



CHEL TENHAM

BOROUGH COUNCIL

Notice of a meeting of Council

**Monday, 18 July 2016
2.30 pm**

Council Chamber - Municipal Offices

Membership	
Councillors:	Chris Ryder (Chairman), Klara Sudbury (Vice-Chair), Matt Babbage, Paul Baker, Garth Barnes, Ian Bickerton, Nigel Britter, Flo Clucas, Chris Coleman, Mike Collins, Bernard Fisher, Wendy Flynn, Tim Harman, Steve Harvey, Colin Hay, Rowena Hay, Karl Hobley, Sandra Holliday, Peter Jeffries, Steve Jordan, Adam Lillywhite, Chris Mason, Helena McCloskey, Paul McCloskey, Andrew McKinlay, Dan Murch, Chris Nelson, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Malcolm Stennett, Pat Thornton, Jon Walklett, Simon Wheeler, Roger Whyborn, Max Wilkinson, Suzanne Williams and David Willingham

A Moment of Reflection

(to be led by the Mayor or the Mayor's Chaplain)

This will be of an inclusive nature. All Members are welcome to participate but need not do so.

Agenda

1.	APOLOGIES Councillor Sudbury	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING Minutes of the meeting and the extraordinary meeting held on 16 May 2016. Minutes of the Extraordinary meeting held on 30 June 2016.	(Pages 5 - 38)
4.	COMMUNICATIONS BY THE MAYOR	
5.	COMMUNICATIONS BY THE LEADER OF THE COUNCIL	
6.	PUBLIC QUESTIONS These must be received no later than 12 noon on Tuesday 12 July	

7.	<p>MEMBER QUESTIONS These must be received no later than 12 noon on Tuesday 12 July</p>	
8.	<p>FINANCIAL OUTTURN 2015/16 AND BUDGET MONITORING TO JUNE 2016 Report of the Cabinet Member Finance</p>	(Pages 39 - 92)
9.	<p>PROPOSED FINANCING ARRANGEMENTS FOR THE CONSTRUCTION OF AN ANNEX AT ST. MARGARET'S HALL Report of the Cabinet Member Finance</p>	(Pages 93 - 118)
10.	<p>NOTICES OF MOTION</p> <p>1. Proposed by Councillor McKinlay, seconded by Councillor Clucas</p> <p>‘Council notes the result of the recent referendum on the future of the United Kingdom's membership of the European Union, and the political and economic crisis that has resulted from it.</p> <p>Council further notes that the people of Cheltenham voted to remain members of the European Union.</p> <p>Council recognises that the future is uncertain; and that Cheltenham now faces many more economic and social risks as a result of the decision to leave the European Union. This will be particularly hard felt by younger residents.</p> <p>Council resolves to do everything in its power to protect the economy of Cheltenham, and the prosperity of the people of Cheltenham, and to work with all our partners to this end.’</p> <p>2. Proposed by Councillor Savage, seconded by Councillor Harman</p> <p>‘This Council is concerned by the reported rise in hate crime following the EU referendum. Council re-affirms its commitment to an inclusive, tolerant and diverse town. We welcome the contributions made to our vibrant multicultural and multiracial community by people regardless of their background, and will continue to work to tackle hate crime and discrimination in all its forms.’</p> <p>3. Proposed by Councillor Coleman, seconded by Councillor Willingham</p> <p>‘This Council recognises that it is important that the makeup of each of its committees is as representative of the Council as possible.</p> <p>This Council believes that in order to achieve this objective, the start times for meetings need to be kept under review.</p> <p>This Council notes that, whilst the Corporate Diary was agreed earlier in the year, a new Council was elected in May 2016.</p> <p>This Council further notes that its Licensing Committee has historically met on a Friday afternoon but that this arrangement is not now best suited to the requirements of Councillors who wish to be</p>	

	part of the Committee. This Council therefore determines that the start time for the Licensing Committee will be changed from 2:15pm on a Friday to 6:00pm on a weekday evening, to be arranged by the Democratic Services Department in consultation with the Chair and Vice-Chair of the Licensing Committee, commencing in September 2016.'	
11.	TO RECEIVE PETITIONS	
12.	ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION	

Contact Officer: Rosalind Reeves, Democratic Services Manager, 01242 774937
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Pat Pratley
Head of Paid Service

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Council

**Monday, 16th May, 2016
2.30 - 3.10 pm**

Attendees	
Councillors:	Chris Ryder (Vice-Chair), Matt Babbage, Flo Clucas, Adam Lillywhite, Chris Mason, Dan Murch, Chris Nelson, John Payne, Max Wilkinson, Wendy Flynn, Paul Baker, Garth Barnes, Ian Bickerton, Nigel Britter, Chris Coleman, Mike Collins, Bernard Fisher, Tim Harman, Steve Harvey, Colin Hay, Rowena Hay, Karl Hobley, Sandra Holliday, Peter Jeffries, Steve Jordan, Helena McCloskey, Paul McCloskey, Andrew McKinlay, Tony Oliver, Dennis Parsons, Louis Savage, Diggory Seacome, Malcolm Stennett, Klara Sudbury, Pat Thornton, Jon Walklett, Simon Wheeler, Roger Whyborn and David Willingham

Minutes

1. APOLOGIES

Councillor Williams.

2. ELECTION OF MAYOR (CHAIRMAN OF COUNCIL) FOR 2016-17

The outgoing Mayor, Duncan Smith, called on Councillor Harman to move the motion proposing Councillor Chris Ryder as Mayor.

Councillor Chris Ryder was proposed for the office of Mayor by Councillor Harman and seconded by Councillor Barnes.

Upon a vote it was unanimously

RESOLVED that Councillor Chris Ryder be, and is hereby, elected Mayor of the Borough of Cheltenham and Council chairman for the ensuing year.

The Head of Paid Service invited the Mayor to sign a Declaration of Acceptance of Office of Council chairman for the ensuing municipal year 2016-17.

Councillor Chris Ryder took the chair. She took the opportunity to welcome new members to the Council.

3. ELECTION OF DEPUTY MAYOR (VICE-CHAIRMAN OF COUNCIL) FOR 2016-17

Councillor Flynn proposed Councillor Klara Sudbury for the office of Deputy Mayor, seconded by Councillor Walklett.

Upon a vote it was unanimously

RESOLVED that Councillor Klara Sudbury be, and is hereby, elected Deputy Mayor of the Borough of Cheltenham and Council vice-chairman for the ensuing year.

The Head of Paid Service invited the Deputy Mayor to sign a Declaration of Acceptance of Office of Council vice-chairman for the ensuing municipal year 2016-17.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 4 April 2016 were approved and signed as a correct record.

6. COMMUNICATIONS BY THE MAYOR

The Mayor reminded Members that two extraordinary meetings of Council had been convened with regard to the Joint Core Strategy, namely Thursday 30 June at 6 pm and Wednesday 14 September 2016 at 6pm.

The Mayor also reminded Members of her inauguration ceremony at the Town Hall on Wednesday 18 May and hoped as many Councillors would be in attendance as possible to represent their wards.

7. TO APPOINT THE LEADER OF THE COUNCIL FOR THE ENSUING 4 YEARS AND TO NOTE THE MEMBERSHIP OF CABINET INCLUDING THE DEPUTY LEADER

Councillor Jordan was proposed as the Leader of the Council by Councillor Rowena Hay and seconded by Councillor Jeffries.

Upon being put to the vote the proposal was unanimously CARRIED.

The Mayor invited the Leader to address Council.

The Leader congratulated the Mayor and Deputy Mayor on their respective appointments and thanked colleagues for his appointment. He welcomed all new Members and thanked those who had not been re-elected for their contributions to the Council during their years of service. He paid tribute to Councillor Jon Walklett who was stepping down from his role as Cabinet Member Corporate Services.

He confirmed the following appointments to Cabinet :

Deputy Leader and Cabinet Member Clean and Green Environment- Councillor Chris Coleman

Cabinet Member Finance- Councillor Rowena Hay

Cabinet Member Healthy Living-Councillor Flo Clucas

Cabinet Member Corporate Services-Councillor Roger Whyborn

Cabinet Member Housing-Councillor Pete Jeffries

Cabinet Member Development and Safety-Councillor Andrew McKinlay

He explained that within these portfolios there had been minor adjustments but he would circulate the detailed Cabinet portfolio document over the coming days. He believed the new Cabinet represented a strong team for Cheltenham.

8. TO ESTABLISH AND APPOINT TO THE FOLLOWING COMMITTEES (INCLUDING APPOINTMENT OF SUBSTITUTE MEMBERS)

The appointments to the following Committees were approved in accordance with the nominations contained in the table circulated and now attached to these minutes for information.

- a) Overview and Scrutiny committee
- b) Audit Committee
- c) Planning
- d) Licensing
- e) Standards Committee
- f) Appointments and Remuneration Committee
- g) JNC Disciplinary Committee
- h) JNC Appeals Committee

9. APPOINTMENT OF CHAIR AND VICE-CHAIR TO THE OVERVIEW AND SCRUTINY COMMITTEE

Councillor Tim Harman was appointed as Chair of the Overview and Scrutiny Committee.

Councillor Jordan nominated Councillor Walklett as Vice Chair of the Overview and Scrutiny Committee and upon a vote was unanimously elected.

10. 2020 PARTNERSHIP JOINT COMMITTEE

Councillor Wendy Flynn was appointed as the non-Executive member to the 2020 Partnership Joint Committee.

Councillor Roger Whyborn was appointed as the Executive member to the 2020 Partnership Joint Committee.

11. GLOUCESTERSHIRE ECONOMIC GROWTH OVERVIEW AND SCRUTINY COMMITTEE

Councillor Paul McCloskey was appointed to the Gloucestershire Economic Growth Overview and Scrutiny Committee.

Councillor Klara Sudbury was appointed as substitute.

12. GLOUCESTERSHIRE HEALTH, COMMUNITY AND CARE SCRUTINY COMMITTEE

Councillor Steve Harvey was appointed to the Gloucestershire Health, Community and Care Scrutiny Committee.

Councillor Mike Collins was appointed as substitute.

13. GLOUCESTERSHIRE POLICE AND CRIME PANEL

Councillor Helena McCloskey was appointed to the Gloucestershire Police and Crime Panel.

Councillor Karl Hobley was appointed as substitute.

It was recognised that Councillor Chris Nelson had offered to be on this committee as a “top-up” Member for the purposes of political balance across the County but this was not a Council appointment.

14. APPOINTMENT TO ADVISORY GROUPS AND WORKING GROUPS

Councillor Paul Baker was appointed Chair of the Treasury Management Panel. Councillor Britter was appointed Vice Chair of the Treasury Management Panel.

Councillor Colin Hay was appointed Chair of the Constitution Working Group.

The appointments to the Treasury Management Panel and the Constitution Working group were then approved in accordance with the nominations contained in the table circulated (as amended) and now attached to these minutes for information.

15. TO APPROVE THE CONSEQUENTIAL CHANGES TO THE CONSTITUTION

There were none.

16. NOTICES OF MOTION

There were none.

17. TO RECEIVE PETITIONS

There were none.

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

The Mayor advised members that in appointing Chairs and Vice chairs of committees and working groups there were a number of options as follows :

Option 1: Chairs and Vice chairs could be elected at the first meeting of the committee.

Option 2: Each committee could be asked today to elect their Chair and Vice-Chair today by effectively having separate meetings of each committee.

Option 3: is that the Chairs and Vice Chairs can be elected today by Council.

The Leader added that in the past once Council had elected the Chairs and Vice Chairs the Committee could not elect a Chair in its own right. He therefore explained that should Option 3 be adopted the following additional resolution is proposed which arose out of discussions at the Mayor’s briefing for this meeting:

- i) *It be agreed that any changes to the Chair and Vice-Chair of any committee in the period up to the next Selection Council be approved by that committee and to authorise the Democratic Services Manager to amend the Constitution to enable this to happen.*

Upon a vote it was unanimously

RESOLVED THAT

- 1. any changes to the Chair and Vice-Chair of any committee in the period up to the next Selection Council be approved by that committee**
- 2. the Democratic Services Manager be authorised to amend the Constitution to enable this to happen.**

The Chairs and Vice Chairs of the following committees were elected and contained in the table attached to these minutes.

Audit Committee
Planning Committee
Licensing Committee
Standards Committee
Appointments and Remuneration Committee
JNC Disciplinary Committee
JNC Appeals Committee

Chairman

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APPOINTED AT SELECTION COUNCIL 16 MAY 2016																		
CBC Committees - must be politically balanced																		
Working/Ad Grps - cross party																		
Joint/County committees																		
Members	Party	Cabinet	O&S	Audit	Planning	Licensing	Standards	Appointments	Disciplinary	Appeals	Treasury Mgmt	Late night levy	Constitution	2020 Joint Committee	GHOSC(non-exec) + deputy	Glos Ec.Growth O&S (non exec)	Police and Crime panel 1 + deputy	
Substitutes			Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes	Yes	
Size		7	10	7	15	10	3	9	5	5	9	4	4	2	1	1	1	
no of Conservatives on each committee			2	1	3	2	1	1	1	1	2	1	1				16	
Babbage, Matt	c			1	S						1						2	
Harman, Tim	c		1 Ch	S		1	1 Vc	S			1		1				2	
Mason, Chris	c		1		S	S		1									2	
Nelson, Chris	c				1												2	
Ryder, Chris	c		S						1 Vc								2	
Savage, Louis	c				1					1 Vc							1	
Seacome Diggory	c				1	1						1					2	
total nominated		0	2	1	3	2	0	1	1	1	2	1	1	0	0	0	0	13
no of labour on each committee	lab																	0
total nominated																		0
no of lib dem on each committee		Ch/Vc	indicates proposed nomination for Ch/Vc															
			7	5	11	7	5	7	3	3	6	1	2				57	
Baker, Paul	ld				1	1					1 Ch						2	
Barnes Garth	ld				1 Ch	Sub											0	
Britter Nigel	ld		Sub						1		1 Vc						1	
Clucas, Flo	ld	Cabinet		Sub				1			1						2	
Coleman,Chris	ld	Cabinet			Sub			1 Vc									0	
Collins, Mike	ld		1		1	1									Sub		3	
Fisher Bernard	ld				1 Vc	Sub	1	1			1						3	
Flynn Wendy	ld				Sub	1 Ch		1	Sub				1				2	
Harvey, Steve	ld			1 Vc		Sub									1		1	
Hay Rowena	ld	Cabinet			Sub			1 Ch			1						1	
Hay Colin	ld		1	1 Ch	1		1	1					1				5	
Hobley, Karl	ld				1											Sub	1	
Holliday Sandra	ld		1														1	
Jeffries Peter	ld	Cabinet		Sub	Sub				1 Ch								0	
Jordan Stephen	ld	Cabinet															0	

		CBC Committees - must be politically balanced											Working/Ad Grps - cross party			Joint/County committees			TOTAL for Member
Members	Party	Cabinet	O&S	Audit	Planning	Licensing	Standards	Appointments	Disciplinary	Appeals	Treasury Mgmt	Late night levy	Constitution	2020 Joint Committee	GHOSC(non-exec) + deputy	Glos Ec.Growth O&S (non exec)	Police and Crime panel 1 + deputy		
McCloskey Helena	ld		1		1		1										1	4	
McCloskey Paul	ld			1	Sub	1				1	1					1		5	
McKinlay Andrew	ld	Cabinet																0	
Murch, Dan	ld		1	Sub					1 Ch	1		1						3	
Oliver, Tony	ld				1													1	
Parsons, Dennis	ld			1		1							1					3	
Sudbury Klara	ld				1				1							Sub		2	
Thornton Pat	ld				1	Sub												1	
Walklett Jon	ld		1 Vc					1										1	
Wheeler Simon	ld		Sub		1	Sub		Sub	Sub	Sub								1	
Williams, Suzanne	ld						1	Sub	Sub	Sub								1	
Willingham, David	ld		Sub	1		1 Vc					1							2	
Wilkinson, Max	ld		1		Sub	1	1 Ch											2	
Whyborn Roger	ld	Cabinet												1				1	
no of lib dem nominated			0	7	5	11	7	5	7	3	3	7	1	2	1	1	1	1	48
no of independent on each committee			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bickerton, Ian	ind																	0	
	ind																	0	
no of independents nominated			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
no of pab on each committee			1	1	1	1	1	1	1	1	1	1	1	1					11
Payne, John	pab		1	1	s	s	1						1					4	
Lillywhite, Adam	pab		s		1	1		s	1	1		1						5	
Stennett Malcolm	pab			s				1	s	s								1	
no of pab nominated			0	1	1	1	1	1	1	1	0	1	1	0	0	0	0	10	
Total nominated			10	7	15	10	6	9	5	5	9	3	4	1	1	1		71	
Total on committee			10	7	15	10	7	9	5	5	9	3	4	0	0	0		84	
Substitutes		For each committee the Council will appoint the same number of substitutes in respect of each political group as that group holds ordinary seats on that committee up to a maximum of 3																	
		Put a 1 in the above table to indicate a member has been nominated a seat on a committee																	
		Put a s in the above table to indicate a member has been nominated as a substitute																	

Council

Monday, 16th May, 2016

3.10 - 3.15 pm

Attendees	
Councillors:	Chris Ryder (Chair), Klara Sudbury (Vice Chair), Matt Babbage, Adam Lillywhite, Chris Mason, Chris Nelson, John Payne, Wendy Flynn, Garth Barnes, Ian Bickerton, Nigel Britter, Chris Coleman, Mike Collins, Colin Hay, Tim Harman, Rowena Hay, Sandra Holliday, Steve Jordan, Helena McCloskey, Paul McCloskey, Andrew McKinlay, Tony Oliver, Louis Savage, Diggory Seacome, Malcolm Stennett, Klara Sudbury, Pat Thornton, Jon Walklett, Simon Wheeler, Roger Whyborn and David Willingham

Minutes

1. APOLOGIES

Councillors Harvey, Parsons and Williams.

