Late Night Levy

- 6.6 The council has resolved that the Late Night Levy ("LNL") should be adopted in Cheltenham.
- 6.7 The council, Gloucestershire's Police and Crime Commissioner and other partners will seek to use the levy income to:
 - a) Promote a greater diversity in the night time economy that is less focused on alcohol.
 - b) Support better management of licensed premises and public spaces.
 - c) Create a raft of measures that supports safe movement through the night time economy.
 - d) Work together to reduce alcohol related health harms by preventing vulnerability, promoting safe drinking limits and reducing pre-loading.
 - e) Work together to promote a clean environment.



Encouraging diversity in the night-time economy that is less focused on alcohol

- 6.8 Cheltenham has a vibrant night-time economy that far exceeds other towns of similar sizes. It is recognised that the night-time economy plays an important part in creating a vibrant and sustainable economy but this must be balanced with the ambition to expand the offer for leisure, tourism and business by providing an attractive offer for all age and religious groups.
- 6.9 To this end, the council will explore and support opportunities to increase events, activities and businesses which are not necessarily alcohol led which are more socially-inclusive and drive the economy.

Designated area of concern

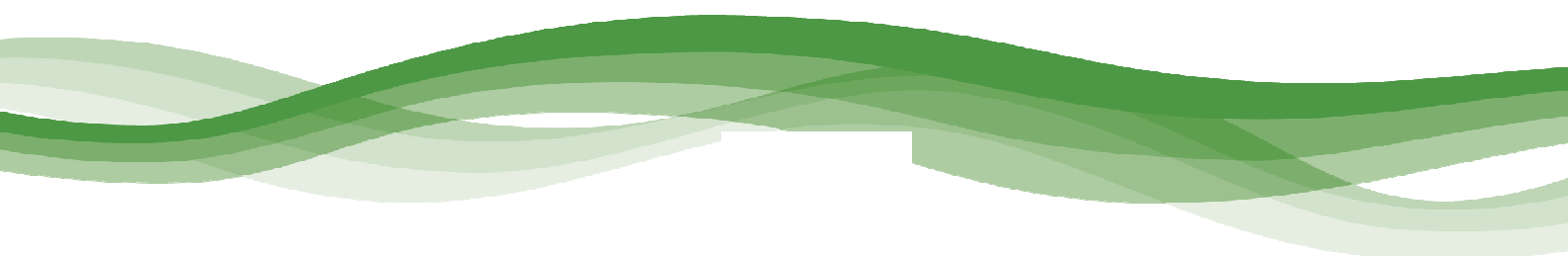
- 6.10 There are areas of the borough where the evidence does not suggest that they should be designated as Cumulative Impact Areas but which will require regular review to establish whether the concentration of licensed premises are considered to have begun to cause cumulative impact on one or more of the licensing objectives.
- 6.11 The council has identified the town centre (Appendix D) as being an area of concern in that it is susceptible to alcohol related crime, alcohol hospital admissions and nuisance arising from or caused by the customers of licensed premises.
- 6.12 The council will monitor the number of licensed premises in the designated area and any risk factors that may indicate that the area is reaching a point when a cumulative impact is likely or imminent.
- 6.13 The designated area of concern will also provide the council and its partners an opportunity to put measures in place to address the concerns highlighted.

Joint Core Strategy and other planning policies

- 6.14 There are a number of key planning policies that sets out a shared vision and proposes where future development in the borough.

Designated Public Places Order

- 6.15 The council supports the use of DPPOs as a tool to prevent crime and disorder by tackling anti-social behaviour associated with consumption of alcohol in the street. The council would expect premises that operate in areas where DPPOs have been implemented to have measures in place to ensure their customers do not contribute to problems of anti-social drinking.
- 6.16 The DPPO was implemented on 1 March 2005 in the borough and requires any person who is consuming alcohol within a designated place to surrender or cease to consume intoxicating liquor when requested to do so by a police




constable. A full list of designated street is available from the Licensing Section.

Management of Licensed Premises

- 6.17 A critical element of the proper control of licensable activity and a premises where such activity is provided is good management of those activities and the premises generally.
- 6.18 The council will encourage everybody involved in providing or are involved in licensable activities, to consider what skills and competencies are appropriate in the safe delivery of regulated activities and secure these. This applies to managers, musicians, door staff, bar staff, performers and contractors as well as everyone associated with the activities.
- 6.19 Good management also extends to the appropriate advertising of events and premises users and licensees are expected to control advertising content as part of their role.
- 6.20 The council undertakes proactive risk based inspections of all licensed premises to ensure that they are managed properly. Premises that consistently fail inspections may be subject to a licence review or other enforcement action.

Designated Premises Supervisor

- 6.21 Any premises where alcohol is sold under a premises licence must have a designated premises supervisor (DPS). The DPS will be named in the premises licence, a summary of which must be displayed on the premises. A DPS must be a personal licence holder. Every sale of alcohol must be made or authorised by a person who holds a personal licence (or must be made or authorised by the management committee in the case of community premises).
 - 6.22 The Act does not require a DPS or any other personal licence holder to be present on the premises at all times when alcohol is sold. However, the DPS and the premises licence holder remain responsible for the premises at all times. During times the DPS is not present on site, the council recommends that written delegation of duties are drawn up to ensure staff and regulators are clear about who is authorised to sell alcohol.
 - 6.23 The council will normally expect the DPS to have been given the day-to-day responsibility for running the premises and as such it is expected that the DPS would usually be present at the licensed premises on a regular basis. The council expects that this will be in excess of 50% of a 7-day week.
 - 6.24 The premises licence holder will be expected to ensure that the DPS has experience commensurate with the size, capacity, nature and style of the premises and licensable activities to be provided.
- 

- 6.25 Within all licensed premises, whether or not alcohol is to be sold, the council will expect there to be proper management arrangements in place which will ensure that there is an appropriate number of responsible, trained/instructed persons at the premises to ensure the proper management of the premises and of the activities taking place, as well as adherence to all statutory duties and the terms and conditions of the premises' licence.

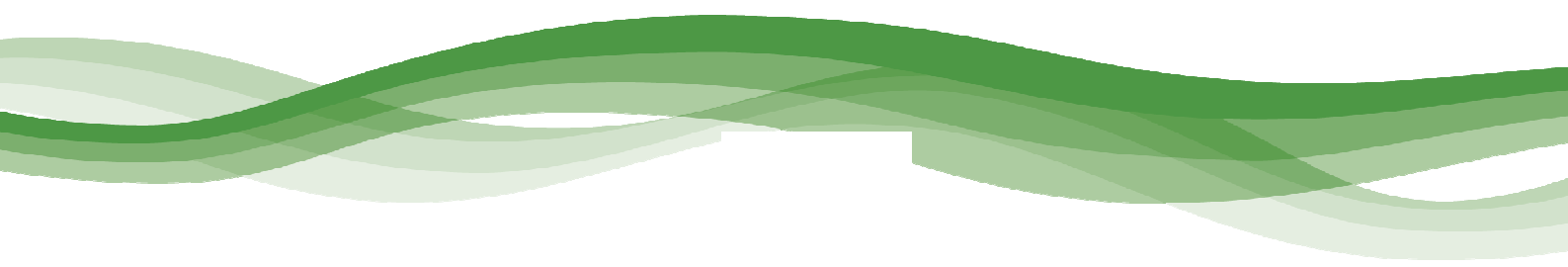
Night safe

- 6.26 The borough-wide Nightsafe network encourage its members to work together to promote the licensing objectives in their premises by providing a forum for sharing information, disseminating best practice and meeting with representatives of the council, the police and other responsible authorities. The council actively supports the scheme and is keen to support the development of more schemes where there is a demand.
- 6.27 The inclusion of radio links and ring-round phone systems should be considered an appropriate condition for public houses, bars and nightclubs operating in the town. These systems allow managers of licensed premises to communicate instantly with the police and facilitate a rapid response to any disorder which may be endangering the customers and staff on the premises.

Best Bar None

- 6.28 Best Bar None (BBN) is a national award scheme supported by the Home Office and aimed at promoting responsible management and operation of alcohol licensed premises. It was piloted in Manchester in 2003 and found to improve standards in the night time economy, with premises now competing to participate.
- 6.29 The aim of BBN is to reduce alcohol related crime and disorder in a town centre by building a positive relationship between the licensed trade, police and local authorities. The council will actively encourage licensed premises to sign up to the BBN scheme.