2. DECLARATIONS OF INTEREST

There were none.

3. HONORARY ALDERMEN

The Head of Paid Service introduced the report and explained that Council may confer the title of Honorary Alderman on persons who it considers have rendered eminent services to the Authority in their past roles as councillors.

Historically, Council has conferred the title of Honorary Alderman upon its past members in recognition of both long service and significant contribution to the Authority's affairs.

The longstanding local criteria which has been applied when conferring the title of Honorary Alderman is that the person has at least 16 years' service or is a past Mayor and Chairman of the Council

A number of former Councillors fall within the criteria and have been nominated by the Group Leaders.

The Head of Paid Service explained that once agreed by Council, their appointments will be recognised as part of the Inauguration of the Mayor ceremony at the Town Hall on Wednesday 18 May 2016.

RESOLVED THAT

The title of Honorary Alderman be conferred on former Councillors :

**Barbara Driver
Jacky Fletcher
John Rawson
Anne Regan
Duncan Smith**

Chris Ryder
Chairman

Council

Thursday, 30th June, 2016

6.00 - 9.15 pm

Attendees	
Councillors:	Chris Ryder (Chairman), Klara Sudbury (Vice-Chair), Paul Baker, Garth Barnes, Ian Bickerton, Nigel Britter, Flo Clucas, Chris Coleman, Mike Collins, Bernard Fisher, Wendy Flynn, Tim Harman, Steve Harvey, Colin Hay, Rowena Hay, Karl Hobley, Sandra Holliday, Peter Jeffries, Steve Jordan, Adam Lillywhite, Chris Mason, Helena McCloskey, Paul McCloskey, Andrew McKinlay, Dan Murch, Chris Nelson, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Malcolm Stennett, Pat Thornton, Jon Walklett, Simon Wheeler, Roger Whyborn, Max Wilkinson, Suzanne Williams and David Willingham

Minutes

1. APOLOGIES

Apologies were received from Councillor Babbage

2. MOMENT OF REFLECTION

Canon Rev Dr Tudor Griffiths invited Members to take a moment of reflection

3. DECLARATIONS OF INTEREST

Councillors Coleman, Fisher, Harman, Colin Hay, Sudbury and Wheeler all declared interests as members of Gloucestershire County Council and indicated that they had been granted dispensations from the Standards Committee to participate and vote in the meeting.

Councillor Savage declared an interest as a member of CPRE. Councillor Wilkinson declared an interest as an employee of a company working on a non-contract basis with a landowner affected by the JCS.

Councillor Ryder declared a personal and prejudicial interest as an owner of some white land in Leckhampton. She would not participate in the debate and would leave the chamber before the debate of the item.

Councillor Bickerton declared an interest as Chair of Leckhampton and Warden Hill Parish Council, Chair of the Neighbourhood Planning group, Chair of LEGLAG and member of CPRE.

Councillor Nelson declared an interest as a member of LEGLAG and member of the Leckhampton and Warden Hill Parish Council and member of the Neighbourhood forum.

4. COMMUNICATIONS BY THE MAYOR

The Mayor put on record her thanks to all those who had supported the launch of her charities, County and Community Projects and St Vincent's and St George's.

5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader took the opportunity to comment on the outcome of the recent EU referendum and expected that members would wish to debate the implications at the Council meeting scheduled in July. He informed Members that a summit of key local companies was being set up to better understand any issues they have and how the council can help. Whilst the future was extremely uncertain he undertook to do the best he could to represent the views and interests of the people of Cheltenham in whatever comes next.

6. PUBLIC QUESTIONS

1.	Question from Gary Eagger to the Leader, Councillor Steve Jordan
	Can you provide a summary of the process which you will go through to consider and approve or decline Elizabeth Ord's recommendations?"
	Response from the Leader
	<p>The JCS councils have made no decisions in regards to modifications to the plan and this will be informed by the stage 4 JCS examination hearings scheduled 6 July, informed by the debate arising from council meetings scheduled 28th and 30th June. All the findings in the interim report are without prejudice to the Inspectors ultimate conclusions and will be reviewed in context of:</p> <ul style="list-style-type: none"> • upcoming stage 4 hearings where the JCS authorities will set out the consequences of the recommendations as agreed at Council meetings, and • public consultation responses should the JCS authorities make main modifications to the plan in September <p>Further Council meetings are scheduled in September to agree any main modifications to the plan. Communities and other stakeholders will have an opportunity to provide comments on the modifications through the consultation process that follows. Responses will then be collated by the JCS Authorities and passed to the Inspector for her consideration. At that stage the Inspector will consider objections to the modifications and make a decision whether any further information, hearings or revisions are required before concluding her Examination and submitting her Final Report to the JCS Authorities.</p> <p>Finally, the JCS Authorities will have a further decision to take as to whether they are happy to proceed on the basis of the Inspector's Final Report and adopt the JCS as their plan. If they choose not to then the JCS would not be adopted and wouldn't represent planning policy.</p> <p>In a supplementary question, Mr Eagger, referred to statements from Brandon Lewis, the Minister of State for Housing and Planning for the Department for Communities and Local Government, where he had said</p>

	<p>that Green Belt boundaries should only be changed under exceptional circumstances and with local support. What consultation has taken place with local residents in this case?</p> <p>The Leader advised that this was the Inspector's view and not the council's plan. In his view there were limitations in the process the inspector was following and his personal aim would be to maximise the involvement of local residents in the process. He confirmed that the council would do all it could to involve the public in the JCS process going forward.</p>
<p>2.</p>	<p>Question from Alex Randall to the Leader, Councillor Steve Jordan (not present)</p>
	<p>First of all, I appreciate the effort that has gone into the Joint Core Strategy and the need to progress to a conclusion. I was though surprised to read in the Preliminary report that a number of Prestbury green belt areas have been proposed to lose their status in favour of development. In particular, the inspector commentary in paras 127 onwards suggests this was primarily based on a site visit, rather than based on balanced evidence or fair assessment. Will the council promise that a fair hearing, with supporting evidence, will take place over the Summer to review the green belt status of the proposed areas prior to any final decisions?</p> <p>Background to Question <i>Having looked at the government website, and having lived in Prestbury for the last few years, my personal assessment is that the greenbelt areas serve two of the five purposes outlined in the policy on the gov.uk website. These are:</i></p> <ul style="list-style-type: none"> - <i>To assist in safeguarding the countryside from encroachment;</i> - <i>To preserve the setting and special character of historic towns.</i> <p><i>In particular, I would like to focus on the Prestbury conservation area which includes many listed buildings. Development of these areas which are adjacent to the Prestbury conservation area will spoil the setting and the infrastructure within the conservation area will not cope. Evidence of this:</i></p> <ul style="list-style-type: none"> - <i>Listed buildings form part of or border the greenbelt areas;</i> - <i>A frequently used path links Prestbury church to Southam through the countryside as an extension to the conservation area;</i> - <i>The roads through the conservation area already carry restrictions on usage by cars;</i> - <i>The area struggles to cope with flooding - noting a major flood alleviation scheme goes through one of these greenbelt areas.</i> <p><i>Part of one of the greenbelt areas, along with the grade II listed "Hayes", form part of the setting underneath Cleeve Common (AONB). Together, they form a distinct beautiful gateway to Prestbury and Cheltenham via the Southam Road. The corner of Mill Street and Southam Road form the entrance to the conservation area.</i></p>
	<p>Response from the Leader Please see also the above answer to question one regarding the JCS'</p>

	<p>ongoing process.</p> <p>Inspector Ord has evaluated detailed Green Belt evidence submitted by the Councils and through independent studies, but has reached different conclusions from those of the JCS authorities regarding the sensitivity of the Green Belt in this location. It is within the Inspector's remit to suggest modifications to a plan which in her view would make it sound. Should the Councils choose to proceed with amendments to the Green Belt in accordance with the recommendations, then this would be through full statutory consultation as part of the Main Modifications consultation. Communities and other stakeholders will have an opportunity to make responses at that time, which would then be collated by the JCS Authorities and passed to the Inspector for her consideration. At that stage the Inspector will consider objections to the modifications and make a decision whether any further information, hearings or revisions are required before concluding her Examination and submitting her Final Report to the JCS Authorities.</p> <p>I understand the concerns about the Inspector's decision to propose new sites to be removed from the Green Belt late in the JCS process. So I will be proposing in the later debate that the Council assists in progressing a Local Green Space review for these areas.</p>
<p>3.</p>	<p>Question from Harriet Ward to the Leader, Councillor Steve Jordan</p>
	<p>Can you please provide details of the expected population increase, including the percentage increase from the current position, that you anticipate will result from accepting Elizabeth Ord's recommendations to build an additional 450 to 500 houses on Green Belt land in Prestbury village.</p>
	<p>Response from the Leader</p> <p>The Inspector's report identifies an increased Objectively Assessed Need figure for the JCS authorities, based on population and household projections and economic uplift. The inspector finds that the housing requirement for Cheltenham Borough as a whole is therefore increased to 10,851 dwellings (which represent an increase of +1,751 from the 9,100 dwellings set out in the Pre Submission Joint Core Strategy). This proposed increase will be the subject of further challenge before the JCS in finalised.</p> <p>While this is a rise in the OAN for the Borough as a whole, the Inspector's report also recommends that housing numbers should be redistributed. In the Interim Report the Inspector has deemed that there is additional potential housing capacity in the north of Cheltenham. This includes areas around Prestbury. Whilst the Inspector recommends the removal of particular areas from the Green Belt to be undertaken through the JCS, any allocation would be for the Cheltenham Plan to consider.</p> <p>Because these areas are not to be allocated through the JCS, only a very rough estimate can be given regarding how much the population of the area would increase if development were to take place. Based on an average household size of 2.3 persons per dwelling, an increase of 500 houses would equate to around 1,150 people. However, these numbers do not take into account factors such as house type or the density, design</p>

	<p>or layout of any potential scheme, which would be likely to affect the number of residents.</p> <p>In a supplementary question Ms Ward asked if the Inspector's recommendations were accepted, had any detailed consideration being given to the additional school places that would be required in the village?</p> <p>In response the Leader advised that this detailed consideration had not been completed at this stage. If the recommendation for moving the Green Belt was accepted as part of the JCS, then it would be for the Local Plan to determine if those sites were appropriate for housing and if yes then infrastructure needs such as education would be considered at that point.</p>
4.	Question from Terry Dicks to the Leader, Councillor Steve Jordan
	<p>The Joint Core Strategy normally concerns itself only with development of 450 houses plus. All the sites recommended by Elizabeth Ord for release from Green Belt and subsequent development are owned by different people, making this a proposal for multi-site locations with none reaching the 450 criteria. Is it therefore within her remit to group together sites in this way to be included in the Joint Core Strategy?</p>
	<p>Response from the Leader</p> <p>The JCS is a strategic plan which has determined strategic scale to be of 450/500 houses or greater. The Inspector's interim report agrees that the JCS should not allocate sites for less than 450 dwellings. However, the inspector has also reviewed the Green Belt in the JCS area and recommends alterations. Although the JCS authorities have presented evidence regarding the sensitivity of the Green Belt to the north of the Borough, the Inspector has examined this evidence and taken a contrary view.</p> <p>In her view, the exceptional circumstances test is met for releasing Green Belt in some of these areas, and by doing so would create capacity for development, especially that which could come forward early in the plan period. Whilst the Inspector recommends the removal of particular areas from the Green Belt to be undertaken through the JCS, any allocation would be for the Cheltenham Plan to consider. To help inform this process, I will be proposing in the later debate that the Council assists in progressing a Local Green Space review for these areas. See also the above answers to questions 2 and 3.</p> <p>In a supplementary question Mr Dicks said that in her report Elizabeth Ord made reference at paragraph 132 to "developer evidence" which suggests "some of the sites could be progressed immediately". The willingness or otherwise of a developer to proceed should be entirely irrelevant to a decision about Green Belt. Having clearly consulted with developers, but not local residents, how can you reassure me that Elizabeth Ord is not demonstrating predetermination in the recommendations she makes?</p> <p>In response the Leader advised that considering developer evidence is a</p>

	<p>relevant part of the process for the Inspector. The council had an obligation to provide a 5 year supply of land for housing and therefore there was ongoing discussion with developers about how quickly sites could be brought into development.</p>
<p>5.</p>	<p>Question from Terry Dicks to the Leader, Councillor Steve Jordan</p>
	<p>The Governments National Planning Policy Framework says the Green Belt's number one purpose is 'to check unrestricted sprawl of large built up areas'. How does the recommendation support this?</p>
	<p>Response from the Leader</p> <p>National Planning Policy Framework identifies the 'fundamental aim' of Green Belt policy is to prevent urban sprawl by keeping land permanently open.</p> <p>The NPPF cites that the Green Belt serves five purposes:</p> <ul style="list-style-type: none"> ● to check the unrestricted sprawl of large built-up areas; ● to prevent neighbouring towns merging into one another; ● to assist in safeguarding the countryside from encroachment; ● to preserve the setting and special character of historic towns; and ● to assist in urban regeneration, by encouraging the recycling of derelict and other urban land. <p>Through the Joint Core Strategy the authorities have sought to alter green belt boundaries at urban extensions to allow for the sustainable development of Cheltenham and Gloucester (Tewkesbury's strategic allocations around Tewkesbury town are not within the Green Belt). In doing so the Green Belt has to be comprehensively reviewed, and the authorities have presented two detailed studies on the Green Belt in the Cheltenham area.</p> <p>The NPPF requires that when reviewing the Green Belt:</p> <p>'...local planning authorities should take account of the need to promote sustainable patterns of development. They should consider the consequences for sustainable development of channelling development towards urban areas inside the Green Belt boundary, towards towns and villages inset within the Green Belt or towards locations beyond the outer Green Belt boundary.'</p> <p>The JCS Inspector has considered the studies and evidence presented to her over the course of the examination, but has come to an alternative interpretation of this evidence to that of the JCS authorities. She has examined whether exceptional circumstances are met to release each of the areas of the Green Belt in her report; based on the sensitivity of the Green Belt in that location, the ability to create a defensible green belt boundary and the value of releasing the site in relation to housing need.</p> <p>In a supplementary question, Mr Dicks commented that many of the Inspector's conclusions appeared subjective. The answer to my question supports this by use of the phrase 'alternative interpretation'. If these proposals are accepted, there will be no green belt boundary left; defensible or otherwise. Can you therefore explain what is meant by</p>

	<p>defensible in this case, as I don't understand how a 'defensible green belt boundary' can be created if it is erased completely?</p> <p>In response the Leader advised that generally features such as a river or a road or some other similar firm reference could be defended as a future boundary for the Green Belt. He could not see how this applied to Prestbury at this stage.</p>
<p>6.</p>	<p>Question from Patrick Durkan to the Leader, Councillor Steve Jordan</p>
	<p>Elizabeth Ord's report makes reference to the proposed Green Belt sites in Prestbury to be released as being "sustainable", what does sustainable mean in this context?</p>
	<p>Response from the Leader</p> <p>The Inspector's role is to examine whether the JCS is "sound", based on four tests. These tests set out that the plan should seek to meet requirements for delivery of housing and infrastructure in line with national policy. If the Inspector has identified that needs are not being met, then she has the power to examine and recommend alternative sites and locations where the need could be delivered; taking into account the evidence she has heard on the social, environmental and economic principles of sustainability. After having evaluated evidence on these principles and requirements the inspector writes:</p> <p>'The removal of Leckhampton as a strategic allocation and the reduction of housing numbers at North West Cheltenham leaves Cheltenham with a need to find alternative housing capacity. The newly proposed strategic allocation of West Cheltenham will go part way to doing this, although a deficit still remains. In my judgement there is additional potential capacity in non-strategic Green Belt sites, which could significantly increase Cheltenham's district capacity and which could be allocated in the emerging Cheltenham Local Plan. Releasing these areas of Green Belt now within the JCS would facilitate these sites coming forward and contributing to Cheltenham's five year housing land supply. Following this approach should also enable Cheltenham's housing requirements for the Plan period to be met in full'</p> <p>Beyond quoting the Inspector's report I am not in a position to further explain her thinking.</p> <p>In a supplementary question, Mr Durkan commented that as part of the JCS process the main sites being considered for development in Cheltenham, Tewkesbury and Gloucester which formed part of the Examination in Public were subject to thorough review in relation to sustainability. Can you please share with me or let me know where I can find the detailed traffic studies which have been carried out to assess the impact on Prestbury's Village lanes which confirm that the infrastructure of the village is indeed sustainable and can cope with the addition of 500 dwellings?</p> <p>The Leader advised that the traffic impact of the original JCS submitted to the Inspector for examination was reviewed by the county council. The</p>

	<p>county council planned to review this in the autumn when new data would be available and this would now include an assessment of the traffic impact of any new areas now being proposed for the JCS.</p>
7.	<p>Question from Question from Robert Douglas to the Leader, Councillor Steve Jordan</p>
	<p>The entire JCS team has spent over 5 years developing the planning strategy for the region. How is it possible for the inspector to come forward with a very different allocation of sites in such a comparatively short time frame, involving sites that had not previously been scrutinised at all?</p>
	<p>Response from the Leader Please see also the above response to questions 1, 4 and 6.</p> <p>The discussion on the Green Belt around Cheltenham within the examination have been detailed and over a number of months. The Inspector has heard evidence on the sensitivity of the Green Belt through the Councils' submissions as part of matters 7 and 9 (Green Belt and Omission Sites) and through detailed analysis in Exam documents 142 (the Councils' Green Belt Paper) and 196 (Green Belt Update Paper). The councils have also given evidence over a number of days of hearings on the topic, alongside legal counsel. Whilst this evidence has been presented to the Inspector and she has heard evidence from both the Council and objectors to the plan; her reading of this evidence has led her to her findings in her Interim Report, which differ from those reached by the JCS authorities during the development of the Plan and our view expressed in detail at examination. However, this is the Inspector's judgement to make through her consideration of the Plan, after having heard all the evidence presented to her on this matter. The interim findings set out in at this stage are not her Final Report, and therefore responses on the Main Modifications will be an important opportunity for further evidence and views to be presented by the community. I am keen to ensure there is a proper chance for views to be expressed although the JCS process is largely in the hands of the Inspector.</p> <p>In a supplementary question, Mr Douglas said that given the fact that the JCS team has spent around 5years developing its plans and given the recent policy statement on the Green Belt by the Secretary of State, how can the Inspector possibly justify removing white land from the plans and then proceed to introduce Green Belt land?</p> <p>The Leader commented that this was an entirely fair question but one for the Inspector.</p>
8.	<p>Question from Question from Robert Douglas to the Leader, Councillor Steve Jordan</p>
	<p>Green Belt land in Prestbury has suddenly appeared, without consultation, in the possible JCS sites due to recommendations from the inspector. However, the elected representative of Prestbury has been forbidden to speak at the JCS examination in public meetings on 6th and 7th July. How can this be justified?</p>

	<p>Response from the Leader Please see also the answer given above to question 1.</p> <p>I share the concerns expressed and although the Councils have discussed this matter with the inspectorate, the exam hearings on the 6th and 7th of July cover specific matters with only a limited number of participants. Currently the modifications to the Green Belt around Prestbury are not part of the Plan, and will only become so if they are integrated into the Main Modifications Draft. Council meetings are scheduled in September to agree any main modifications to the plan. Communities and other stakeholders will have an opportunity to provide comments on the modifications through the consultation process that follows. Responses will then be collated by the JCS Authorities and passed to the Inspector for her consideration.</p> <p>At that stage the Inspector will consider objections to the modifications and make a decision whether any further information, hearings or revisions are required before concluding her Examination and submitting her Final Report to the JCS Authorities.</p> <p>In a supplementary question, Mr Douglas commented that the answer to question 8, and also to my question 7, imply that the council has complete knowledge of the powers, authorities and scope of the Inspector. I have had correspondence with the DCLG and they have been strangely reluctant to provide me with information about the exact nature of the authority of Inspectors. It would be helpful if the council could provide details of the scope and authority of the Inspector, in order that we may fully understand why the council believes it has to roll over whenever it is threatened with any element of the JCS plan being found unsound.</p> <p>The Leader advised that if the council were to leave the JCS process, they would have to start from scratch on their own. The Council would be taking a view in September regarding whether the revised JCS proposals were acceptable. He was disappointed that Members could not communicate directly with the Inspector outside the open sessions of the enquiry or have the opportunity to question her views?</p>
<p>9.</p>	<p>Question from Margaret Randall to the Leader, Councillor Steve Jordan (not present)</p>
	<p>There is housing demand in excess of supply for over a decade and there will be for many years to come. I consider this to be the "norm" unless central government makes significant changes to policies. Therefore, I don't consider the current situation as exceptional circumstances. In addition, in the preliminary report, I cannot find any references to brownfield sites as well, such as Premiere Products which is up for sale. While I accept the JCS must proceed, could I please ask the council to challenge the preliminary report by questioning if circumstances are truly exceptional and why brownfield sites are not considered. Will the council and JCS do this?</p>
	<p>Response from the Leader Please see also the answer given above to question 6 regarding</p>

	<p>exceptional circumstances.</p> <p>The JCS authorities have taken into account the ‘urban capacity’ of both Cheltenham and Gloucester when calculating the remaining need for development and before considering the need for urban extensions and strategic allocations. This includes all brownfield and greenfield land which is considered able to come forward within the Borough boundaries. The Inspector factors this into her calculations of need as part of her Report, and has offset this against the overall requirement.</p>
10.	Question from Peter Weir to the Leader, Councillor Steve Jordan
	<p>As a local resident of Prestbury, I am seriously concerned about the recent news regarding the green belt areas in the village being recommended to change status and be used for building additional houses.</p> <p>Can you explain exactly what the exceptional circumstances are that Elizabeth Ord refers to in her report?</p>
	<p>Response from the Leader</p> <p>I understand the concerns and please see the answer given above to question 6.</p> <p>In a supplementary question, Mr Weir suggested that the Minister for Housing and Planning, Brandon Lewis, has been clear to his MPs that housing shortage alone should not be used as a reason to redraw Green Belt boundaries. What justification is there for Prestbury to be treated in a way which contravenes his stated approach and the government’s policy?</p> <p>The Leader reiterated that the JCS could not satisfy all the housing requirements without using some element of Green Belt so that does require potential sites to be looked at. The open question here is whether Green Belt sites in Prestbury should be added.</p>
11.	Question from County Councillor Iain Dobie to the Leader, Councillor Steve Jordan
	<p>Does Cheltenham intend to approve the building of 200 new houses in Leckhampton within its Town Plan?</p>
	<p>Response from the Leader</p> <p>The Inspector’s interim report makes it clear that she does not find that an allocation of strategic scale (i.e. greater than 450/500 houses) is appropriate at Leckhampton in the JCS, but considers that a smaller allocation may be appropriate within the Cheltenham Plan. The Inspector finds the proposed Farm Lane development of 377 houses unsound which is in line with this Council’s view however since the application has already been approved by Tewkesbury we do need to clarify the status of that site.</p> <p>The Inspector’s view is that development at Leckhampton is a matter for the emerging Cheltenham Plan to consider and no decisions have been</p>

	made as yet. The Preferred Option consultation for the Cheltenham Plan, which will further review the principle of allocation in this area, is scheduled for September this year. While I would broadly support the Inspector's view the Council decision on accepting corresponding modifications to the JCS will take place in September. There are also ongoing legal challenges regarding planning decisions on this site still to be decided.
12	Question from County Councillor Iain Dobie to the Leader, Councillor Steve Jordan
	If the answer to the previous question is yes, what primary school provision would be made out of developers contributions for the children of those 200 houses (plus additional housing developments already in train) - will the plan for a new primary school in Leckhampton funded by new housing be revived?
	Response from the Leader Please see also the response to question 11 above. Whilst school provision needs to be reviewed as part of the Cheltenham Plan, and that plan needs to review the most efficient and comprehensive use of the site; it is clear that a scheme of 200 houses alone would not fund a new primary school at Leckhampton. Conversations are progressing with the County Council on this issue.

7. MEMBER QUESTIONS

1.	Question from Councillor John Payne to the Leader , Councillor Steve Jordan
	On the 7th of June this year Brandon Lewis, Minister of State for Housing and Planning wrote a letter to all Members of Parliament stressing and restating the Government's position on development in the Green Belt, that "development may only be allowed where exceptional circumstances exist". Could you please detail the specific circumstances that justify the destruction of most of the Green Belt in Prestbury?
	Response from Cabinet Member
	Government policy and statements both reinforce that Green Belt boundaries should only be changed where exceptional circumstances exist. The exceptional circumstances case for release of Green Belt can be made depending on the need for release, the sensitivity of the Green Belt in that location, and the potential for a suitable new green belt boundary to be created. These principles have been demonstrated through previous examinations and through case law. The Inspector's role is to examine whether the JCS is "sound", based on four tests. These tests set out that the plan should seek to meet requirements for delivery of housing and infrastructure in line with national policy. If the Inspector has identified that needs are not being met, then she has the power to examine and recommend alternative sites and locations where the need could be delivered; taking into account the

evidence she has heard on the social, environmental and economic principles of sustainability.

While the Inspector cannot compel the authorities to make the modifications she recommends to make the plan sound, the authorities cannot legally adopt or implement the plan if it has not been found to be sound through examination.

As Cllr Payne will be aware, after having evaluated evidence on these principles and requirements the inspector writes:

‘The removal of Leckhampton as a strategic allocation and the reduction of housing numbers at North West Cheltenham leaves Cheltenham with a need to find alternative housing capacity. The newly proposed strategic allocation of West Cheltenham will go part way to doing this, although a deficit still remains. In my judgement there is additional potential capacity in non-strategic Green Belt sites, which could significantly increase Cheltenham’s district capacity and which could be allocated in the emerging Cheltenham Local Plan. Releasing these areas of Green Belt now within the JCS would facilitate these sites coming forward and contributing to Cheltenham’s five year housing land supply. Following this approach should also enable Cheltenham’s housing requirements for the Plan period to be met in full’

On pages 28 – 30 of the Inspector’s report she gives reasons why, in her view, the exceptional circumstances test is met for release of Green Belt land in each of the locations described to the North of Cheltenham – based on the principles above.

Through the Joint Core Strategy the authorities have sought to alter green belt boundaries at urban extensions to allow for the sustainable development of Cheltenham and Gloucester. Tewkesbury’s strategic allocations around Tewkesbury town are not within the Green Belt. In doing so the Green Belt has to be comprehensively reviewed, and the authorities have presented two detailed studies on the Green Belt in the Cheltenham area.

National Planning Policy requires that when reviewing the Green Belt: ‘...local planning authorities should take account of the need to promote sustainable patterns of development. They should consider the consequences for sustainable development of channelling development towards urban areas inside the Green Belt boundary, towards towns and villages inset within the Green Belt or towards locations beyond the outer Green Belt boundary.’

The JCS Inspector has considered the studies and evidence presented to her over the course of the examination, but has come to an alternative interpretation of this evidence to that of the JCS authorities.

The Inspector has reviewed the Green Belt across the whole JCS area and recommends alterations to those set out in the Submission JCS, not only in Cheltenham Borough. For example, recommending that significant areas of land be released from the Green Belt at Twigworth, and that land

	<p>not be removed from the Green Belt for Safe Guarding at West Cheltenham (phase 2) in Tewkesbury Borough; where the JCS authorities argued it should be removed but Safeguarded.</p> <p>Although the JCS authorities have presented evidence regarding these sites also, the Inspector has examined this evidence and taken a contrary view.</p> <p>In regard to North Cheltenham and the Prestbury area, whilst the Inspector recommends the removal of particular areas from the Green Belt to be undertaken through the JCS, any allocation would be for the Cheltenham Plan to consider.</p> <p>In a supplementary question, Councillor Payne suggested that the determination of small, non-strategic sites for development should be a responsibility of this council. Does the Leader agree that the authority of Cheltenham Borough Council has been usurped and the proposals have not been subject to the normal consultation?</p> <p>In response, the Leader advised that it would not be possible within the JCS to provide all the housing required without using some element of the Green Belt. The question here was whether Prestbury needed to be added in order to meet the targets.</p>
<p>2.</p>	<p>Question from Councillor John Payne to the Leader , Councillor Steve Jordan</p>
	<p>All the proposed sites in the JCS have been subject to scrutiny to inform their suitability. What, if any detailed scrutiny have the sites in Prestbury been subjected to, specifically in relation to site accessibility, transport modelling, environmental impact and the ability of the infrastructure to support such extensive development?</p>
	<p>Response from Cabinet Member</p>
	<p>Please see also the answer given to Question 1.</p> <p>The areas at Prestbury have been evaluated through the strategic land availability assessment, which is a basic technical appraisal of sites across the Cheltenham Borough area. Since the area was not proposed for strategic allocation detailed work has not been undertaken on accessibility, transport modelling or environmental impact, or the infrastructure requirements of development in this area.</p> <p>Any proposal for development in this area would need to demonstrate that these needs could be met. While the Inspector recommends the removal of particular areas from the Green Belt to be undertaken through the JCS, any allocation would be for the Cheltenham Plan to consider, and would need to include an infrastructure delivery plan. I am keen that any sites now being proposed by the Inspector are properly considered before final decisions are taken although the JCS process is largely in her hands.</p> <p>In a supplementary question, Councillor Payne asked whether the Leader</p>

	<p>believed the timescales set for the JCS were sufficient for a full assessment of the sites at Prestbury and appropriate consultation with local residents?</p> <p>The Leader acknowledged this was doubtful but was keen for this consultation to take place, admittedly though it would be in the very short timetable set by the Inspector.</p>
3.	<p>Question from Councillor Adam Lillywhite to the Leader, Councillor Steve Jordan</p>
	<p>The JCS's legal representative, Mr Jameson suggested to the inspector on the final day of the JCS hearing that as an independent outsider, rather than an officer, if she could be clear about what should happen and if she were to make a recommendation then the simpler the political process would become.</p> <p>He inferred that it would be politically difficult for officers to make these recommendations.</p> <p>It is clear that the inspector understood what she was being asked to and that she had enough information, and again she asked Mr Jameson if he was sure that the JCS authorities didn't want the flexibility to make those changes themselves.</p> <p>Mr Jameson's response was that it would make the political process easier if the inspector were to point us in the right direction.</p> <p>Do you think the JCS's legal representative was correct when he suggested it would be politically difficult for our officers to make these recommendations and was he correct in asking the inspector to make them?</p>
	<p>Response from Cabinet Member</p>
	<p>Mr Jameson was speaking from his professional experience of providing legal assistance to numerous local plan examinations. He was advising from the perspective that a clear direction of soundness would need to be given in relation to the Plan through the Inspector's Interim Report. Mr Jameson advised that uncertainty would lead to delay and sought certainty in her report on that basis.</p> <p>If the Inspector finds any aspect of the plan unsound in her Final Report it cannot progress so the sooner we know the better as proposals concerning strategic allocations across the JCS area are proceeding at pace. Therefore it was important that the Interim Findings when delivered were meaningful and showed a clear direction of travel that the Inspector would have the authorities take in order to achieve soundness, if she identified areas where, in her view, the plan was not sound.</p> <p>In a supplementary question, Councillor Lillywhite asked whether the Leader could assure Council and the public that the revised transport modelling will be completed for all the proposed sites in the JCS by October 2016?</p>

	The Leader advised that the council relied on the county council to do this piece of work and therefore although he hoped they would meet the timetable he could not guarantee it.
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8. GLOUCESTER, CHELTENHAM AND TEWKESBURY JOINT CORE STRATEGY : INSPECTOR'S INTERIM REPORT

The Deputy Chair of Council, Councillor Klara Sudbury took the Chair for this agenda item.