Reducing Alcohol Related Harm (RARV)

- 6.30 In 2006 when the Reducing Alcohol Related Violence project, supported by funding from Government Office South West, was launched in Cheltenham a great deal of effort has gone into reducing alcohol related harm and disorder in the town.
- 6.31 The Codes of Practice launched in 2007 laying down common sense principles for all sectors of the night-time economy were the first such set of codes produced in the UK and were acknowledged as best practice by the Home Office.
- 6.32 The RARV Codes of Practice was revised in 2014 and republished in 2015.
- 

Sexual Entertainment

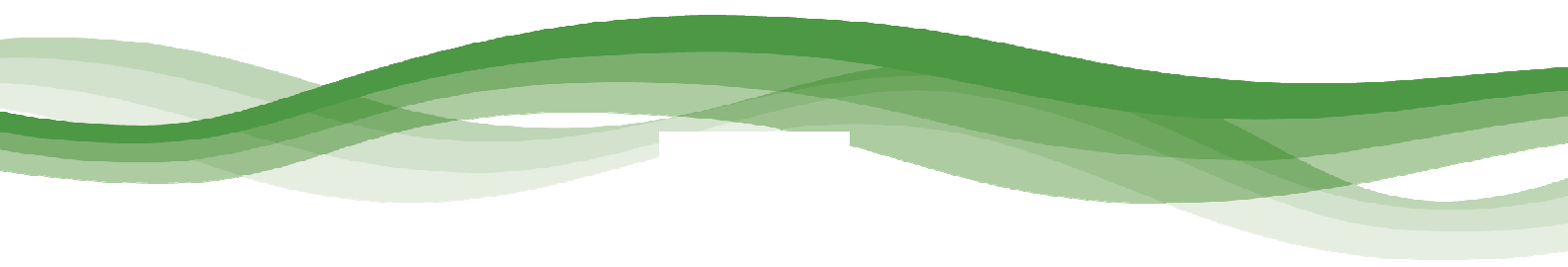
- 6.33 The council has adopted the amended provisions of schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by section 27 of the Policing and Crime Act 2009 ('the 2009 Act') with respect to "relevant entertainment", that is:

- a) any live performance; or
- b) any live display of nudity.

which is of such a nature that, ignoring financial gain, it must reasonably be assumed to be provided solely or principally for the purpose of sexually stimulating any member of the audience (whether by verbal or other means).

- 6.34 The adopted provisions came into effect on the 1st of December 2010 in Cheltenham.
- 6.35 Any premises that want to offer relevant entertainment on a regular basis, that is more frequent than 24 hours once a month on no more 11 occasions a year, can no longer offer this under the provisions of the Act as a result of the abovementioned adoption. These premises must apply for a Sexual Entertainment Venue (SEV) licence.
- 6.36 Premises that want to offer relevant entertainment on an irregular basis can still do so under the provisions of the Act. These premises must be authorised for the performance of dance and the performance of recorded music.
- 6.37 The Government has seen it fit to exempt infrequent sexual entertainment from requiring a licence. Whilst the council recognises and accepts this, it is also acutely aware that unless it is properly managed there are risks to public protection and safety, an increased likelihood of associated crime & disorder and an inability of regulatory bodies to respond accordingly.
- 6.38 Whilst the council cannot legitimately impose restrictions on infrequent sexual entertainment, it has formulated an exempt sexual entertainment code of practice outlined in its adopted SEV policy. The intention of the code of practice is to promote responsible and properly managed exempt sexual entertainment. The council expects any premises wishing to offer infrequent sexual entertainment to adhere to the code of practice.

Core Hours for Licensable Activities

- 6.39 The council will avoid arbitrary restrictions on licensing hours that undermine the principles of flexibility and consideration of each application is on its own merit.
- 6.40 The council believes that licensable activities carried on within the core hours set out below will generally not have a harmful impact on the licensing objectives, address the concerns raised by local residents and businesses and are less likely to attract representations.
- 

- 6.41 Furthermore, earlier closing will result in less alcohol consumption and drunkenness and would also be consistent with the ability to get crowds dispersed from the town centre.

Table 1: Core Hours for Licensable Activities

Type of premises	Commencement Hour No earlier than	Terminal hour No later than
Off licence	09:00	23:00
Restaurants	10:00	01:00
Theatres, cinemas and other performance venues	10:00	00:00
Pubs/Bars/Nightclubs	<u>Town centre</u> ¹ 10:00	03:00
	<u>Local Neighbourhood Areas</u> 10:00	00:00
Takeaways	n/a	04:00

- 6.42 Where relevant representations have been made, it will take the following matters into consideration when making a decision. These are not a definitive list and other matters may be considered:
- Operating schedules - demonstration of compliance with management standards to support each of the licensing objectives.
 - Proximity to residential accommodation - the likelihood of the operation to have an adverse impact on the peace and quiet of local residents.
 - Potential noise and nuisance from people leaving and entering the premises.
 - Ability to demonstrate that systems in place to ensure timely dispersal of customers away from residential areas.
 - Use of external areas for carrying out the licensable activities and potential noise impact on local residents.
 - Proposed hours of the licensing activities and general opening times for the public – The use of winding down periods to enable more efficient dispersal.
 - Type of use – alcohol led premises such as pubs, bars and nightclubs, off licenses and hot food take away premises are more likely to be associated with crime and disorder and public nuisance than other premises such as seated restaurants, theatres, cinemas and other cultural activities.

¹ As defined in Appendix D.


- h) Availability of public transport to assist in the timely dispersal of customers from the vicinity and to ensure safe travel home.
 - i) The potential for contamination of the street environment through increased litter and other pollution of the streets by customers.
- 6.43 The hours of existing licensed premises will remain unchanged unless there are good reasons, based on the licensing objectives, for restricting these hours, and then they can be changed by a licensing sub-committee following a review of the premises licence.

Latest admission times

- 6.44 The council considers it undesirable that persons should seek to 'top up' their alcohol intake by seeking out those premises that are admitting customers at the latest times because persons moving between venues late at night can lead to crime, disorder and public nuisance.
- 6.45 Establishing last entry times can reduce the tendency of customers to concentrate at those premises which remain open the latest, without restricting the hours of trading. This will encourage dispersal and reduce the pressure on late-night refreshment outlets and transport facilities which will assist with objectives to prevent public nuisance and crime and disorder in certain circumstances.
- 6.46 It is therefore this council's policy that the latest admission time, for licences premises open past midnight, to be no less than:
- a) one hour for nightclubs & late night bars; and
 - b) half an hour for pubs and other licensed premises

before the terminal hour for licensable activities.

Takeaway food premises

- 6.47 It is recognised that takeaway premises open late at night can be associated with disorder as persons under the influence of alcohol having left, or in some cases being ejected from, late night venues congregate there.
- 6.48 As such the council considers that it will normally be inappropriate to grant a premises licence permitting the sale of alcohol at premises which are principally used for selling hot food for consumption off the premises.
- 6.49 Applicants for licences are recommended to have written policies for dealing with disorder and nuisance and should give consideration to the issues regarding takeaways.
- 6.50 The council will normally require licensed premises principally used for selling hot food for consumption off the premises to have suitable CCTV installed and may impose a requirement to employ SIA doormen where such a requirement is deemed necessary.
- 

- 6.51 Operators (including mobile units) must have suitable arrangements in place for the containment and disposal of their waste in accordance with the Environmental Protection Act 1990 and subsidiary regulations. Operators of premises where food or drink is provided in disposable containers for consumption elsewhere than on the premises are expected to consider the potential for litter near their premises and take steps to actively reduce the amount of litter generated from their premises.
- 6.52 Where the council considers it appropriate, it may impose conditions on a premises licence to require the operators of premises serving customers with hot food or drink to provide litter bins in the vicinity of the premises in order to prevent the accumulation of litter from its customers.

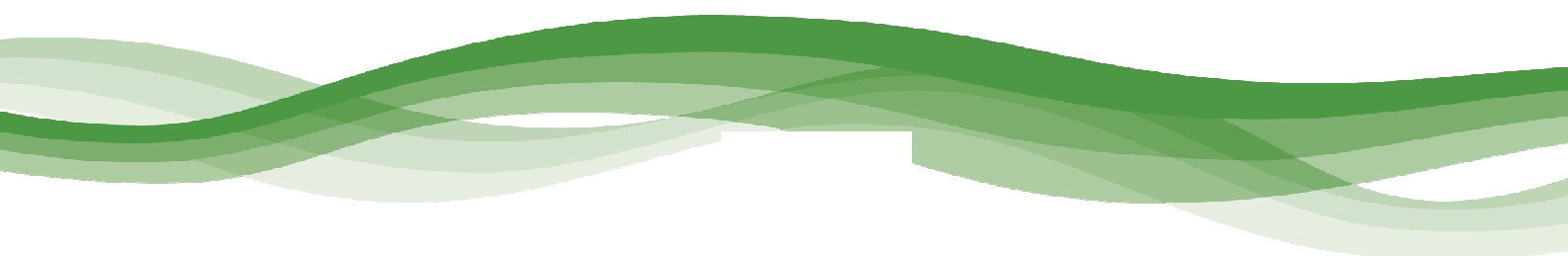
Pavement Cafes and External Areas

- 6.53 The council wishes, as far as is compatible with other highway uses, to promote the 'cafe culture' in Cheltenham because of the added life and vitality this brings to the town.
- 6.54 Whilst the provision of tables and chairs outside a premises can enhance the attractiveness of a venue, regard should be had to the need to ensure that the use of such areas will not cause nuisance to local residents and other premises in the vicinity. To this end, the council will normally restrict the use of external areas to 23:00.
- 6.55 Premises that make use of external areas are expected to manage those areas in such a way that its use does not impede access to the premises, obstruct the highway and does not cause disturbance.
- 6.56 In particular the council will expect premises to provide ash trays or wall mounted cigarette bins for patrons, be aware of the possibility of breakages of drinking glasses and glass bottles in outside areas.

Promoting safe drinking limits

Irresponsible Drinks Promotions and Drunkenness on Premises

- 6.57 Low cost alcohol sold in on and off trade premises increases alcohol consumption which can lead to crime and disorder issues. Through this policy the council would like to encourage the responsible consumption of alcohol and where there is evidence that the licensing objectives are being compromised or are likely to be compromised, the council will consider imposing controls on drinks promotions to deal with localised problems.
- 6.58 However, the council would prefer an approach whereby it, along with the licensed trade and other partners, are able to promote responsible retailing of alcohol instead of having to deal with the effects of irresponsible drinks promotions and drunkenness.



Code of Good Practice for Drinks Promotions

- 6.59 It is a known fact that the price of alcohol does have an effect on the amount people consume. It is also the case that people are more attracted to premises that offer low cost alcohol and low cost alcohol is likely to cause people to consume more alcohol than they would normally have done. Both of these situations can lead to crime, disorder and public nuisance issues.
- 6.60 The council does not wish to unnecessarily impose operational restrictions and freedoms on licensed premises. It would therefore like to encourage a voluntary code of good practice in relation to drinks promotions and to encourage licence holders and others working at the premises to familiarise themselves with the mandatory conditions relating to drinks promotions.
- 6.61 To this end, the council will encourage all licence holders to apply the following principles in relation to any drinks promotions:

Principle
Align pricing with Alcohol by Volume (ABV).
Start the sale of alcohol later in the day and not align it purely with opening hours.
Refrain from all inclusive offers.
Promotional information should clearly display: <ul style="list-style-type: none"> - Factual information on the alcoholic strength of a drink(s); - That no-one under the age of 18 years may take part in the promotion; - display Drink Aware logo/information.
Promotions should not: <ul style="list-style-type: none"> - focus on the strength of any alcohol product as the principle theme; - condone or encourage illegal, excessive or irresponsible drinking (such as binge-drinking, drunkenness or drink-driving); - refer in any favourable manner to the effects of intoxication or consumption; - suggest that alcohol consumption enhances sexual attractiveness or include promotion material that is linked to sexual imagery implying sexual success or prowess.
Restrict multi buy promotions.
No advertisements for alcohol in the shop window.

Alcohol should not be given away for free as part of a promotion or as an incentive.
--

Actively promote designated driver schemes where a driver is offered discounted or free non-alcoholic drinks.

Make food and hot drinks available in late venues.
--

Shops Selling Alcohol (Off Licences)

- 6.62 There has been a trend towards more alcohol being purchased from shops and consumed at home and less being purchased and consumed in traditional pubs, restaurants and night clubs than used to be the case in the past. The growing practice of “pre-loading” has the potential to create specific problems and detriment to the licensing objectives.
- 6.63 Furthermore, the availability of alcohol for consumption off the premises has the potential to cause other problems that include ease of access to alcohol by children, ease of thefts, encouragement of street drinking, and increase of crime and disorder and public nuisance.
- 6.64 There are a number of ways in which licence holders and the council can address these concerns.


Hours of Operation

- 6.65 See Table 1: Core Hours for Licensable Activities on page 27.

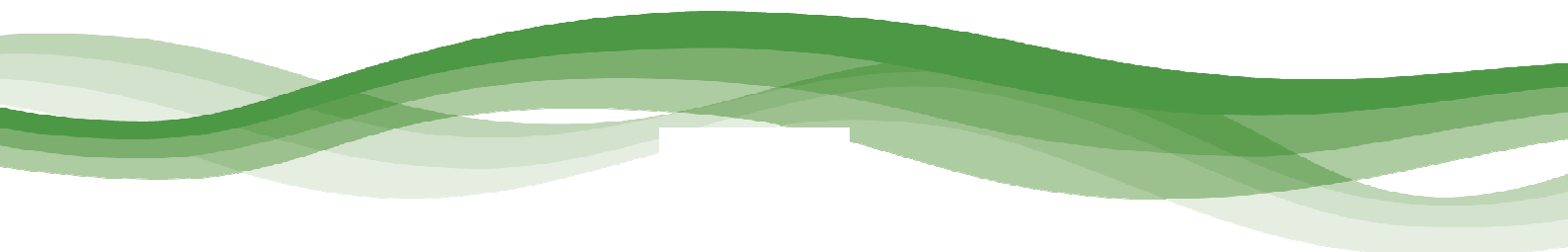
Layout and Operation of Premises

- 6.66 In most cases a licence holder will be able to address the potential problems and detriment to the licensing objectives, through the layout and the operation of the premises.
- 6.67 The council will encourage all licence holders licensed for off sales to:
- a) Store high strength alcohol behind the shop counter;
 - b) Not store or display any alcohol at the entrance/exit points of the premises;
 - c) Not advertise alcohol in a shop window;
 - d) Not sell single cans of beer or bottles of beer under 1 litre;
 - e) Not sell beer or cider over 5.5% ABV;
 - f) Not store or display any alcohol at or near check-outs; and
 - g) Refuse to sell alcohol to persons known to be persistent offenders (where the offence(s) relates/associated with alcohol) or street drinkers.

Licence Conditions & Reviews

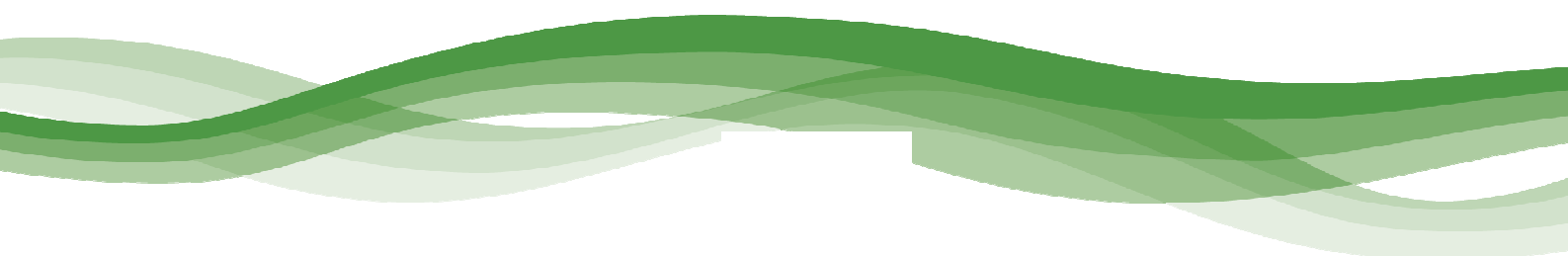
- 6.68 Where there is evidence that the licensing objectives are being compromised or are likely to be compromised, the council will consider imposing
- 

appropriate restrictions on a licence. This may include, although not limited to, restricting the hours for licensable activities, restricting the sale of alcoholic beverages over a specified limit of alcohol by volume and/or of specified quantities.