The Leader introduced his report regarding the Inspector's interim report on the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy. The report explained that the JCS was the strategic planning document being prepared jointly by Gloucester City, Cheltenham Borough and Tewkesbury Borough Councils to provide a framework for meeting the development needs of the area over the plan period from 2011 to 2031.

The report summarised the Inspector's Interim Report, received on 31st May 2016, following the extensive examination of the JCS that had taken place since its submission to the Secretary of State in November 2014. The Interim Report made recommendations on main modifications to the JCS on issues that had not been resolved during the examination to date. In general it did not cover proposed main modifications that had already been discussed and proposed through the hearing sessions.

The report set out the proposed response to enable further discussion on the consequences of the Interim Report. The main body of this report was contained in Appendix A, with the recommended JCS response set out at section 4 of this appendix. This would allow JCS officers to set out the specific consequences and key points arising from the Inspector's recommendations. The report therefore sought Council approval to accept this proposed response and present these to the Inspector at further hearing sessions to take place on 6th and 7th July 2016.

He was confident that the joint working between Cheltenham, Gloucester and Tewkesbury was still the right approach in the long term for this area. He thanked all the contributors to the Inspector's process which had taken a lot longer than expected. He was concerned that the JCS was "morphing" into the Inspector's plan rather than the three council's own plan developed over a long period of time.

He referred to Appendix A which set out the three councils' responses to the Inspector's report and talked through each of the issues in detail.

Finally he referred to the additional bullet point in the recommendations which had been circulated in Members' places. The additional point "welcomed the Inspector's use of the Local Green Space review in Swindon Village and Leckhampton and requests a similar review be urgently undertaken in areas in West and North Cheltenham which she is now suggesting should be taken out of Green Belt.

The Deputy-Mayor invited Members to ask questions on the report and these were responded to by the Leader with support from the Director of Planning,

Tracey Crews, where appropriate.

- Would the Leader agree that the people of Prestbury had been let down by the attack on the Green Belt?
 - The Leader responded that this was a fair point regarding any area which had now come into the equation.
- A Member referred to the Leckhampton SD2 development for 377 houses which had been found to be unsound on appeal. If the Judicial Review was won by Leglag and the decision referred back to Tewkesbury Borough Council Planning Committee, would this council write to TBC stating their view that it was unsound to build on the SD2 site given the Inspector's views.
 - The council had raised their objections to the development in the first place and given the Inspector's view that it was unsound, he would be happy to take that suggestion on board.
- How would the council ensure that Cheltenham gets the right mix of houses in new developments and not 4/5 bedroom houses in place of affordable housing. What powers does the council have as the planning authority to refuse sites with an appropriate mix?
 - The Strategic Housing Market Assessment assesses housing need and converts that to a housing mix that is required for Cheltenham. Once established any planning applications for developments would be assessed against it. The council would be aiming for a 35% target for affordable housing in urban extensions and a 40% target elsewhere. This flows from the viability work undertaken to support CIL and highlights the high infrastructure demands of large sites.
- The JCS has identified a number of sites to be taken out of the Green Belt in north-west Cheltenham. Proposals for those sites would not be known at this stage because that is part of the Local Plan but officers will have already made assumptions on the number of houses that could be built on these sites. Could the Leader clarify the process?
 - The exact process was still to be determined but the Member was correct in his assumption that sites defined as non-strategic would be an issue for the Local Plan and not the JCS. In September Council would have the final package for debate.
- If the Judicial Review (JR) for SD2 is not determined before September 2016, would that put the plans for the JCS in disarray?
 - The Leader referred this question to the Director of Planning, Tracey Crews. She advised that the outcome of the JR result in a further public inquiry and the Inspector could not wait for a result. She acknowledged it was an unknown and a risk for the JCS and Members would be fully informed of the current position when they came back in September to consider the JCS recommendations.
- A Member referred to the 'Florence convention' which required the council to carry out a full public consultation regarding any proposed developments which could change the nature of the local landscape. Would that be done in this case?
 - The Director of Planning advised that the council would consult on any proposed main modifications to the JCS. There was a specific requirement on local authorities to consult in these circumstances and indeed the Member had raised this point with the Inspector at the

examination and it had been taken on board. The officer confirmed that SD15 was the relevant policy regarding health and environmental quality and would facilitate what the Member required.

- Could the Leader assure Members that the necessary consultation with neighbouring local authorities referred to in the Inspector's report would not cause delay in finalising the JCS and Local Plan which were critical tools in avoiding inappropriate development.
 - The Leader advised that discussions had already taken place with Stroud and Wychavon and would evolve over time so he was confident that these would not cause undue delay to the process.
- Can the Leader reassure members that the new boundaries proposed for the Green Belt in the northern parts of the town would be consistent with the DCLG guidance that the boundaries should follow physical features in the landscape?
 - The Leader acknowledged the importance of defensible boundaries for the Green Belt. He also pointed out that even if the Green Belt boundaries are moved as part of the JCS, those areas could still be protected within the scope of the proposed local Green Space reviews.
- How can the council ensure that the social housing needs for people in Cheltenham would be met and in particular a sufficient supply of houses would be available for rent for those who could not afford to buy?
 - The Leader acknowledged that the government's new definition of Affordable Housing did not necessarily resolve the problem nor did the Inspector's 5% uplift on housing numbers.
- Is the National Policy on affordable housing being considered and how could the views of residents in Springbank ward be taken into account if the local Ward Councillor had been refused permission by the Inspector to represent their views at the hearing on 6/7 July?
 - The Leader sympathised with this view. He would do everything he could to try and make sure people have their say as part of the Local Green Space review. The officer added that officers have been lobbying the Inspector regarding their concerns that the process was inadequate in terms of facilitating direct conversations with the Inspector. Officers shared the views expressed that the real needs for affordable Housing would not be met by the current proposals and she advised that a new policy on affordable housing was currently being developed and will be available by September which would assist in the process.
- How would the infrastructure costs for the North West be funded? Would this be from county council funds or Community Infrastructure Levy?
 - The Leader could not answer this question at this point as it was an ongoing conversation. The officer added that Section 106 funding or CIL funding, once it was introduced, would be relevant.
- Does the 5 year plan for housing take into account planning permissions already granted?
 - The officer confirmed that the 5 year supply does take account of both committed and potential developments coming up in the Local Plan and revised figures will be available in September.
- Will a transport infrastructure plan be available in the autumn and can we ensure that local roads in residential areas will not be adversely affected by new developments?
 - The Leader advised that the county council was currently debating the revised Local Transport Plan and in the autumn the county council

would be doing a revised traffic analysis for the JCS. He assured the Member that he would enable the maximum input from local residents in any consultation. In the meantime the Inspector would be working with the traffic analysis previously done but clearly it was important that the analysis was updated to reflect the potential new sites in the JCS.

- Is there a Plan B if the Council decides to reject the JCS in September?
- The Leader confirmed that there was no plan B and the only alternative was for the council to start from scratch on its own.
- The assessment of housing needs was very much based on economic growth targets. If that growth is no longer relevant can housing numbers be reduced?
- The Leader acknowledged the uncertainty following the referendum result and the difficulty of making economic predictions. The officer added that the Inspector had gone for the middle line in terms of economic growth but acknowledged that a recession could have a real impact on the figures.
- What could the council do to ensure that affordable type housing could not be abused by unscrupulous landlords who would buy up the property and then try and cram as many rooms as possible into the property resulting in unsuitable accommodation?
- The Leader outlined the survey work that the council was planning to undertake on houses of multiple occupation (HMOs). The officer advised that this had come up at a recent Planning Committee and the committee had been advised that this particular issue would be dealt with as part of the Local Plan.
- A Member was concerned about local school provision following removal of the Leckhampton sites. Local communities needed some certainty on whether school places will be made available.
- the Director of Planning advised that recommendations at Leckhampton have an impact on levels of infrastructure. A new primary school will not be delivered by a site of 200 new houses. Officers are working with GCC colleagues to consider the impact on primary and secondary school places.

In the debate that followed the following points were raised by Members:

Members believed that a strong message should be sent to the Inspector with regard to the inclusion in the plan of the removal of green belt land in Prestbury. It was important to protect the remaining green belt at all costs. The responsibility of changing the green belt was not in the gift of the Inspector but lay with the local planning authority via the preparation of the local plan. The inclusion of the Prestbury green belt had never been in the original draft JCS and had never been consulted upon nor scrutinised in great detail. As such local residents had been disenfranchised and there were also clear inconsistencies in terms of consultation when compared with consultation undertaken with residents in Leckhampton and Up Hatherley. It was also noted that Prestbury Parish Council had been denied its opportunity to speak at the hearings. A public consultation mechanism was therefore vital. Some Members questioned whether the Inspector's impartiality in the assessment of the soundness of sites had now been compromised.

Some Members highlighted the irreparable damage the inclusion of green belt land could have on Prestbury's character which would impact negatively on

future generations. In this respect there were inconsistencies between that of Leckhampton and Swindon Village and that of Prestbury particularly in respect of landscape and sensitive views and heritage. These impacts were detrimental to Prestbury but had not been addressed by the Inspector. Officers were advised to consider the objections the council had submitted to the Mill Lane application when presenting Members' views at the July hearings. Prestbury had a distinctive village character in a semi-rural setting and development would fundamentally change it.

Members also highlighted the inconsistencies in terms of the inclusion of green belt land in Prestbury and the impact on infrastructure. More detailed work should be undertaken with regard to impact on roads, access to school places and doctors surgeries.

One Member suggested that the inclusion of Prestbury could be phased to the second half of the JCS period, once the JCS had formally been reviewed at its first 5 year point.

Members believed it was important to review the Housing Need numbers in the light of the Brexit Referendum result. There was current insecurity in the market with the economic outlook uncertain. The Council however had a responsibility to plan for Cheltenham's future with a strategic plan for the next 20 years and plans for sustainable economic growth in the town. It was important to highlight that the town was 'open for business' and that companies attracted to the borough could be accommodated. Members fully supported proposals for a cyber hub and high tech growth in the west of the town.

The uplifts were in the views of some members resulting in the direct consequence of the removal of additional areas of the green belt. Officers were requested to take a robust approach at the July hearings to challenge the uplifts which some members regarded as 'arbitrary figures'. They believed there was no justification for the high percentage uplift in affordable housing and they questioned how this would be achieved. A Member believed CBH was capable of producing a proactive plan to deliver such homes without building on the valuable green belt around Prestbury.

Members recognised the housing crisis in the town with the current waiting list standing at 2600 with many residents in unsuitable, unsustainable accommodation and facing an uncertain future. It was vital that the JCS was in place so that the Cheltenham Local Plan could be finalised and these issues tackled. Members questioned how affordable and social housing derived from this uplift could be achieved particularly in the light of changes in government legislation.

Members placed particular emphasis on the style and sustainability of future developments. Good quality estates which included green space creating that 'open feel' would preserve the character of the town and develop sustainable communities.

A Member believed that the 377 units earmarked at Farm Lane should, if delivered, be allocated to Cheltenham. Members argued that the level of development currently being delivered wasn't because permissions weren't granted but rather that the development industry had failed to implement

consents granted as there was no compulsion to do so. The application of a 20 % NPPF buffer was viewed as unfair.

The inclusion of greenbelt land in Springbank in the Plan was not unexpected but a Member questioned why, just because of the lower quality of the land, it had to be developed. The area had its own unique issues, for example a reduction in the bus service but due to its late inclusion, residents had not been democratically involved in the plan and it was important to protect the quality of life of all residents.

Members highlighted the need for a plan demonstrated by the high degree of cross party consensus over recent times. It was important that the plan belonged to the town, rather than the Inspector. Decisions should be made in full knowledge of the facts and full public consultation. Members supported the proposal to undertake local green space reviews in the West and North of the town as the Inspector had used these reviews when considering sites in Leckhampton and Swindon Village and Members believed these would assist in designing sustainable developments.

The Director Planning advised that a strategic overview of comments from this meeting would be drafted to inform the July hearings of the Inspector. The comments would be categorised under the headings as set out in Appendix A of the Council report and would be supplemented by the minutes of the meeting.

She summarised the main points raised under the following headings:

A - Housing Numbers

- Housing need must now be assessed in light of the result of Brexit. The decision raises new uncertainties for the economy.
- The uplifts as described in the recommendations are undefined, but have a direct consequence on the removal of additional areas of the green belt. Officers are tasked to present a case at the July hearings to seek removal of the uplifts.
- There is no clear justification for the 5% affordable housing uplift. Whilst recognising the need to respond to housing needs, including homelessness and young people, there is no way to ensure that new homes derived from this uplift will be affordable.
- If uplifts remain, they should slip to the second half of the plan period. We can then take stock at a review point and reflect upon the Brexit outcomes.
- The JCS has come a long way, but the recommendations open up uncertainty. It is a very different plan than that agreed by the JCS Councils.
- It is important that Cheltenham grows, but that it grows in the right way. Key to this is the importance of open spaces and reflecting the character of Cheltenham.
- The level of development currently being delivered isn't because we haven't approved enough sites, we have, but the development industry

has failed to implement consents granted. Application of a 20% NPPF buffer is unfair.

B - Employment Land

- Cheltenham is open for business and it is important that land is available. However there are huge uncertainties around the future of the economy. The plan needs to be flexible and respond to Brexit.
- Support for cyber hub and high tech growth.

C - Strategic Allocation / Green Belt Removal

- The JCS has been carefully drafted in respect of proposals in the green belt. Remaining green belt needs to be protected at all costs. The Inspector's recommendations are not transparent and at North Cheltenham fail to deliver a strategic site.
- The responsibility of identifying non strategic sites is that of the local planning authority through local plan preparation. By proposing further changes to the green belt the Inspector has compromised decisions that should be taken at a very local level.
- There has been selective use of evidence in regards defining exceptional circumstances. Officers are tasked with the reinstatement of these green belt areas through the July hearings.
- Consideration should be given to the phasing of the release of land within strategic allocations. Too much emphasis has been given to statements made by developers that sites will be delivered.
- Concerns regarding West Cheltenham. Just because it is defined as a lower quality green belt doesn't mean we have to build on it. We need a grown up discussion on the best way forward.
- There was much debate in respect of Prestbury including:
 - redrawing of green belt boundary would significantly change the character of the area.
 - There are inconsistencies in the report between that of Leckhampton and Swindon Village and that of Prestbury, particularly in respect of landscape and sensitive views and impact of development on heritage. These impacts are equally detrimental to Prestbury but not addressed by the Inspector's report. Officers are directed to present recent objections to the Mill Lane application made to Tewkesbury Borough Council to the July hearings.
 - Prestbury has a distinctive character, development would fundamentally change a semi rural village.

D - Reserve Sites Policy / Local Green Space / Safeguarded Land

- Account needs to be taken of additional work proposed by Cheltenham Borough Council to undertake assessment of Local Green Space in those areas previously not undertaken (North Cheltenham and West Cheltenham). See additional recommendation noted on opening page of this summary.