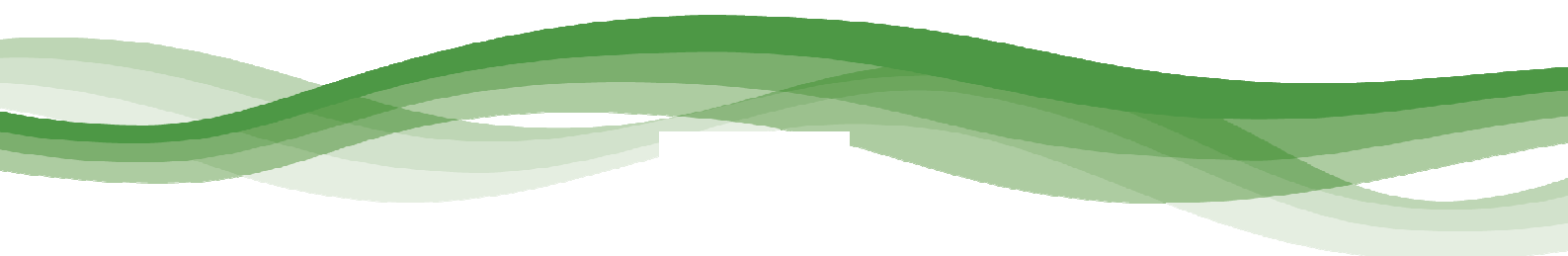
7. Film Classifications

- 7.1 The council has a statutory obligation to classify films for public screening. The BBFC is the nominated body that classify films to be exhibited in cinemas on behalf of Licensing Authorities. Films that have not been classified by the BBFC and are to be screened in the borough must be submitted to the council for classification.
- 7.2 All requests to classify a film must be accompanied by a synopsis of the film and a full copy of the film in DVD or other appropriate format. Requests shall be assessed by officers of the council against the BBFC guidelines and the licensing objectives. Officers shall view the entire film and make a recommendation with regards to the appropriate classification. Officers do however reserve the right to refer the classification of a film to a licensing sub-committee in instances deemed necessary.
- 7.3 All requests must be submitted at least 28 days before the proposed screening. Failure to submit a request in time may result in the council being unable to classify the film.



8. Events on Council Land

- 8.1 The council wants to encourage cultural and community events in the borough but at the same time also protect the quality of life for residents.
- 8.2 In accordance with the provisions of the Act, the council has made applications and been granted premises licences for areas of public land.
- 8.3 Persons wishing to carry on licensable activities on licensed public land will not be required to obtain a premises licence or give a temporary event notice themselves but must seek permission from the council to use the premises licence to put on their event unless the nature of the event is such that it does not fall within the terms of the licence.
- 8.4 The council has an adopted process for considering requests for events to be held on public land. In the first instance, persons wishing to use council land for event must complete and submit an [application form](#).
- 8.5 In addition, a Safety Advisory Group (SAG) may be established in order to consider any safety issues related to an event. The event organiser must produce an event plan and must incorporate an operating schedule, risk assessments and address any safety issues before the council allows the use of its licence.

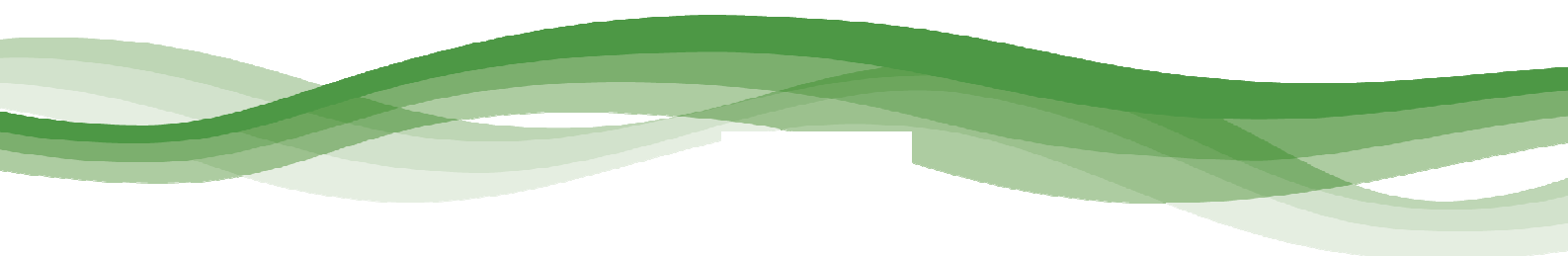


9. Enforcement

- 9.1 In terms of regulation, our aim is to target those premises which are causing problems within our communities whilst supporting well managed premises and community activities, which provide worthwhile opportunities for the enjoyment of leisure time without having a negative impact. Premises associated with disorder, threaten public safety, generate public nuisance, or threaten the well being of our children will be targeted for enforcement action.
- 9.2 Once licensed, it is essential that premises are maintained and operated so as to ensure the continued promotion of the licensing objectives and compliance with the specific requirements of the Act.
- 9.3 The council will monitor compliance with the licensing objectives through a programme of inspection visits. The proactive inspection visits are risk based so that those premises that are at a higher risk of adversely affecting the licensing objectives are more frequently inspected.
- 9.4 The council will also establish enforcement protocols with the police and other enforcement agencies to ensure efficient and targeted joint enforcement is undertaken on a regular basis.
- 9.5 This does not prevent action being taken by any individual authority at any time should offences become apparent.
- 9.6 The council will take in to account its adopted corporate enforcement policy when deciding what appropriate action to take.

Reviews

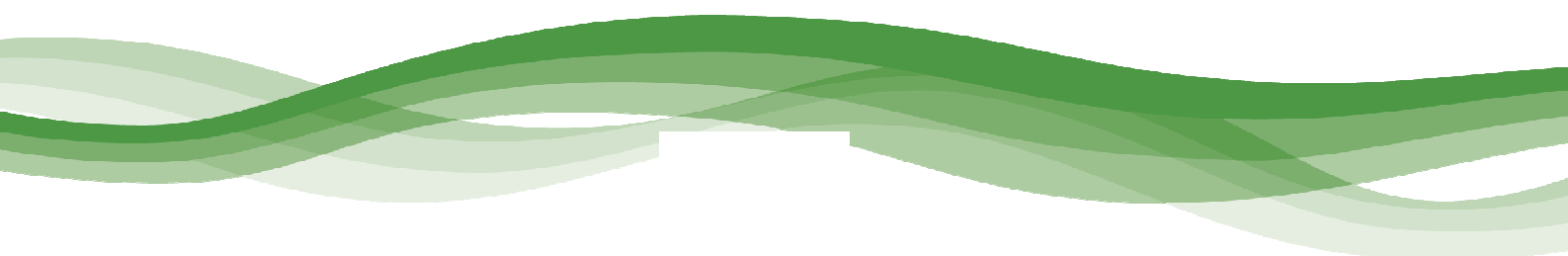
- 9.7 At any stage, following the grant of a premises licence, a responsible authority, or other person, may ask the council to review the licence because of a matter arising at the premises in connection with any of the four licensing objectives.
- 9.8 In every case, the application for review must relate to particular premises for which a licence is in existence and must be relevant to the promotion of the licensing objectives.
- 9.9 The necessary forms and documents is available from the Council's website at <http://www.cheltenham.gov.uk/licensing> or from the licensing section during normal office hours.



Appendix A –Consultees

This document has been developed by the Council in consultation with representatives of the following key stakeholder groups and organisations:

- Chief Officer of Police
- Other responsible authorities
- Gloucestershire Police & Crime Commissioner
- Premises Licence Holders
- Parish Councils
- Cheltenham Borough Council's Licensing Committee
- Bodies representing holders of premises licences, club premises licences and personal licences in the Council's area
- Bodies representing business
- Director of Environmental & Regulatory Services
- Head of Public Protection
- Trade Associations
- Local residents
- South Western Ambulance Service
- Cheltenham Safe



Appendix B – Responsible Authorities

Gloucestershire Constabulary

Licensing Unit,
No 1 Waterwells, Waterwells Drive,
Quedgeley
Gloucester
GL2 2AN

Direct line: 01452 754482 Switchboard: 101
Fax: 01452 754797
Email: licensing@gloucestershire.police.uk

Gloucestershire Fire and Rescue Service

Service Delivery Support
Waterwells Drive
Quedgeley
Gloucester
GL2 2AX

Tel: 01452 753333
Fax: 01452 753304
Email: fire.safety@glosfire.gov.uk

Pollution Prevention

Environmental Protection
Public Protection
Cheltenham Borough Council
Municipal Offices
Promenade
Cheltenham
GL50 1PP

Tel: 01242 264135
Fax: 01242 264210
Email: ehbusinesssupport@cheltenham.gov.uk

Health and Safety Enforcement

Where the local authority is the enforcing authority

Cheltenham Borough Council
Health and Safety – Environmental Health
Public Protection Division
Municipal Offices
Promenade
Cheltenham
GL50 9SA

Tel: 01242 775178
Fax: 01242 264210
Email: ehbusinesssupport@cheltenham.gov.uk



Where the HSE is the enforcing authority

Health and Safety Executive
4th Floor, The Pithay
All Saints Street
BRISTOL
BS1 1ND

Telephone: 0117 988 6000

Fax: 0117 926 2998

Email: (i) For service employment e.g. Central and Local Government, NHS etc. the contact is paula.johnson@hse.gsi.gov.uk

(ii) For other employment e.g. manufacture and repair, agriculture, transport, the contact is nigel.chambers@hse.gsi.gov.uk

Local Planning Authority

Planning Enforcement
Built Environment Division
Cheltenham Borough Council
Municipal Offices
Promenade
Cheltenham
GL50 1PP

Tel 01242 264138

Fax 01242 227323

Email: planning@cheltenham.gov.uk

Child Protection

Gloucestershire Safeguarding Children Board
Block 4, 1st Floor, Room 133B,
Shire Hall,
Westgate Street,
Gloucester,
GL1 2TH

Tel: 01452 583629

Email: gscb@gloucestershire.gov.uk

Trading Standards

Gloucestershire County Council, Trading Standards,
Hillfield House
Denmark Road
Gloucester
GL1 3LD

Tel: 01452 426201

Fax: 01452 426274

Email: tradstds@gloucestershire.gov.uk

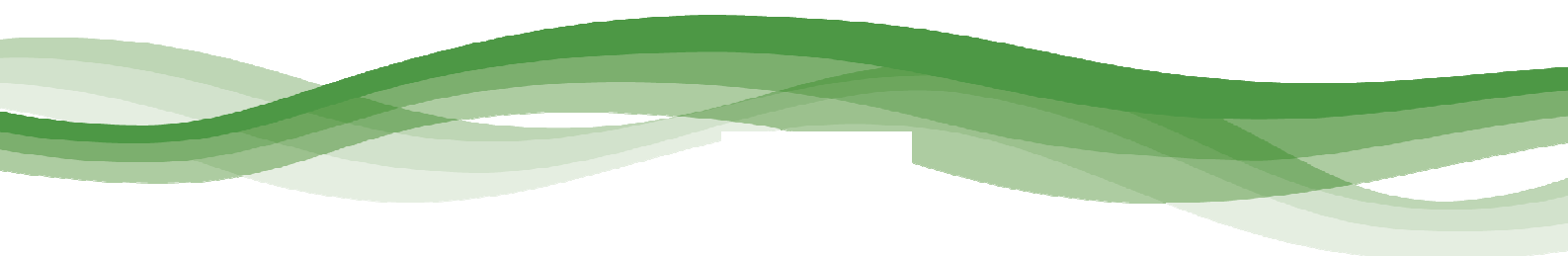


Responsible Authority for Health

Public Health Department
Block 4, 2nd Floor
Gloucestershire County Council
Shire Hall, Westgate Street, Gloucester GL1 2TG

Tel: 01452 328699

Email publichealth@gloucestershire.gov.uk



Appendix C – Pool of Model Conditions

Introduction

The conditions shall not be regarded as “standard conditions” which are to be automatically imposed on premises licences and certificates in all cases. The following are designed to provide a range of possible conditions which may need to be attached to premises licences or club premises certificates, depending upon differing situations.

All conditions attached to a premises licence and club premises certificate must be appropriate and proportionate to the application received.

The wording of the conditions may need to be modified to suit a particular premise and/or situation.

This is not an exhaustive or exclusive list of conditions.

Additional conditions may be drafted and attached to such licences and certificates to meet individual circumstances, both by the applicant in question, any responsible authority, or the Licensing Authority as deemed appropriate.

The majority of conditions refer to the ‘premises licence holder’ however, in some circumstances, it may be more appropriate for the designated premises supervisor to be responsible for complying with the condition. In these circumstances, the conditions can be amended to read ‘the designated premises supervisor or a competent person nominated by the designated premises supervisor’.

C&D – The Prevention of Crime & Disorder | **PN** – The Prevention of Public Nuisance | **CP** – Protection of Children from Harm | **PS** – Public Safety

Reference	Model Condition	Primary Licensing Objective*
Sale of Alcohol		
	There shall be a personal licence holder on duty on the premises at all times when the premises are authorised to sell alcohol.	C&D CP
	No super-strength beer, lagers or ciders of 5.5% ABV (alcohol by volume) or above shall be sold at the premises.	C&D CP
	No single cans or bottles of beer or cider shall be sold at the premises.	C&D CP
	No more than x% of the sales area to be used at any one time for the sale, exposure for sale, or display of	C&D CP

	alcohol.	
	Sales of alcohol for consumption off the premises shall only be supplied with, and ancillary to, a take-away meal.	C&D CP
	Alcohol shall only be sold to a person sitting down eating a meal and for consumption with that meal.	C&D
	Alcohol may only be sold to persons having a table meal or those waiting to be seated prior to having a table meal.	C&D
	Alcohol shall be sold to customers by waiter/waitress service only.	C&D
	There shall be no sales of alcohol for consumption off the premises.	C&D CP
	Alcohol consumed outside the premises shall only be consumed by patrons seated at tables.	C&D PN
	Any alcohol supplied for consumption off the premises must be in a sealed container.	C&D
	Substantial food and non-intoxicating beverages, including drinking water, shall be available in all parts of the premises where alcohol is sold or supplied for consumption on the premises during the periods when alcohol is authorised for sale.	C&D
Management of the Premises		
	A 'Winding-down and Dispersal' policy shall be adopted that includes measures to achieve a gradual and orderly dispersal of customers at the end of the trading session. These measures shall commence at least 15 minutes before the bar closes, and shall include slowing down the tempo of music, a significant reduction in the volume of music and announcements requesting customers to leave the premises quietly and respect the peace and quiet of the local residents.	C&D PN
	A direct telephone number for the manager at the premises shall be publicly available at all times the premises is open. This telephone number is to be made available to residents in the vicinity.	C&D PN
	The Designated Premises Supervisor or premises licence holder shall bring the contents of the licence and licence conditions to the attention of all door	C&D PN CP

	supervisors and other staff employed at the premises.	PS
CCTV		
	A CCTV system consisting of a minimum of x cameras shall be installed at the premises. The CCTV system shall be maintained in good working order, shall record at all times the premises are open, and recordings shall be kept for a minimum of 14 days and be provided on DVD to officers of the council, Trading Standards or Police on request.	C&D
	A staff member from the premises, who is conversant with the operation of the CCTV system, shall be on the premises at all times when the premises are open to the public. This staff member must be able to show the Police or Licensing Officer recent data or footage with the absolute minimum of delay when requested to do so.	C&D
	No alcohol shall be sold if the CCTV equipment is inoperative for any reason.	C&D CP
Radios		
	<p>The premises licence holder shall join the Night Safe radio scheme or any similar scheme operating in the town and ensure that:</p> <ul style="list-style-type: none"> • The communication equipment is kept in working order at all times. If the communication equipment breaks then the Police shall be notified and the equipment shall be repaired within a reasonable time period; • The communication equipment shall be activated, made available to and monitored by the designated premises supervisor or a responsible member of staff at all times that the premises are open to the public; • Any police instructions/directions are complied with whenever given; and • All instances of crime and disorder are reported via the communication equipment by the designated premises supervisor or a responsible member of staff to an agreed police contact point. 	C&D