- Phase 2 West Cheltenham - we need a grown up debate about the future and best planning of this area. Deleting phase 2 is arbitrary, the strategic allocation needs to be properly master planned.
- Cheltenham Borough Council agreed the following motion; "That this Council, mindful of Inspector Ord's Interim Findings in relation to the JCS, welcomes the specific finding that the case for a Local Green Space in Swindon Village, which conserves the historic setting for the village, has been made. Council also welcomes the fact that the finding will be further recognised and developed through the Cheltenham Plan."

E - Infrastructure

- There are inconsistencies in the Inspectors recommendation report. at Leckhampton the Inspector has looked at the cumulative affect of transport, but this is not the case for development in the pipeline or new sites arising from the recommendation report.
- As well as high level infrastructure issues, officers are directed to inform the Inspector of local issues e.g. Prestbury will no longer have a doctors surgery and impact of issues around access to school places.
- Recommendations raise concerns regarding appropriate school places.

F - Trajectories

- 377 units at Farm Lane - If this site is delivered these figures should be allocated to Cheltenham. Officers are directed to seek clarity.
- Consideration should be given to the phasing of strategic sites.
- If the numbers remain, due to uncertainty these should be pushed to the back of the plan period.

General Comments

- The JCS should not determine policy that is more appropriately dealt with at the local plan level.
- Great care has been given to ensure that the JCS is evidence based strategic plan. New sites recommended for Cheltenham are neither strategic nor been subject to rigorous examination of evidence.
- Local communities should be given full opportunity to set out their views in the same depth as those within the submitted JCS. Communities related to new sites identified by the Inspector's report do not have the same opportunities to engage. There is a democratic deficit - communities have been dealt a raw deal.
- We need a plan, but a plan that works for Cheltenham. we need to own the JCS, but we might not be able to achieve this due to lack of engagement and depth of public airing as the previous proposals in the submitted plan.
- Decisions we make today should not make the situation worse for future generations.

In response to the debate the Leader believed it was right to protect the green belt. There was broad acceptance with the JCS that housing need would go some way to being met. It was however inevitable that some homes would have to be built in the Green Belt as it was not realistic to avoid it entirely. He acknowledged that there was a real issue as to whether Prestbury had been fairly treated.

In terms of the uplift in affordable housing he highlighted that a generation required housing. In terms of the economic uplift he acknowledged the difficult economic projection in the light of recent events but the aim should be for something that is likely rather than excessive. The authority had failed in previous years in terms of the penalty as sites had been approved which developers had not built out.

The JCS was indeed a planned process and it was important that there were green and open estates and all residents had the right to input into the process.

Upon a vote it was

RESOLVED (unanimously) THAT

- 1. the Interim Report of the Inspector be noted.**
- 2. it be agreed that the JCS officers attend the July hearings to discuss the Interim Report and the recommended way forward with the Inspector, identifying specific consequences and key points arising from the findings to the Inspector as detailed (within Appendix A-section 4) and expressed through the June 2016 Council meetings on this report;**
- 3. it be agreed that a summary of comments made by Members at the Council meetings held by the JCS Authorities be passed to the JCS Inspector for consideration.**
- 4. the Inspector's use of the Local Green Space review in Swindon Village and Leckhampton be welcomed and that it be requested that a similar review be urgently undertaken in areas in West and North Cheltenham which she is now suggesting should be taken out of green belt.**

9. NOTICES OF MOTION

Proposed by Councillor Clucas, seconded by Councillor Fisher

"That this Council, mindful of Inspector Ord's Interim Findings in relation to the JCS, welcomes the specific finding that the case for a Local Green Space in Swindon Village, which conserves the historic setting for the village, has been made. Council also welcomes the fact that the finding will be further recognised and developed through the Cheltenham Plan."

In proposing the motion Councillor Clucas thanked colleagues for their support in relation to the use of the Local Green Space Review in Swindon Village. She

said that, as the JCS had not been approved, it was important to give a message to developers on the Inspector's finding which would be developed further through the Local Plan. She wished to place on record her thanks to all those residents who had contributed to the work undertaken.

In seconding the motion Councillor Fisher took the opportunity to thank Martin Horwood for his contributions on the National Planning Policy Framework.

RESOLVED THAT

"this Council, mindful of Inspector Ord's Interim Findings in relation to the JCS, welcomes the specific finding that the case for a Local Green Space in Swindon Village, which conserves the historic setting for the village, has been made. Council also welcomes the fact that the finding will be further recognised and developed through the Cheltenham Plan."

Chris Ryder
Chairman

Cheltenham Borough Council

Cabinet – 12th July 2016

Council – 18th July 2016

Financial outturn 2015/16 and budget monitoring to June 2016

Accountable member	Councillor Rowena Hay, Cabinet Member for Finance
Accountable officer	Paul Jones, Section 151 Officer
Accountable scrutiny committee	All
Ward(s) affected	All
Key Decision	No
Executive summary	<p>In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance. This report highlights the Council's financial performance for the previous year which sets out the General Fund and Housing Revenue Account (HRA) revenue and capital outturn position for 2015/16. The information contained within this report has been used to prepare the Council's Statement of Accounts for 2015/16.</p> <p>Financial rule B10.1 states that carry forward of planned underspend of revenue budgets into the following financial year will only be allowed with the agreement of the Section 151 Officer, in order to meet the needs of approved service delivery. Financial rule B10.3 states that all other carry forward requests, including budget underspends that have been carried forward in previous financial years, will be subject to full Council approval at the financial outturn meeting held after the year end.</p> <p>The Council's Treasury Management Policy requires the Section 151 Officer to report to members annually, by the 30th September, on the treasury management activities and prudential indicators for the previous financial year. This report also seeks to meet this requirement.</p>
Recommendations	<p>We therefore recommend that Cabinet approve the following recommendations to Council:</p> <ol style="list-style-type: none"> 1. That Council receives the financial outturn performance position for the General Fund, summarised at Appendix 2, and notes that services have been delivered within the revised budget for 2015/16 resulting in a saving (after carry forward requests) of £239,020. <p style="padding-left: 40px;">That furthermore Council:</p> <ol style="list-style-type: none"> 2. Approves £40,000 of carry forward requests (requiring member approval) at Appendix 5. 3. Approve the use of the budget saving of £239,020 as detailed in Section 3. 4. Notes the annual treasury management report at Appendix 7 and approve the actual 2015/16 prudential and treasury

indicators.

5. Notes the capital programme outturn position as detailed in Appendix 8 and approve the carry forward of unspent budgets into 2015/16 (section 7).
6. Notes the position in respect of Section 106 agreements and partnership funding agreements at Appendix 9 (section 9).
7. Notes the outturn position in respect of collection rates for council tax and non-domestic rates for 2015/16 in Appendix 10 (section 10).
8. Notes the outturn position in respect of collection rates for sundry debts for 2015/16 in Appendix 11 (section 11).
9. Receives the financial outturn performance position for the Housing Revenue Account for 2015/16 in Appendices 12 to 13 and approves the carry forward of unspent budgets into 2016/17 (section 12).
10. Notes the budget monitoring position to the end of June 2016 (section 13) and approves the budget virement of £60,000.

<p>Financial implications</p>	<p>As detailed throughout this report.</p> <p>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</p>
<p>Legal implications</p>	<p>None directly arising from the report recommendations.</p> <p>Contact officer: Peter Lewis, Peter.Lewis@teWKesbury.gov.uk, 01684 272012</p>
<p>HR implications (including learning and organisational development)</p>	<p>Employee capacity must be kept under review to ensure that any additional work is adequately resourced. If budget pressures mean monies for additional resource is not permissible a review of current projects and service delivery options will need to take place.</p> <p>Contact officer: Julie McCarthy, Julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
<p>Key risks</p>	<p>As outlined in Appendix 1.</p>
<p>Corporate and community plan Implications</p>	<p>Key elements of the budget are aimed at delivering the corporate objectives in the Corporate Business Plan.</p>
<p>Environmental and climate change implications</p>	<p>None.</p>

1. Background

- 1.1 This report draws together the financial outturn position for 2015/16 for the General Fund and Housing Revenue Account (HRA) revenue and capital budgets, details reserve movements, summarises requests for carry forward of budgets approved by the Section 151 Officer under delegated powers and those requiring member approval and makes recommendations in respect of the use of the budget saving.
- 1.2 In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance.
- 1.3 A summary of the actual General Fund outturn position by service is contained in Appendix 2.
- 1.4 A summary of the outturn position by cost centre within each service is contained in Appendix 3. Information is presented both in the format normally used in cabinet and council papers and also in Service Reporting Code of Practice (SeRCOP) format used in the preparation of the final accounts which requires under / overspends on support services cost centres to be charged to end user cost centres.

2. General Fund Revenue Outturn 2015/16

- 2.1 The budget monitoring report to the end of December 2015, considered by Cabinet on 9th February 2016, projected an underspend for the year of £307,900. The Cabinet made recommendations to full Council at the budget setting meeting for the use of this underspend which was approved in February 2016 and formed part of the revised budget for 2015/16. It was agreed at that meeting that a contribution of £307,900 be made to the Budget Strategy (Support) Reserve.
- 2.2 The continued impact of the changes in government funding arrangements and the economic climate present particular concerns for the Council's budgets moving forward. It was therefore recommended that any further underspend identified on outturn be transferred firstly to the Budget Strategy (Support) Reserve and secondly to support general balances, bearing in mind the need to keep the level of reserves robust and the uncertainty surrounding future budget funding gaps, as outlined in the Council's Medium Term Financial Strategy and the Cabinet budget setting report dated 9th February 2016.
- 2.3 It is therefore pleasing to report that the Council has delivered services within the resources available, resulting in a budget saving, after carry forward requests, of £239,020 against the revised budget. This saving has been transferred to the Budget Strategy (Support) Reserve pending decisions over its use in 2016/17.
- 2.4 A number of savings are the result of delays or slippage in carrying out particular tasks which are still necessary and will need to be completed in the 2016/17 financial year. Where this applies, requests for carry forwards are documented in Appendix 5 to this report.
- 2.5 A full explanation of all variances that exceed £50,000 is contained within Appendix 4.

3. Making use of revenue budget savings

- 3.1 The Government's policy of phasing out revenue support grant and in due course allowing councils to benefit from a higher share of business rates creates a need for this Council to develop a long-term strategy which is significantly different from that followed in past years. Since 2013 the Council has had a direct financial interest in economic and business growth in the town, and will have a larger stake in it under the Government's proposals for reforming business rates.
- 3.2 The Cabinet is proposing to the Council that we use the budget savings totalling £239,020 for a number of specific, focused purposes which will potentially deliver lasting benefits, namely; promoting Cheltenham through economic development and tourism opportunities; and

strengthening our reserves.

Economic Development and Tourism

- 3.3** In responding to the emerging reality to significant reductions in core government funding, the Cabinet has given a high priority to spending that will support the local economy. That is why the 2016/17 budget proposals reaffirmed this Council's financial support for the Business Improvement District; allocated funding to develop and start to implement the emerging Tourism Strategy; and to provide additional funding so that the Joint Core Strategy process can be completed and a framework developed for the Community Infrastructure Levy. Attention was also paid to the need for the town to be as welcoming and attractive as we can make it; and a sum of £50,000 was allocated to carry out an intensive clean of the town centre and a number of key out-of-centre locations.
- 3.4** There is the potential for Cheltenham to host the finish of the penultimate day of the 2017 Tour of Britain cycle race. This would be a high profile event for the town and would be on a Saturday afternoon, providing the opportunity to maximise the family and visitor experience. It also presents a great opportunity for the BID to work alongside other stakeholders in maximising the wider benefits that would arise from this event, showcasing Cheltenham and Gloucestershire to an international audience attracting visitors to Cheltenham for the Tour race itself and in subsequent years as a visitor/holiday destination. It also has potential to open doors to follow up events in future years by putting Cheltenham on the "Tour Circuit" and reinforcing our reputation as an exciting Festival Town.
- 3.5** There would also be wider social and community benefits to hosting the event and consideration would need to be given to the approach to community development and the potential knock-on events / activities and benefits that arise from the promotional value of hosting such an event.
- 3.6** The event could make a major contribution to our health promotion agenda as part of a concerted effort to encourage more people to make journeys by bike instead of using cars, thereby supporting efforts to reduce traffic and improve air quality within the town. It could also help to inspire more people to participate and compete in cycling and other sports both through exposure to the Tour of Britain race itself, but also through associated community events such as Festival of Cycling, promotion in schools, and partnerships with cycling clubs.
- 3.7** The Council will work in partnership with the Cheltenham Trust on this initiative, but if we wish to secure this opportunity the Council will need to give a firm commitment to underwrite the full £100k cost of hosting the event.
- 3.8** It is therefore proposed that £100,000 from the revenue budget savings be transferred to the Economic Development & Tourism Reserve to support the Tour of Britain initiative and other opportunities that may arise to ensure Cheltenham remains as a destination to visit and stay.
- 3.9** A detailed proposal for the Tour of Britain initiative will be developed in due course to scope out the potential for maximising the benefits, the resources needed to deliver it and the potential cost implications.

Strengthening our reserves

- 3.10** In determining the budget strategy in October 2015, the Section 151 Officer recommended the creation of a specific earmarked reserve: a 'budget strategy (support) reserve', to provide greater resilience. This reserve will help to secure the Council against short-term challenges which we know we will encounter in the coming year such as the one-off drop in business rates income in 2016/17 due to redevelopment, and the delay in securing car park income of £350k a year from the North Place development.
- 3.11** In previous budget statements to the Council, the previous Cabinet Member for Finance has said that if possible he would propose a strengthening of general fund balances in the outturn report. It is therefore recommended that the balance of the 2015/16 budget saving of £139,020 be

transferred to the Budget Strategy (Support) Reserve.

- 3.12 Strengthening the Budget Strategy (Support) Reserve will give the Council more flexibility to pump-prime projects and initiatives which will deliver future savings at a time when we are facing such severe and ongoing cuts to our spending power.
- 3.13 The balance on this reserve as at 31st March 2016 is £973,147 which includes the “top-up” identified above in 3.11. The 2016/17 budget proposals rely on the drawdown of part of this reserve in 2016/17 leaving a balance of £699,228 which will give the Council time to work up its strategy for delivering substantial savings over the next 4 year period.

4. Budget carry forward requests

- 4.1 At the year end, a number of budget holders requested ‘carry forward’ of unspent budgets. Requests fall into two categories and have been dealt with as follows:
- 4.2 Some requests are in respect of goods and services ordered but not received by 31st March 2016. Some relate to items of expenditure not yet incurred due to slippage in work programmes but still planned to be spent in line with the original intention of the budget. Others are amounts of grant funding which have been allocated but not yet been taken up by their intended beneficiaries. In line with previous practice, these have been reviewed by the Senior Leadership Team (SLT) and approved by the Section 151 Officer, under delegated powers (financial rule B10.1). A list of the approved carry forward of budgets totalling £272,500, for which expenditure is in line with the original approved purpose, is contained in Appendix 5. In accordance with the Service Reporting Code of Practice (SeRCOP), a transfer was made to a ‘carry forward’ reserve in 2015/16 (Appendix 6) and transfers will be made from the ‘carry forward’ reserve in 2016/17 to the appropriate cost centres in order that members and officers have a clear indication of the total budget, including carry forwards, available for 2016/17.
- 4.3 Some requests have been made to carry forward an underspend to be used in a different way to that for which the budget was originally intended. Since this falls outside the budget set by Council in February 2015, their alternative use requires council approval (financial rule B10.3). The list contained in Appendix 5, totalling £40,000, has been reviewed and supported by the Senior Leadership Team and now requires council approval.

5. Treasury Management / Prudential Indicators

- 5.1 Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services. This Council has adopted the code and complies with its requirements, one of which is the receipt by Cabinet and Council of an Annual Review Report after the financial year end.
- 5.2 The detailed treasury report, as approved by the Treasury Management Panel at its meeting on 6th June 2016, is attached at Appendix 7.
- 5.3 The prudential indicators have been monitored regularly and there were no material departures from the indicators arising during the year. The outturn indicators are reported to Cabinet and Council as part of the capital and treasury management outturn in accordance with the arrangements determined at the February 2015 council meeting.

Icelandic bank deposits

- 5.4 Following the Icelandic bank supreme court decision to award priority status to local authority deposits, the council was due to receive 100% back from Glitnir bank. It was, however, acknowledged that due to foreign exchange rate fluctuations and Icelandic Government controls, the council may not get the full value returned in £ sterling and consequently made provision within an earmarked reserve.

- 5.5** Due to the current currency controls made by the Central Bank of Iceland (CBI), it had not been possible to withdraw these funds from Iceland.
- 5.6** Following legislation passed by the Icelandic government on Sunday 22nd May 2016 the Central Bank of Iceland (CBI) announced that a currency auction would take place on 16th June 2016. Bevan Brittan, the council's legal representatives, informed Local authorities of this CBI currency auction in addition to explaining what the alternative options were.
- 5.7** As holders of "offshore" Icelandic Krona (ISK) Cheltenham Borough Council was able to participate in the auction. Participating in the auction allowed the Council to sell its ISK and convert it into Euros and then £ sterling and the decision to participate, after consulting the Treasury Management Panel, was made on 7th June 2016. As at 22nd June 2016 the Council held ISK 143,305,985 which was converted into 752,737 Euros at a rate of 190.38 ISK to 1 Euro.
- 5.8** On 4th July 2016, the Euros were converted into £627,856 at a rate of 1.1989 Euro to £ which was deposited into our current account. Against an original deposit of £3m, excluding interest, the Council has received £3,055,456.
- 5.9** However, the shortfall in return measured against the carrying value of the loan, which represents initial investment and accrued interest (interest that has accrued on the investment balance outstanding), is £167,637.
- 5.10** Over a number of years the Council has made provision against potential losses on the sale of its Icelandic Investment. Any interest receivable or positive exchange-rate movements that have accrued have been set-aside in a reserve to offset any potential sale costs or losses on disposal. At 31st March 2016 the Council had set-aside £299,854 to offset any losses in the revenue account. As a result of the above transaction, the Council has over-provided by £132,217; consideration for this windfall will be considered as part of the budget strategy for formulating the 2017/18 revenue budget.

6. Business Rates Retention Scheme (BRRS)

- 6.1** One of the key documents in the budget setting process is the estimate of business rates yield which is reported in the National Non Domestic Rates return (NNDR1) which is submitted to the Department for Communities and Local Government (DCLG). The NNDR1 return was submitted to DCLG by the deadline of 31st January 2015 and the budget was based on the figures within that return.

- 6.2 The table below reflects the actual performance against the revised budget with an overall positive variance of £140,243 when taking into account the pool surplus distribution.

	Revised Budget	Actual	Variance
Redistributed Business Rates	(22,236,357)	(22,236,357)	-
Tariff	19,084,298	19,084,298	-
Share of Collection Fund Surplus	(509,641)	(509,641)	-
Retained Business Rates	(3,661,700)	(3,661,700)	-
Section 31 Grants	(794,124)	(813,825)	(19,701)
Levy paid over to Government	99,473	121,858	22,385)
Retained Income	(4,356,351)	(4,353,667)	2,684
Pool Surplus distribution	-	(142,927)	(142,927)
Total	(4,356,351)	(4,496,594)	(140,243)

- 6.3 A transfer of £140,000 has been made to the Business Rates Retention Equalisation reserve to fund future budget gaps which arise as a result of the accounting arrangements for the Retained Business Rates Scheme as reported to Cabinet / Council previously.

7. Capital Outturn 2015/16

- 7.1 The outturn position in respect of General Fund capital is contained in Appendix 8. Members are asked to note the outturn position and, where there is slippage, approve the carry forwards into 2016/17 requested by officers.
- 7.2 A full explanation of all variances that exceed £100,000 is contained within Appendix 4.

8. Reserves

- 8.1 The Section 151 Officer has, under delegated powers (financial rule B11.4), authority to make transfers to and from these operational reserves in accordance with the intention of the reserve as determined by the Council's Reserves Policy and Protocol. The transfers approved by the Section 151 Officer for 2015/16 are set out in the outturn performance position schedules at Appendix 2 and 3.
- 8.2 Appendix 6 also details the reserves held by the Council, states their purpose and indicates the balance at 31st March 2016. In setting the budget for 2016/17 a review of reserves was undertaken to assess whether the levels were appropriate and in line with the policy for reserves and balances; and also whether they took into account the needs and risks of the organisation and the prevailing economic conditions. At the year end this process has been repeated.
- 8.3 In assessing the adequacy of reserves and balances for 2016/17 the Section 151 Officer used a risk based approach to assess the appropriate level of general balances which calculated the optimum level to be £1.259m. At the year end, the General Fund Balance stands at £1.409m and therefore remains above the optimum level recommended by the Section 151 Officer.
- 8.4 An assessment of the Council's earmarked reserves has been made in line with the fiduciary duty of the Section 151 Officer at the year end. Accepting that the front-loaded cuts to core

government funding could leave the council exposed without clear decision-making in delivering a balanced budget, the level of reserves appears adequate at this point in time and no other changes are currently recommended. However, it is important to make Members aware of the following points.

- 8.5 The current Medium Term Financial Strategy (MTFS) supports all windfalls and underspends being earmarked towards the Budget Strategy Support Reserve (BSSR). Council may also wish to consider earmarking future New Homes Bonus (NHB) received over and above the £1.75m built into base budget to this reserve.
- 8.6 Given the risks arising from Business Rates volatility, both through appeals and the future proposals for full business rates retention, it should be noted that wherever possible, the Business Rates Retention Reserve should also be strengthened to mitigate these risks.

9. Section 106 receipts

- 9.1 A position statement in respect of the activity of Section 106 receipts is contained in Appendix 9.
- 9.2 The following summarises the activity in respect of Section 106 for 2015/16, compared to 2014/15.

	2014/2015	2015/2016
Balance of unused Section 106 receipts	573,321	1,801,684
Net additional receipts in year	1,289,083	526,611
Receipts used to finance projects in year	(60,720)	(251,786)
Balance outstanding at year end	1,801,684	2,076,509

10. Council tax and business rates collection

- 10.1 The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 10. This shows the position at the end of March 2016.

11. Sundry debt collection

- 11.1 The monitoring report for the collection of sundry debt income is shown in Appendix 11. This shows the position at the end of March 2016.

12. Housing Revenue Account (HRA)

HRA income and expenditure

- 12.1 The revised forecast for the HRA, presented to Council in February 2016, anticipated a surplus for the year of £2,200,800 leaving a balance of £5,856,900 in general revenue reserves at 31st March 2016.
- 12.2 The outturn statement at Appendix 12 shows a surplus for the year of £2,385,007, a net positive variance of £184,207, increasing revenue reserves to £6,041,110 at year end.
- 12.3 The variance arose primarily from:-

Detail	£'000
Management savings – telephone, gas & electricity costs	42
Reduced spend on repairs & maintenance arising from lower demand	93
Revaluation losses on HRA investment properties	(73)
Additional dwelling rent – accounting adjustment to forecast prepayment re final rent week	58
Higher recharges to leaseholders (additional repair charges)	43
Other net variances (£32k positive less £11k negative)	21
Total Variance	184

Major Repairs Reserve (Appendix 13)

- 12.4** In accordance with regulations this reserve is funded by sums equivalent to the depreciation provision and can be used to finance HRA capital expenditure.

HRA Capital Programme (Appendix 13)

Appendix 13 shows actual spend of £6,949,812 compared to the revised forecast of £6,779,800, additional expenditure of £169,012. The programme includes a number of projects where expenditure plans span financial years and are delivered through more than one contract. Where delays are incurred, for example through extended consultation with leaseholders, CBH seek opportunities for advancing other projects within overall available funding. Costs remain controlled at both contract and project level. Significant variations from forecast project spend are shown below:-

Area of Spend	Forecast	Actual	Variation	Reason for Variation
	£'000	£'000	£'000	
External Improvements	1,023	811	212	Delays arising from ongoing negotiations with leaseholders
PV Installations	2,259	1,949	310	Sheltered scheme at Barlow Rd waiting for National Grid permissions
Fire Protection	285	163	122	Contractor withdrawal
New Build	642	412	230	Final acquisition in Cakebridge Place completed in April 2015 and other preliminary expenses lower than expected in year

- 12.5** Having reviewed contract commitments and the proposed programme for the current year the amount of rolled forward funding to be earmarked for additional spend in 2016/17 is estimated at £143,000.

12.6 The forecast for new build and acquisitions was reported at £1,322,000 in February 2016. The report also recommended that the funding of this expenditure would be delegated to the Section 151 Officer. The most efficient funding arrangement is to use retention receipts (to ensure exemption from repayment to DCLG) with the balance from the new build reserve.

13. 2016/17 Revenue and Capital budget monitoring to June 2016

13.1 Due to the pressures of the year end process a detailed monitoring exercise has not been undertaken at this point in the year. However, two significant variances have been identified by service managers at this stage.

13.2 Salary Vacancies

The council carries a salary vacancy target saving of £350,000 per annum allocated to individual service areas and achieved via staff turnover or vacant posts being held open.

A report to Council on 14th July regarding the development of Regulatory & Environmental Services will request that a proportion of open vacancies be utilised on a one-off basis in 2016/17 to create posts to support the development of a more commercial approach to service delivery, the detail of which will be found in that report.

Whilst at this stage it is anticipated that these savings will be in excess of delivering the target, this will be carefully monitored throughout the year.

13.3 Joint Core Strategy

A report to Council on 30th June on the Inspector's Interim Report has indicated that additional funds will be required to support the completion of the process and implement the Community Infrastructure Levy. The budget required is being worked up and a further report will be made to Cabinet and/or Council, depending on value, to request the additional funds in 2016/17. It is anticipated that the strategic allocation fees arising from North West Cheltenham which have been agreed with Tewkesbury Borough Council will be reinvested into drawing conclusions to the JCS examination.

13.4 Car Parking - Income

Car parking income to the end of June is around £60k up against profiled budgets. Should this trend continue annual income received will exceed budget. However, there are a number of uncertainties arising that could impact either negatively or positively on future income levels; namely, the closure of Beechwood Arcade Car Park and the subsequent reopening of North Place Car Park by a private operator. As such, a watching brief will be maintained with further updates provided across the course of the financial year.

13.5 Car Parking Strategy

The council is looking to commission a Car Parking Strategy to support the future development and coordination of its car parking offering. One-off funding of £60k has been requested to progress this work and it is suggested that this should be funded from the forecast overachievement on car parking income.

13.6 As required by the council's financial rules, Cabinet are recommended to approve the virement of the anticipated General Fund additional income of £60,000 from car parking to fund the costs of the Car Parking Strategy in 2016/17.

14. Section 151 Officer advice

14.1 The Government expects councils to make a significant contribution to reducing the national

budget deficit and the Council will continue to face unprecedented public sector funding cuts over the next few years. Future budgets will contain some difficult decisions and may require some sources of 'one off' finance to enable savings to be delivered through efficiency savings and cost / staffing reductions. In this situation, any opportunity to fund future investment requirements from one-off sources rather than impacting on future year's budgets should be taken.

- 14.2 The Local Government Association has said that any reforms to business rates must change the process for appeals against property valuations in order to protect councils from "speculative" reviews. In its submission to the Treasury's business rates review, the umbrella group of local authorities said that the current regime, whereby councils had to meet any refunds following successful appeals, undermines local services. It exposes councils to financial risk even though the property valuations themselves were undertaken by the independent Valuation Office Agency.
- 14.3 In agreeing the recommendations in this report, members need to be mindful of the prevailing challenging financial climate and in view of the budget pressures already potentially facing the Council in the current year to ensure that any carry forwards recommended for approval (even those for which the Section 151 Officer has the delegation to approve) are the most effective use of scarce resources.

15. Conclusion

- 15.1 The outturn position for 2015/16 demonstrates that, despite another challenging year, the Council has managed to deliver services within budget. There are no significant unexpected overspends, with the exception of the dramatic reduction in value of the recycling materials commodity market which demonstrates that budget monitoring arrangements remain strong.
- 15.2 If approved, the carry forward requests will assist in the delivery of corporate objectives, help to complete projects started in 2015/16 and support initiatives which help to bridge the medium term funding gap.
- 15.3 Members should note that the outturn position has been used to prepare the Statement of Accounts for approval by the Audit Committee in September 2016.

16. Consultation

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

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<p>Appendices</p>	<ol style="list-style-type: none"> 1. Risk assessment 2. Summary outturn performance position - General Fund 3. Service level outturn performance position - General Fund 4. Significant variances 5. Carry forward requests 6. Movement on earmarked reserves and general balances 7. Annual Treasury Management review 8. Capital programme - General Fund 9. Section 106 receipts statement 10. Council tax and NNDR collection 11. Sundry debt collection 12. HRA Operating account 13. HRA Capital programme and Major Repairs Reserve
<p>Background information</p>	<ol style="list-style-type: none"> 1. Section 25 Report – Council 13th February 2015 2. Final Budget Proposals for 2015/16 – Council 13^h February 2015 3. Budget Strategy and MTFs – Cabinet 13TH October 2015

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.	Cabinet	15 December 2010	4	5	20	Reduce	The budget strategy includes 'targets' for work streams to close the funding gap. Some of the identified savings have either slipped or are no longer viable, as such a revised strategy will need to be urgently agreed by Cabinet as to how to bridge the funding gap.	Ongoing	Chief Finance Officer	26 January 2011
CR105	If the Budget Deficit (Support) Reserve is not suitably resourced insufficient reserves will be available to cover anticipated future deficits resulting in the use of General Balances which will consequently fall below the minimum required level as recommended by the Chief Finance Officer in the Council's Medium Term Financial Strategy.	Cabinet	October 2015	4	4	16	Reduce	Currently consideration is given to the use of windfalls and potential future under spends to strengthen reserves wherever possible. Given the increased pressure arising from savings slippage a revised Reserve Strategy has been presented to Cabinet for consideration to bolster the council's levels of reserves.	June 2016	Chief Finance Officer	

1.02	If income streams 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 budget gap may increase.	Chief Finance Officer	14 th September 2012	4	2	8	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 & Economic Development is tasked with delivering against a £500k target through economic growth by 2019/20.</p>	Ongoing Ongoing Ongoing	Chief Finance Officer	
1.03	If the robustness of the income proposals is not sound then there is a risk that the income identified within the budget will not materialise during the course of the year.	Chief Finance Officer	15 December 2010	3	3	9	R	<p>Robust forecasting is applied in preparing budget targets taking into account previous income targets, collection rates and prevailing economic conditions.</p> <p>Professional judgement is used in the setting / delivery of income targets.</p> <p>Greater focus on cost</p>	Ongoing	Chief Finance Officer	

								control and income generation will be prioritised to mitigate the risk of income fluctuations.			
1.04	If when developing a longer term strategy to meet the MTFS, the Council does not make the public aware of its financial position and clearly articulates why it is making changes to service delivery then there may be confusion as to what services are being provided and customer satisfaction may decrease.	Director of Resources	15 December 2010	3	3	9	R	As part of the delivery of the BtG / commissioning programmes a clear communication strategy is in place. In adopting a commissioning culture the council is basing decisions on customer outcomes which should address satisfaction levels.	Ongoing	Communications team to support the BTG programme	
1.05	If there is a reliance on shared services delivering savings and these savings do not materialise or shared service projects do not proceed as anticipated then other savings will need to be found to meet the MTFS projections.	Head of Paid Service	15 December 2010	4	5	20	R	Alternative savings or cuts will need to be found and agreed to ensure a balanced budget.	Ongoing	Chief Finance Officer	
1.06	If the Council does not carefully manage the commissioning of services then it may not have the flexibility to make additional savings in the MTFS and a greater burden of savings may fall on the retained organisation	Deputy Chief Executive	15 December 2010	3	3	9	R	Contracts, SLAs and other shared service agreements will need to be drafted and negotiated to ensure that there is sufficient flexibility with regards to budget requirements	Ongoing	Chief Finance Officer	

1.07	If the assumptions around government support, business rates income, impact of changes to council tax discounts prove to be incorrect, then there is likely to be increased volatility around future funding streams.	Chief Finance Officer	13 December 2012	4	4	16	R	Work with GOSS and county wide CFO's to monitor changes to local government financing regime including responding to government consultation on changes to New Homes Bonus and Business Rates.	Ongoing	Chief Finance Office	
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GENERAL FUND REVENUE OUTTURN 2015/16