Best Practice Scheme		
	The Designated Premises Supervisor shall maintain an active membership of the Night Safe (or successor 'pubwatch') including operation of the Nightsafe radio link.	C&D
Door Supervisors		
	A minimum of x SIA licensed door supervisor shall be on duty at the premises at all times whilst it is open to the public [or after xx.xx / until the last admission time for the public].	C&D
	If door supervisors are required to undertake body searches then at least one female supervisor shall be available to undertake the body searches of female customers.	C&D
	A written search policy that aims to prevent customers or staff bringing illegal drugs, weapons or other illegal items onto the premises at any time shall be in place and operate at the premises.	C&D
	Where door supervisors are required the premises licence holder [or Designated Premises Supervisor] shall keep records showing the names of the supervisor, their SIA badge number & expiry date, and the date/time that they were employed. A copy should be available immediately upon request to an authorised officer of Gloucestershire Constabulary or the council.	C&D CP
	All staff engaged outside the entrance to the premises, or supervising or controlling queues, shall wear high visibility jackets or vests.	C&D
	For a period of 30 minutes following the closure of the Bar, or until all customers have dispersed from the immediate vicinity if longer, there shall be a minimum of x door supervisors on the street outside the premises wearing high-visibility clothing to ensure the safe, orderly and quiet dispersal of customers in the immediate vicinity.	C&D PN
Hours		
	Consumption of alcohol shall cease x minutes after the	C&D

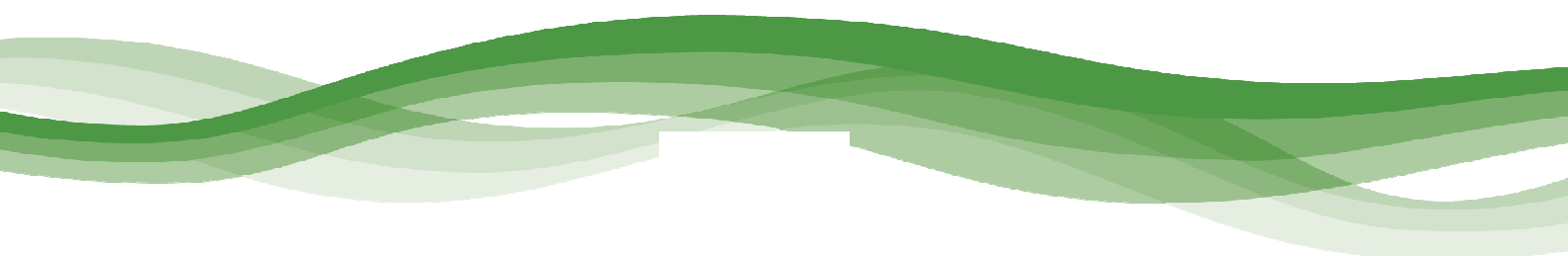
	time authorised for its sale or supply/provision of licensable activities .	PN
Entry to Premises		
	No public access to the premises shall occur through the [specify doors/area] . This condition shall not restrict the use of the doors in the event of an emergency.	C&D CP PS
	There shall be no entry or re-entry, other than staff members, to the premises after xx.xx save for customers using the agreed smoking area at the premises.	C&D PN
	On occasions where licensable activities are carried on past xx:xx hours, admission of customers will be restricted to [enter restriction e.g. a particular entrance, a particular area of the licensed premises etc] .	C&D
	In relation to the specified function room there shall be no admission after x other than to: (1) residents of the hotel and their bona fide guests; or (2) persons attending the pre-booked function	C&D
	All functions in the <i>specified function room</i> shall be pre-booked or ticketed events.	C&D PN
	No events solely for those under 18 will be permitted on the premises.	C&D CP
	The rules of admission to the premises shall be clearly and prominently displayed at each entrance to the Premises.	C&D CP
Alcoholic Containers		
	No glass bottles containing beverages of any kind, whether open or sealed, shall be given to customers on the premises whether at the bar or by staff serving away from the bar.	C&D PS
	No customers carrying open or sealed bottles shall be admitted to the premises at any time that the premises are open to the public.	C&D
	The premises licence holder/designated premises supervisor shall ensure that no customers shall take glasses or open bottles from the premises other than	C&D PN

	into the outside area shown and edged [red] on the plan forming part of the premises licence.	
	The premises licence holder shall ensure that only plastic or toughened glass containers will be used for the supply of beverages.	C&D
	There shall be no sale of alcohol in unsealed containers for consumption off the premises.	C&D
Notices/Signage		
	The premises licence holder shall ensure that a sign, indicating the hours during which licensable activities are permitted to take place, is displayed in, on or immediately outside the premises in a position where the notice can be conveniently read by members of the public.	C&D PN
	The premises licence holder shall ensure that a sign, detailing any restrictions on the admission of children, is displayed on or immediately outside the premises in a position where the notice can be conveniently read by members of the public.	CP
Drugs		
	The Designated Premises Supervisor shall complete/attend a recognised 'drug awareness' training course [within **** weeks/by **** date, or the DPS shall have completed/attended such training].	C&D
	Staff shall be provided with 'drug awareness training', and be briefed on the drugs policy applicable to the premises.	C&D
	Any person found with illegal drugs must be reported to a Police officer immediately.	C&D
	Whilst licensable activities are taking place, the toilets at the Premises must be checked at least hourly for illegal drug use or supply. A written log of all checks must be kept at the Premises for at 31 days and made available for immediate inspection on the request of an authorised officer of Gloucestershire Constabulary or the Licensing Authority.	C&D

Promotions		
	There shall be no promotional sales of alcohol at the premises where alcohol is sold at a price lower than that at which the same or similar alcoholic drinks are sold, or usually sold, on the premises.	C&D
	There shall be no payment made by or on behalf of the licence holder to any person for bringing customers to the premises.	C&D
	28 days' notice shall be given to Gloucestershire Constabulary and the licensing authority of any events held which are organised by an outside promoter, including full details of the nature of the event and of the promoter.	C&D
Records		
	<p>An incident log shall be kept at the premises and made available on request to the Police or an authorised officer of the council. The log will record the following:</p> <ul style="list-style-type: none"> • all crimes reported to the venue • all ejections of customers • any incidents of disorder (disturbance caused either by one person or a group of people) [There is no requirement to record the above incidents (a), (b) or (c) where they do not relate to a licensable activity] • seizures of drugs or offensive weapons • any faults in the CCTV system or searching equipment or scanning equipment • any refusal of the sale of alcohol during the hours the premises is licensed to sell it 	C&D
Premises Layout		
	<p>The following alcoholic beverages shall be placed behind a staffed counter:</p> <ul style="list-style-type: none"> • mixed alcoholic beverages under 10% a.b.v. • beers or ciders over 5.5% a.b.v.; and • all spirits in bottles less than 70cl. 	C&D CP
	At least x members of staff shall be on duty on the shop floor between **** hours until closing time.	C&D

	The physical location of alcohol displays shall be in an area within sight of staff as identified on the plan of the premises annexed to the licence.	C&D CP
	The XX area shall be designated as a “chill-out” area whilst music and dancing are permitted on the premises which shall include adequate ventilation or fresh air; ready access to free drinking water; suitable seating accommodation; and access to First Aid facilities	C&D
	Seating for no less than [specify number] persons shall be provided in the premises at all times the premises are [specify “open” or “are providing any licensable activity”].	C&D
Use of Outdoor Area		
	The designated premises supervisor shall ensure that tables are cleared of all bottles and glasses on a regular basis during trading hours to avoid an accumulation of glassware.	C&D PN
	Customers will not be permitted to drink outside the premises save for in any seated area authorised under a pavement licence.	C&D PN
Disabled People		
	The premises licence holder shall ensure that, when disabled people are present, adequate arrangements exist to enable their safe evacuation in the event of an emergency and that disabled people on the premises are made aware of those arrangements.	PS
First Aid		
	The premises licence holder shall ensure that an adequate and appropriate supply of first aid equipment and materials is available on the premises and at least one suitably trained first aider shall be on duty when the public are present and if more than one suitably trained first aider that their respective duties are clearly defined.	PS
	The Licensee shall ensure that at all times when the public is present there is at least one competent person able to administer First Aid, that an adequate and	PS

	appropriate supply of First Aid equipment and materials is available on the Premises and that adequate records are maintained in relation to the supply of any First Aid treatment.	
Lighting		
	The premises licence holder shall ensure that, in the absence of adequate daylight, the lighting in any area accessible to the public, members or guests shall be fully operational when the public, members or guests are present.	C&D PS
Special Effects		
	Any special effects or mechanical installation should be arranged and stored so as to minimise any risk to the safety of the audience, performers and staff.	PS
	<p>The following special effects will only be used on 10 days prior notice being given to the Licensing Authority and Environmental Health where consent has not been previously been given:</p> <ul style="list-style-type: none"> • dry ice machines and cryogenic fog • smoke machines and fog generators • pyrotechnics including fireworks • real flame • fire arms • motor vehicles • strobe lighting • lasers • explosives and highly flammable substances 	PS
	These special effects must only be used on the provision of a suitable and sufficient risk assessment and prior notification to the Licensing Authority and Environmental Health.	PS
	All escape routes and exits shall be kept unobstructed, in good order with non-slippery and even surfaces, free of trip hazards and clearly identified.	PS
	All exit doors shall be regularly checked to ensure that they function satisfactorily and a record of the checks shall be kept on the premises.	PS



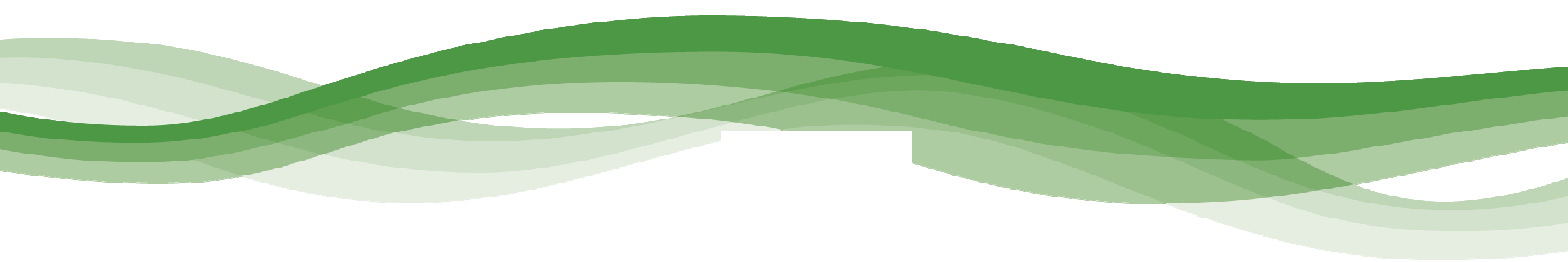
Noise Nuisance (regulated entertainment)		
	The lobby doors at the premises shall be kept closed except for access and egress during the provision of regulated entertainment. Door staff, where employed, shall ensure that the doors are maintained closed as far as possible when regulated entertainment is taking place.	PN
	A noise limiting device shall be installed, fitted and maintained in such a manner so as to control all sources of amplified music at the premises during the provision of regulated entertainment. The noise limiting device shall be set at a limit determined by the Local Authority's Authorised Officer, such level being confirmed in writing to the premises licence holder.	PN
	Whenever any regulated entertainment occurs past 22:00 indoors all windows and doors shall be kept shut during these activities.	PN
	Loudspeakers shall not be located in the entrance lobby, [or specify another location if appropriate] or outside the premises.	PN
	Live music shall be provided by no more than two (2) performers on any day.	PN
	After 23:00 hours all windows shall be closed and remain closed.	C&D PN
	Unless otherwise specified on this licence no regulated entertainment shall take place at the premises with the exception of pre-booked private events limited to the provision of music and dancing for pre-invited guests.	C&D PN
	Where any regulated entertainment occurs at the premises, the Designated Premises Supervisor, or a person nominated by them, will ensure that noise from such activities is effectively inaudible inside the nearest noise sensitive premises.	PN
Noise Nuisance (people)		
	Prominent, clear notices shall be displayed at [all exits / in the beer garden] requesting customers to respect the needs of local residents and leave the premises and the area quietly.	PN

	The premises licence holder shall monitor the activity of persons leaving the premises [after xx:xx/are closed to the public] and remind them of their public responsibilities where necessary.	PN
	Customers permitted to temporarily leave and then re-enter the premises e.g. to smoke, shall not be permitted to take drinks or glass containers with them.	C&D PN
	Deliveries to the premises shall only be made between **:** hours and **:** hours on Mondays to Saturdays only.	PN
	The pavement from the building line to the kerb edge immediately outside the premises, including gutter/channel at its junction with the kerb edge, shall be swept and or washed, and litter and sweepings collected and stored in accordance with the approved refuse storage arrangements.	PN
Lighting		
	Internal and external lighting provided for the purpose of customer and staff safety and for the security of the premises shall be positioned so as not to cause nuisance to neighbouring or adjoining properties.	PN
	Lighting associated with regulated entertainment shall be positioned so as not to cause nuisance to neighbouring or adjoining properties.	PN
	Lighting provided externally to promote advertising of the premises or activities associated with the premises shall be of an intensity such as not to cause nuisance to neighbouring or adjoining properties.	PN
Open Spaces		
	The area within which alcohol is served or consumed shall be clearly and effectively delineated using barriers, ropes, or similar so that the extent of the Designated Place where the licensable activity is temporarily permitted shall be clearly defined and notices shall be conspicuously placed in the area.	C&D PN
	Music noise levels from outdoor regulated entertainment must not exceed those defined in the Code of Practice on Environmental Noise Control at Concerts' (The Noise Council 1995 ISBN 0 900103 51	PN

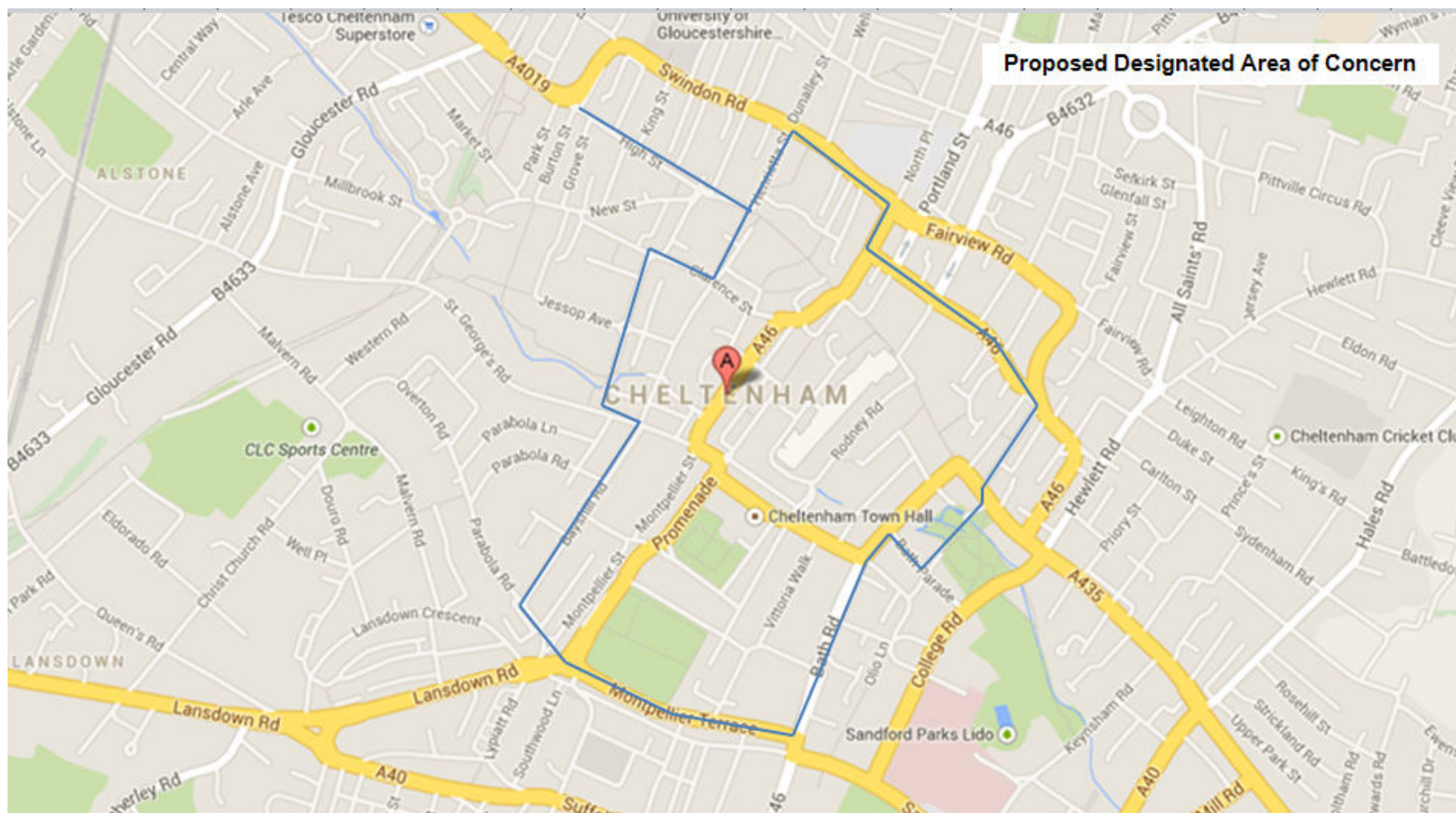
	Use of the outdoor area will cease at 23:00 everyday.	PN
Other Nuisance		
	A public refuse bin shall be installed outside the premises subject to any necessary planning permission or listed building permission.	PN
	The premises licence holder shall ensure that any queue to enter the premises which forms outside the premises is orderly and supervised by door staff so as to ensure that there is no public nuisance or obstruction to the public highway.	C&D PN
Litter		
	At the termination of business on each day the outside area immediately to the front of and adjacent to the premises shall be cleared of debris and litter.	PN
Other		
	In cases of an event involving a significant number of unaccompanied children, the premises licence holder shall have a child protection policy in place to carry out suitable checks on staff before they take up employment.	CP
	A Challenge [21/25/ or any other suitable age] policy shall be operated at the premises at all times. All staff shall require identification of all customers who appear to be less than [21/25/ or any other suitable age] years old and wish to purchase alcohol. Acceptable proof of age will be a PASS approved proof of age card, UK passport or a UK photographic driving licence.	CP
	Challenge [21/25/ or any other suitable age] materials shall be displayed at the premises, including at the point of sale of alcohol, to inform customers of the operation of the scheme.	CP
	A log shall be kept at the premises and record all refused sales of alcohol for reasons that the person(s) is, or appears to be, under x years of age. The log shall record the date and time of the refusal and the name of the member of staff who refused the sale. The log will be made available on request by the Police or an	CP