<u>GROUP</u>	A 2015/16 Original Budget £	B 2015/16 Current Budget £	C 2015/16 Outturn per Ledger £	overspend / (underspend) before adjustments £	D Trf to / (from) Programme Mtce Reserve £	D Trf to / (from) Other Reserves £	E C/F requests approved by S151 Officer Appendix 5 £	F Variance net of S151 c/f approvals £	G C/F requests to be approved Members Appendix 5 £	H Variance net of all c/f requests £
Head of Paid Service	7,231,920	7,294,570	7,354,309	59,739	99,955	(145,150)	83,700	98,244		98,244
Regulatory & Environmental Services	2,810,920	3,552,745	3,033,355	(519,390)	246,903	5,870	134,300	(132,317)	20,000	(112,317)
Resources Directorate	6,576,845	6,226,850	5,493,449	(733,401)	507,521		54,500	(171,380)	0	(171,380)
Use of general underspend									20,000	20,000
	<u>16,619,685</u>	<u>17,074,165</u>	<u>15,881,113</u>	<u>(1,193,052)</u>	<u>854,379</u>	<u>(139,280)</u>	<u>272,500</u>	<u>(205,453)</u>	<u>40,000</u>	<u>(165,453)</u>
Capital Charges	(1,736,900)	(3,005,830)	(3,044,560)	(38,730)		37,500		(1,230)		(1,230)
Interest and Investment Income	322,300	378,700	293,129	(85,571)		(64,755)		(150,326)		(150,326)
Use of balances and reserves - Appendix 6	(91,200)	1,252,858	2,488,501	1,235,643		95,299		95,299		95,299
Net underspend			<u>239,020</u>							
NET BUDGET	<u>15,113,885</u>	<u>15,699,893</u>	<u>15,857,203</u>							
Deduct:										
New Homes Bonus	(1,605,500)	(1,605,500)	(1,614,070)	(8,570)				(8,570)		(8,570)
Council Tax Freeze Grant	(81,700)	(81,700)	(82,075)	(375)				(375)		(375)
S31 NDR compensation grant	(753,259)	(794,124)	(813,825)	(19,701)				(19,701)		(19,701)
Other Government Grants			(8,103)	(8,103)				(8,103)		(8,103)
Revenue Support Grant	(2,110,549)	(2,100,280)	(2,110,549)	(10,269)				(10,269)		(10,269)
National Non-Domestic Rate	(3,017,084)	(3,562,227)	(3,672,501)	(110,274)		140,000		29,726		29,726
NET SPEND FUNDED BY COUNCIL TAX	<u>(7,545,793)</u>	<u>(7,556,062)</u>	<u>(7,556,081)</u>	<u>(19)</u>				<u>(19)</u>		<u>(19)</u>
TOTAL INCOME	<u>(15,113,885)</u>	<u>(15,699,893)</u>	<u>(15,857,203)</u>					<u>(279,020)</u>		<u>(239,020)</u>
					Total budget underspend			(279,020)		(239,020)

KEY

A - Original budget for 2015/16 approved by Council - February 2015

B - Current budget for 2015/16 - including budget revisions approved by Council during 2015/16 and approved carry forwards from 2014/15

C - Outturn net expenditure before year end adjustments

D - Operational transfers to / (from) reserves approved by the Chief Finance Officer under delegated powers - Appendix 6

E - Carry forward requests approved by the Chief Finance Officer under delegated powers - Appendix 5

F - Net variance after adjustments in columns D to E

G - Carry forward requests requiring Member approval - Appendix 5

H - Net variance on cost centres taking into account all carry forward requests - see detail at Appendix 3

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CHELTENHAM BOROUGH COUNCIL		Original	Current	Actuals	(Under) / Overspend	Carry	Transfers	Transfers to	Adjusted	(Under) /	SOA -Code	
SERVICE REVENUE OUTTURN 2015/16		Budget 15/16	Budget 15/16	15/16	before SeRCOP	Forwards	to (from)	to (from)	(Under) /	before SeRCOP	Adjusted	
		£	£	£	Adjustment	£	Programme	other	Overspend	Adjustment	(Under) /	
					£		Mtce Reserve	reserves	£	£	Overspend	
							£	£			£	
COR002	Chief Executive	(7,600)	(5,900)	(3,294)	2,606				2,606		5,900	
EMP001	Emergency Planning	70,150	85,350	82,199	(3,151)				(3,151)	(2,200)	(5,351)	
PLP102	Development Task Force	234,300	189,300	176,050	(13,250)			13,250	0	(5,754)	(19,004)	
DRM001	Democratic Representation and Management	639,150	727,500	707,040	(20,460)				(20,460)	(4,595)	(25,055)	
DRM006	Cabinet Expenditure	38,600	25,400	25,400	0				0	1,300	1,300	
DRM007	O & S Committees	64,200	38,300	38,300	0				0	100	100	
DRM009	Civic Expenses	29,700	43,800	43,611	(189)				(189)	4,195	4,006	
DRM010	Civic Car	24,800	20,500	17,518	(2,982)				(2,982)	0	(2,982)	
DRM012	Civic Events	66,600	55,300	50,296	(5,004)				(5,004)	273	(4,731)	
SUP007	Committee Services	2,650	(3,400)	(8,536)	(5,136)				(5,136)	8,536	3,400	
ELE001	Registration of Electors	160,750	153,300	137,256	(16,044)				(16,044)	(5,591)	(21,634)	
ELE002	District Elections	183,650	126,800	112,888	(13,912)				(13,912)	(6,391)	(20,303)	
ELE003	Elections Support/Overheads	(1,400)	(8,900)	(11,604)	(2,704)				(2,704)	11,604	8,900	
ELE004	Parliamentary Elections	0	0	(20,973)	(20,973)				(20,973)	0	(20,973)	
ELE007	European Elections	0	0	(4,245)	(4,245)				(4,245)	0	(4,245)	
ELE008	Police & Crime Commissioner Elections	0	0	351	351				351	0	351	
ELE010	Individual Electoral Registration	0	0	200	200				200	0	200	
ECD002	Markets	(2,400)	(100)	(1,155)	(1,055)				(1,055)	(800)	(1,855)	
SUP017	Business Improvement/Transformation	(47,800)	(55,500)	(76,038)	(20,538)				(20,538)	76,038	55,500	
CCC001	Climate Change	52,700	13,400	13,400	0				0	(3,000)	(3,000)	
COM001	Community Development	2,000	188,100	155,164	(32,936)	32,900			(36)	0	(32,936)	
COR102-104	2020 Vision	400,000	0	0	0				0	0	0	
CUL108	Everyman Theatre	122,800	381,500	380,870	(630)				(630)	0	(630)	
CUL109	Playhouse Theatre	9,000	64,900	64,566	(334)				(334)	0	(334)	
CUL111	Cheltenham Festivals	92,700	12,500	12,500	0				0	(300)	(300)	
DRM011	Twinning Expenses	34,800	38,000	30,802	(7,198)			7,000	(198)	(1,144)	(8,342)	
GBD001	Community Welfare Grants	248,350	188,550	128,791	(59,759)	50,800			(8,959)	(6,925)	(66,684)	
GBD103	SLA Single Advice Contract	113,000	114,100	113,900	(200)				(200)	0	(200)	
PLP103	Cheltenham Strategic partnership	131,800	194,200	189,676	(4,524)				(4,524)	(4,204)	(8,728)	
SUP018	Press & PR/Communications	(600)	(33,200)	(39,376)	(6,176)				(6,176)	39,376	33,200	
SUP036	Project Management	(25,300)	12,100	8,890	(3,210)				(3,210)	(8,890)	(12,100)	
SUP037	Equal Opportunities	1,500	1,500	0	(1,500)				(1,500)	0	(1,500)	
COR003	Corporate Policy Making	1,300	33,500	3,155	(30,345)				(30,345)	(3,155)	(33,500)	
DRM008	Corporate Subscriptions	22,400	22,400	21,455	(945)				(945)	0	(945)	
HOM001	Homelessness	395,200	347,900	332,863	(15,037)				(15,037)	(5,914)	(20,951)	
RYC002	Green Waste	65,610	(124,620)	(202,425)	(77,805)				(77,805)	(10,100)	(87,905)	
RYC004	Recycling Centres	248,860	331,480	305,700	(25,780)		99,955		74,175	(25,780)	(900)	
RYC005	Bring Sites	16,920	48,540	25,659	(22,881)				(22,881)	(700)	(23,581)	
RYC006	Recycling Collection Schemes	531,870	840,490	964,766	124,276				124,276	(1,200)	123,076	
RYC007	Waste & Recycling - Marketing	22,800	33,500	19,990	(13,510)				(13,510)	0	(13,510)	
RYC008	Bulking Facility	0	(46,000)	16,043	62,043				62,043	0	62,043	
STC001	Street Cleaning	843,180	844,520	781,105	(63,415)			24,000	(39,415)	(63,415)	(65,415)	
SUP004	Legal	(142,700)	3,200	19,792	16,592				16,592	(19,792)	(3,200)	
SUP034	Fleet Management	(100,900)	(177,400)	2,401	179,801			(150,000)	29,801	179,801	0	
SUP104	L & C Trust set up costs	0	8,700	9,655	955				955	0	955	
TRW001	Trade Waste	(91,760)	(60,420)	(54,484)	5,936				5,936	(900)	5,036	
WST001	Household Waste	1,351,440	1,261,480	1,352,814	91,334				91,334	(25,844)	65,489	
WST004	Bulky Household Waste	(10,600)	(10,300)	1,447	11,747				11,747	(1,100)	10,647	
TOU002	Tourist/Visitor Information Centre	(9,000)	14,100	21,732	7,632				7,632	0	7,632	
CSM001	Cultural - Service Management and Support Services	1,449,200	1,356,100	1,408,193	52,093			(39,401)	12,693	52,093	(28,000)	
Head of Paid Service		7,231,920	7,294,570	7,354,309	59,739	83,700	99,955	(145,150)	98,244	59,739	(4,683)	55,056
SUP040	Built Environment	(185,000)	17,200	13,159	(4,041)	12,900			8,859	(4,041)	(13,159)	(17,200)
BUC001	Building Control - Fee Earning Work	31,850	52,350	42,522	(9,828)				(9,828)	(17,678)	(27,506)	
DEV003	Development Control - Enforcement	71,300	178,100	178,764	664				664	1,561	2,224	
HOS004	Housing Standards	380,700	201,900	169,889	(32,011)			15,000	(17,011)	(24,203)	(56,214)	
PSH001	Private Sector Housing Grants	56,600	53,900	53,900	0				0	28,031	28,031	
PSH003	Disabled Facilities Grants	82,000	51,900	1,000	(50,900)				(50,900)	70,660	19,760	
SPP002	Community Alarms	(88,200)	(67,700)	(49,455)	18,245				18,245	18,245	18,709	

CHELTENHAM BOROUGH COUNCIL					(Under) / Overspend before SeRCOP Adjustment	Carry Forwards	Transfers to (from) Programme Mtcce Reserve	Transfers to to (from) other reserves	Adjusted (Under) / Overspend	(Under) / Overspend before SeRCOP Adjustment	IFRS /SeRCOP Adjustment	SOA -Code Adjusted (Under) / Overspend
SERVICE REVENUE OUTTURN 2015/16		Original Budget 15/16	Current Budget 15/16	Actuals 15/16	£	£	£	£	£	£	£	£
ENA001	Housing Enabling	6,700	44,300	44,300	0				0	0	(300)	(300)
HOS001	Housing Strategy	43,100	51,400	51,400	0				0	0	2,100	2,100
HOS100	JCS Affordable Housing Capacity Funding	0	0	(125)	(125)				(125)	(125)	0	(125)
SPP001	Supporting People	96,100	22,500	22,500	0				0	0	0	0
CPK001	Car Parks - Off Street Operations	(1,298,900)	(1,277,750)	(1,331,543)	(53,793)				(55,268)	(53,793)	47,994	(5,800)
CPK101	Car Parks - Off Street R&M	126,700	296,700	157,320	(139,380)		147,921		8,541	(139,380)	18,740	(120,640)
CPK102	Brewery Car Park	2,200	0	0	0				0	0	0	0
CPK103	Sandford Lido car park	100	(1,600)	(1,600)	0				0	0	600	600
PUT101	Royal Well Bus Node	15,400	89,300	33,670	(55,630)		50,122		(5,508)	(55,630)	(1,978)	(57,608)
CCM001	Cemetery, Crematorium and Churchyards	(781,790)	(606,390)	(637,596)	(31,206)				(27,706)	(31,206)	(19,754)	(50,960)
CCM111	Cemetery & Crematorium Repairs & Maintenance	14,700	143,200	94,555	(48,645)		48,860		215	(48,645)	52,743	4,097
CCR001	Community Safety (Crime Reduction)	177,800	246,100	243,422	(2,678)				(2,678)	(2,678)	(18,053)	(20,731)
CCT001	CCTV	138,600	80,000	87,486	7,486				7,486	7,486	(1,000)	6,486
REG001	Environmental Health General	(66,300)	0	(49,259)	(49,259)				(49,259)	(49,259)	35,637	(13,622)
REG002	Licensing	(5,600)	(55,800)	(27,209)	28,591	10,000			27,436	28,591	(22,900)	5,691
REG003	Animal Control	22,700	27,700	38,065	10,365				10,365	10,365	(2,000)	8,365
REG012	Air Quality	33,600	33,600	27,757	(5,843)				(5,843)	(5,843)	(1,900)	(7,743)
REG013	Pollution Control	113,200	142,600	151,376	8,776				8,776	8,776	(13,000)	(4,224)
REG014	Contaminated Land	27,700	31,700	31,504	(196)				(196)	(196)	(2,500)	(2,696)
REG016	Food Safety	184,000	171,200	171,136	(64)				(64)	(64)	(13,700)	(13,764)
REG017	Health & Safety At Work	163,200	94,700	94,700	0				0	0	(7,200)	(7,200)
REG018	Pest Control	54,900	32,400	46,967	14,567				14,567	14,567	(5,200)	9,367
REG020	Water Sampling	500	6,000	5,422	(578)				(578)	(578)	(500)	(1,078)
STC011	Abandoned Vehicles	8,700	20,500	19,350	(1,150)				(1,150)	(1,150)	(1,600)	(2,750)
SUP039	Callouts	(600)	5,900	7,581	1,681				1,681	1,681	(372)	1,3
BUC004	Land Charges	(134,550)	(66,050)	(68,733)	(2,683)				(2,683)	(2,683)	(938)	(3,621)
DEV001	Development Control - Applications	263,250	39,550	69,855	30,305	14,200			44,505	30,305	(15,055)	15,250
DEV004	Development Advice	(42,400)	505,000	506,643	1,643				1,643	1,643	(100)	1,5
PLP001	Planning Policy	235,300	190,450	175,065	(15,385)				(15,385)	(15,385)	(4,473)	(19,858)
PLP004	Conservation	74,600	(200)	(2,167)	(1,967)				(1,967)	(1,967)	(2,288)	(4,255)
PLP101	Joint Core Strategy	0	40,000	40,000	0				0	0	0	0
ECD001	Economic Development	103,600	84,300	54,221	(30,079)				(30,079)	(30,079)	(2,300)	(32,379)
ENF101	Cheltenham Environmental Fund- Townscape	200	7,700	(2,234)	(9,934)	9,900			(34)	(9,934)	0	(9,934)
FLD001	Flood Defence and Land Drainage	80,800	89,000	89,172	172				172	172	2,100	2,272
FRM101	Flood Risk Management	96,200	178,900	158,899	(20,001)				(20,001)	(20,001)	0	(20,001)
PLP006	Trees	111,600	52,900	54,930	2,030				2,030	2,030	(4,796)	(2,765)
PLP104	Joint Core Strategy - CBC Contribution	119,500	125,200	125,396	196				196	196	0	196
PUB101	Public Art	0	0	2,955	2,955				2,955	2,955	0	2,955
URB101	Urban Design	163,300	18,100	24,126	6,026				6,026	6,026	(5,471)	555
ENF103	Cheltenham Environmental Fund- Transport	0	5,600	5,809	209				209	209	0	209
PUT102	Shopmobility	67,450	85,050	86,906	1,856				1,856	1,856	(2,185)	(329)
TMR101	CBC Highways works	56,200	69,700	69,660	(40)				(40)	(40)	70,695	70,654
ESR001	Highways Agency Verges & Trees	95,900	92,250	68,478	(23,772)				(23,772)	(23,772)	(1,400)	(25,172)
OPS001	Parks & Gardens Operations	1,098,510	1,097,825	1,035,234	(62,591)				(62,591)	(62,591)	(12,276)	(74,866)
OPS002	Sports & Open Spaces Operations	1,035,180	865,570	809,420	(56,150)	14,700			(41,450)	(56,150)	(229,882)	(286,032)
OPS004	Allotments	37,100	40,700	56,741	16,041				16,041	16,041	9,918	25,960
OPS101	Arle Road Nursery Operations	(77,480)	(55,410)	(18,678)	36,732				36,732	36,732	(700)	36,032
OPS102	GCC Schools	700	700	700	0				0	0	0	0
Regulatory & Environmental Services		2,810,920	3,552,745	3,033,355	(519,390)	61,700	246,903	5,870	(204,917)	(519,390)	(107,618)	(627,008)
SUP010	Internal Audit	16,000	(900)	(24,072)	(23,172)				(23,172)	(23,172)	24,072	900
ADB102	Custodians	(37,200)	(2,800)	(4,287)	(1,487)				(1,487)	(1,487)	4,287	2,800
CPK002	Car Park Income Collection	(64,400)	41,300	38,517	(2,783)				(2,783)	(2,783)	(38,517)	(41,300)
SUP008	Reception/ Customer Services	26,500	(600)	(35,234)	(34,634)				(34,634)	(34,634)	35,234	600
SUP014	Cashiers	5,100	21,900	15,128	(6,772)				(6,772)	(6,772)	(15,128)	(21,900)
SUP024	Postal Services	(53,700)	26,900	22,093	(4,807)				(4,807)	(4,807)	(22,093)	(26,900)
SUP103	Business Support Services	105,500	800	727	(73)				(73)	(73)	(727)	(800)
AIR101	Gloucestershire Airport	(11,200)	50,000	29,413	(20,587)				(20,587)	(20,587)	200	(20,387)
COR001	Corporate Management	958,500	471,340	406,885	(64,455)	54,500			(9,955)	(64,455)	19,249	(45,207)