	authorised officer of the council.	
	Children under the age of x years shall not be allowed on the premises after **: ** hours unless accompanied by an adult.	CP
	Children under the age of x years shall not be allowed on the premises.	CP
	No single cans or bottles of beer or cider shall be sold at the premises.	C&D CP
	Clearly visible signage is to be displayed at the entrances and at points of sale indicating it is illegal to sell alcohol to people under the age of 18.	CP
	The licence holder or the licence holders, servants, or agents, shall ensure that no flyposting is undertaken by the licence holder or on behalf of the licence holder in respect of any performance or event taking place at the premises.	PN C&D
Queuing		
	Any designated queuing area shall be enclosed within appropriate barriers to ensure that the highway is kept clear.	C&D
Dispersal		
	A minimum 30 minute 'drinking-up' time shall be provided to allow appropriate dispersal, use of lavatories etc.	C&D PN
	A written dispersal policy shall be in place and implemented at the premises to move customers from the premises and the immediate vicinity in such a way as to cause minimum disturbance or nuisance to neighbours.	C&D CP
	Freephones or payphones shall be made available to all customers and have displayed contact telephone numbers for selection of hackney carriages and private hire services.	PN
Boxing & Wrestling		
	At least 28 days' notice of any event involving boxing or wrestling entertainment events shall be provided to the	C&D

	licensing authority and the health and safety enforcing authority.	
--	--	--



Appendix D – Designated Area of Concern



Appendix 3 - Consultation Feedback and Officer Response

Feedback	Officer Response
<p>Chapel Spa</p> <p>I would like to give you some feedback on the area in which I have a business called Chapel Spa, 10 North Place Cheltenham.</p> <p>The area around North Place has become a troubled area in town, with on street drinking in Warwick Place, and the smashing of bottles against the walls and drunken shouting and arguments. My business is beside Warwick Place.</p> <p>There are no street lights, and the roadway is blocked off both ends, and the drinkers seem to like it.</p> <p>My Spa closing times vary during the week between 8.30pm and 10pm and my staff, who are all young ladies have to navigate Warwick Place in the dark. I am very worried about this and have complained to CBC.</p> <p>The whole area of both car parks resembles a bomb site, and the walking surface of Warwick Place is very uneven, potholed and broken up, making it dangerous to walk on. It has been abandoned by the Council.</p> <p>This is not the kind of area that should represent Cheltenham, or at the very least if the car parks cannot be developed soon, at least some lighting should be installed in the Portland Street car park, and Warwick Place should be well lit to protect the public, and the road surface of Warwick Place should be made safe.</p> <p>I applaud your intention to: Reduce crime, disorder and anti-social behaviour;</p>	<p>The proposed policy approach is one that is much more proactive than that of the existing policy.</p> <p>It, in conjunction with other initiatives, aims to address and reduce the issues identified by the response submitted by Chapel Spa.</p> <p>The other issues mentioned in the response do not fall within scope of the policy and can therefore not be address through it. For the avoidance of doubt, these are the state of the car park, street lighting, potholes and dangerous highway.</p>

<p>Promote public safety; Prevent public nuisance; Protect children from harm</p> <p>I hope my feedback is of use, and you will take steps to improve the area.</p>	
<p>Beaumont House</p> <p>I refer to the letters addressed to my wife and myself regarding licensing policy and the changes instituted on 1st April last year.</p> <p>Our business, Beaumont House is a 16 bedroom Guesthouse and until 31st March last year we stocked mini bars in our rooms with both alcoholic and none alcoholic beverages. Faced with a bill of £1,000 plus to maintain this point of sale we removed alcoholic beverages from the mini bars. At that time I communicated with both the Leader of the Council and Martin Horwood. Mr Horwood was very surprised with the charge and impact on a business such as ours.</p> <p>Whilst understanding the Council's position, I do not believe that businesses such as ours should be penalised and asked to subsidise policing costs for town centre clubs and pubs.</p> <p>I would ask that in the forthcoming review an exception is made for hotels and guesthouses enabling them to sell alcoholic beverages in room mini bars 24 hours a day.</p> <p>I hope that this view will be fairly represented to councillors. I am copying this email to both our new MP Mr Alex Chalk and Councillor Max Wilkinson. We live in the Park area and I have previously spoken with Mr Wilkinson about this matter.</p>	<p>Whilst officers note the comments, a review of the late night levy is not within scope of this policy review and therefore these comments have not been deemed relevant for the purpose of the policy review.</p>

<p>Licensing Committee</p> <p>Late Night Levy Some Members of the Licensing Committee expressed a need for permitted exemptions under the levy to be reviewed to also include premises offering overnight accommodation. It was felt that the levy unfairly affected hotels who only offer alcohol to residents.</p> <p>Designated Public Places Order Members recommended that more details of the DPPO be included in the policy particularly the adoption date and the implications of the order.</p> <p>Core Hours for Licensable Activities The committee recommended that the terminal hours for takeaways be extended so that they are open for an hour past the terminal hour for pubs/bars and nightclubs. The committee recommended a proposed 04:00 terminal hour for takeaways.</p> <p>Last Admission Times The committee commented that the proposed terminal hours should only apply to premises licensed past midnight.</p> <p>Film Classifications The committee recommended that officers be delegated authority to classify films up to a 15 rating. Anything over a higher classification will be referred to the committee.</p> <p>Events on Council Land The committee commented that that the requirement to submit documents at least 3 months in advance of an event is too onerous for small events. They recommended that the minimum time limit be based on predicted numbers attending.</p>	<p>Whilst officers note the comments, a review of the late night levy is not within scope of this policy review and therefore these comments have not been deemed relevant for the purpose of the policy review.</p> <p>Addressed through amending the policy. See paragraph 6.16.</p> <p>Addressed through amending the policy. See table 1 after paragraph 6.41.</p> <p>Addressed through amending the policy. See paragraph 6.46.</p> <p>The necessary changes to the constitution will be made to reflect this.</p> <p>Further work will be required but this will be done through the Events Consultative Group. Reference to time scales have been removed as there are already stipulated in the council's adopted events approval process.</p>
--	--

<p>CBC Planning Enforcement</p> <p>In recent weeks there has been a spate of nightclubs in our area undertaking flyposting.</p> <p>I would like the licensing policy to be revisited with a view to including a general condition for the licence holder not to undertake flyposting.</p> <p>Suggested wording along the lines of:</p> <p>“The licence holder or the licence holders, servants, or agents, shall ensure that no flyposting is undertaken by the licence holder or on behalf of the licence holder in respect of any performance or event taking place at the premises.”</p>	<p>Whilst the council is not able to lawfully attach blanket conditions to premises licences, officers have added the suggest condition to the pool of model conditions.</p>
--	--