CHELTENHAM BOROUGH COUNCIL					(Under) / Overspend before SeRCOP Adjustment	Carry Forwards	Transfers to (from) Programme Mtce Reserve	Transfers to to (from) other reserves	Adjusted (Under) / Overspend	(Under) / Overspend before SeRCOP Adjustment	IFRS /SeRCOP Adjustment	SOA -Code Adjusted (Under) / Overspend
		Original Budget 15/16	Current Budget 15/16	Actuals 15/16	£	£	£	£	£	£	£	£
EIP003	Impairment of Investments	0	0	(330)	(330)				(330)	(330)	0	(330)
Capital Charges		(1,736,900)	(3,005,830)	(3,044,560)	(38,730)	0	0	37,500	(1,230)	(38,730)	383,180	344,450
FIE010	Interest Payable and Similar Charges	382,700	484,300	779,511	295,211				295,211	295,211	0	295,211
FIE030	Interest and Investment Income	(60,400)	(105,600)	(486,382)	(380,782)			30,544	(350,238)	(380,782)	0	(380,782)
FIE050	Exchange rate (profit)/loss	0	0	0	0			(95,299)	(95,299)	0	0	0
Interest payable and receivable		322,300	378,700	293,129	(85,571)	0	0	(64,755)	(150,326)	(85,571)	0	(85,571)
BAL104	Balances and Reserves	(91,200)	1,252,858	2,488,501	1,235,643	(312,500)	(854,379)	26,535	95,299	1,235,643	(204,750)	1,030,892
Use of balances and reserves		(91,200)	1,252,858	2,488,501	1,235,643	(312,500)	(854,379)	26,535	95,299	1,235,643	(204,750)	1,030,892
BVACOP Reversals												
FIE090 -R8950	Pension interest cost	0	0		0				0	0	4,256,000	4,256,000
FIE090 -R8951	Pension interest return	0	0		0				0	0	(2,425,000)	(2,425,000)
BAL100-B8180	GF balance - Reversal of IAS19 charges	0	0		0				0	0	(3,436,000)	(3,436,000)
BAL100-B8190	GF balance - Employers pension contributions	0	0		0				0	0	3,725,000	3,725,000
BAL100-B8035	GF balance - Donated assets	0	0		0				0	0	414,972	414,972
BAL100-B8040	GF balance - Revaluation Losses on PPE	0	0		0				0	0	(17,000)	(17,000)
BAL100-B8050	GF balance - Movement in market values of investment properties	0	0		0				0	0	2,745,250	2,745,250
BAL100-B8085	GF balance - Accumulated absences	0	0		0				0	0	(1,145)	(1,145)
BAL100-B8090	GF balance - non current assets w/off on disposal	0	0	(343,838)	(343,838)				(343,838)	(343,838)	(85,249)	(429,086)
BAL100-B8240	GF balance - Transfers from earmarked reserves	0	0		0				0	0	246,882	246,882
OOE100-B8130	GF balance - gain on disposal of non current assets	0	0		0				0	0	(748,454)	(748,454)
OOE100-B8140	GF balance - Transfer of sale proceeds	0	0	343,838	343,838				343,838	343,838	833,703	1,177,541
TGI050-R9095	Net gains from donated assets	0	0		0				0	0	(414,972)	(414,972)
BAL100-B8080	GF balance - REFCUS	0	0		0				0	0	(550,365)	(550,365)
BVACOP reversals		0	0	0	0	0	0	0	0	0	4,543,621	4,543,621
TOTAL COST OF SERVICES		15,113,885	15,699,893	15,618,183	(81,710)	0	0	(140,000)	(221,710)	(81,710)	0	(81,710)
FUNDING												
OOE200	Parish Council Precepts	187,723	186,781	186,781	0				0	0	0	0
OOE210	Parish Council Tax Support Grant	0	10,269	10,268	(1)				(1)	(1)	0	0
TGI010-9070	Council Tax income	(7,622,416)	(7,631,743)	(7,631,743)	(0)				(0)	(0)	0	0
TGI010-9071	Share of Collection Fund surplus (-) / deficit	(111,100)	(111,100)	(111,119)	(19)				(19)	(19)	(20,025)	(20,044)
TGI018	Non-domestic rates income and expenditure	(3,017,084)	(3,562,227)	(3,682,769)	(120,542)			140,000	19,458	(120,542)	1,623,078	1,502,536
BAL100-B8210	GF Balance - Council tax and NNDR surplus / deficit	0	0		0				0	0	(1,603,053)	(1,603,053)
TGI020 - Non-ringfenced Government Grants												
R9001	Revenue Support Grant	(2,110,549)	(2,110,549)	(2,110,549)	0				0	0	0	0
R9005	New homes bonus grant	(1,605,500)	(1,605,500)	(1,614,070)	(8,570)				(8,570)	(8,570)	0	(8,570)
R9006	Council tax freeze grant	(81,700)	(81,700)	(82,075)	(375)				(375)	(375)	0	(375)
R9009	S31 NDR compensation grant	(753,259)	(794,124)	(813,825)	(19,701)				(19,701)	(19,701)	0	(19,701)
R9060	Other specific government grants	0	0	(8,103)	(8,103)				(8,103)	(8,103)	0	(8,103)
TOTAL FUNDING		(15,113,885)	(15,699,893)	(15,857,203)	(157,310)	0	0	140,000	(17,310)	(157,310)	0	(157,310)
NET OUTTURN POSITION		0	0	(239,020)	(239,020)	0	0	0	(239,020)	(239,020)	0	(239,020)

SIGNIFICANT VARIANCES IN REVENUE OUTTURN FOR 2015/16 (OVER £50,000) BY SERVICE

HEAD OF PAID SERVICE

There is a net overspend of £98.2k within the Head of Paid Service Directorate in 2015/16 including the following significant variances:-

Waste and Recycling:

Green Waste

There is an underspend of £77k on Green Waste including additional income of £40k against the income budget, plus £33k share of the surplus delivered by Ubico Ltd which was a result of operational efficiencies achieved and fuel savings.

Recycling

There is a net overspend against the revised 2015/16 recycling budgets of £224k. Recyclate commodity prices remain low meaning the Council continues to experience a drop in associated income compared to 2014, leading to an overspend of £60,000 on recycling collection schemes in addition to an overspend of £18,000 on contractor costs as a result of having to employ additional resource and £28,000 on additional equipment purchases. The household recycling centre has an overspend of £50,000 as a result of the decrease in material income and there is a shortfall of £62,000 in income and additional contractor fees as a result of the new bulking facility that was introduced part way through the year.

Household Waste

There is a net overspend of £91k in Household waste budgets including an overspend in equipment of £30k and a £49k share of the Ubico deficit share for this service as a result of increased transport maintenance costs.

It should be noted that the council's overall share of the surplus delivered by Ubico Ltd was £116.7k for 2015/16, distributed throughout the services and included in the overall outturn position for the year.

ENVIRONMENTAL & REGULATORY SERVICES

There is a net underspend of £204.9k within the Environmental & Regulatory Services Directorate for 2015/16 including the following significant variances:-

Disabled Facilities Grants

There is an underspend £50.9k in the disabled facilities grants budgets as a result of the capitalisation of salary costs against the capital schemes in year.

Off Street Car parking

There is a net underspend of £55.3k in the off street car parking service, including £104k surplus as a result of the revaluation of business rates chargeable on car parks and £11k surplus fees and charges received. This is partially reduced by a net overspend of £71k in supplies and services costs, including overspend of £22k in

fees and charges payable, £26k overspend in equipment purchases and repairs and £14k overspend in credit card charges, the latter of which is a direct correlation to the increase in car parking fee income, as reported in the Cabinet Budget monitoring report dated 9th February 2016.

Parks & Gardens Operations

An underspend of £62.6k has arisen on Sports & Open Spaces including £30.6k surplus delivered by Ubico Ltd in 2015/16 which was a result of operational efficiencies achieved and savings on fuel. There was also a saving of £21k as a result of the successful defence of insurance claims raised in the previous financial year. A provision was made against these claims in 2014/15 for which no costs were incurred in 2015/16 and the provision reversed accordingly.

RESOURCES DIRECTORATE

There is a net underspend within the Corporate Resourcing Directorate of £78.8k. There are no significant variances to report across these services.

INTEREST AND INVESTMENT INCOME

During the year the council paid £2.464 million in borrowing costs, which was £8.7k less than budgeted for the year; and earned £456k on investments, which was £46k more than budgeted. There was therefore an overall net saving to the General Fund of £55k compared to the revised budget.

SIGNIFICANT VARIANCES IN CAPITAL OUTTURN FOR 2014/15

Crematorium development scheme

There is an underspend of £492k against the £500k capital budget for the cremation development scheme. The total scheme is £7.4m and is phased over two to three years. The underspend reflects the timing of the project which is currently in the procurement phase and will be committed for spend during 2016/17.

Town Centre acquisitions

The Council purchased land at Synagogue Lane and the former shopfitters site from the £1m Town Centre acquisitions budget in 2014/15 leaving £432k to carry forward into 2015/16. Work has now commenced on the site with £43k having been spent in 2015/16. The underspend of £389k is carried forward to complete the works in 2016/17.

ICT Infrastructure

There is an underspend of £226,400 in the 5 year capital budget for the ICT strategy, which needs to be carried forward to continue to support this strategy in 2016/17.

Pittville Park Play Area

There is an underspend of £134,900 in the new Pittville park play area. This scheme

straddles 2015/16 and 2016/17, therefore this underspend is to be carried forward to fund the remaining works in 2016/17.

Allotments

The enhancement schemes for allotments started towards the end of 2014/15 with £580k of the £610k budget needing to be carried forward into 2016/17.

Town Hall Redevelopment

The £400k capital budget for the preliminary work for the redevelopment of the Town Hall has not been spent in 2015/16 and is to be carried forward to fund these costs in 2016/17.

Integrated Transport – Civic Pride Schemes

There is an underspend of £310k in the integrated transport schemes, with the bulk of expenditure yet to be incurred due to lead in times for the required works. This therefore needs to be carried forward into 2016/17 to support the future cost of these schemes.

CCTV in Car Parks

The capital budget for the full digital upgrade of town centre and car parking CCTV cameras at an estimated cost of £265k was approved to be delivered over the financial years 2014/15 and 2015/16. This has not yet been spent and the underspend is therefore required to be carried forward to deliver this upgrade in 2016/17.

Public Realm Improvements

The works planned for the High Street and Town Centre improvements are timed for 2015/16 and 2016/17 so the £491k budget unspent needs to be carried forward into 2016/17.

Car Park Investment

The budget of £250k for new car park machines needs to be carried forward into 2016/17 when the programme for this work will take place as part of the car parking investment strategy.

Vacant Property Grant

£275k of this budget was not used in 2015/16 due to timing of allocations and needs to be carried forward into 2016/17.

Housing Enabling

The unspent element of this budget of £1.308m needs to be carried forward into 2016/17 due to the uncertain timing for this programme of provision of new affordable housing, which includes support to the YMCA scheme in Hesters Way..

10 Year Vehicle Replacement Programme

The lead in time to procure a number of new vehicles for the Ubico fleet means this budget of £1.434m needs to be carried forward into 2016/17.

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2015/16 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Reason for carry forward	A (i)	A (ii)	B
					Base Budgets Amounts agreed by S151 Officer under delegated powers	One-Off Budgets Amounts agreed by S151 Officer under delegated powers	Amounts for member approval
1	10,000	R6280-COM001-CPN001	Community Development	Balance of external funding earmarked for committed health grant expenditure in 2016/17		10,000	
2	22,900	R6280-COM001-CPN007	Community Development	Balance of external funding earmarked for committed grant expenditure -inspiring families / our place project		22,900	
3	43,300	R6280-GBD001-CPN003	Community Welfare	Balance of community pride budget carried forward to fund committed community pride grants		43,300	
4	7,500	R6280-GBD001-GRA003	Community Welfare	Balance of small grants budget carried forward to fund committed community pride grants	7,500		
	83,700	TOTAL HEAD OF PAID SERVICE DIRECTORATE			7,500	76,200	-
5	54,500	R1000/R1001/R1006-COF	Corporate Management	This underspend is the balance of one-off budget, approved to cover the Senior Leadership Team and Ubico capacity costs in 2015/16 and 2016/17.		54,500	
	54,500	TOTAL RESOURCES DIRECTORATE			-	54,500	
6	5,200	R4000-OPS002	Sports & Open spaces operational	Calisthenics equipment, Honeybourne Line: Scheme proposed in July in conjunction with Friends of group. Agreement on design only reached in March. Funds earmarked in July for this purchase. Ordered on PO 12008015	5,200		
7	1,000	R4003-OPS002	Sports & Open spaces operational	Benhall Safety Matta: Site too wet to access with vehicles over the winter. Play equipment out of use until this repair is carried out. Ordered on PO 12007290	1,000		
8	8,500	R2075-OPS002	Sports & Open spaces operational	Park Bin: bins not in stock and need manufacturing. Ordered on PO 12008052	8,500		
9	10,000	R4531-REG002	Licensing	2014/15 carry forward requested to fund the development and costs of existing software to create new on line license application forms, to reduce customer processing time. Works are anticipated to be completed during 2016/17.			10,000
10	10,000	R4411-SUP040	Built Environment	2014/15 carry forward requested to fund the creation of new online forms for food inspectors. Works are anticipated to be completed during 2016/17.			10,000
11	60,600	R2078-CUL002	War memorials	War memorial project - balance of budget less underwriting of poppy bid, work due to commence in May 2016		60,600	
12	32,000	R2078-CUL002	War memorials	War Memorial Project - underwriting of Poppy Bid - transfer from general balances		32,000	
13	14,200	R4420-DEV001	Development control - applications	Planning Appeals Legal Budget - request carry forward of balance at 31st March 2016 to cover costs arising from ongoing litigation.		14,200	

2015/16 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Reason for carry forward	A (i)	A (ii)	B
					Base Budgets Amounts agreed by S151 Officer under delegated powers	One-Off Budgets Amounts agreed by S151 Officer under delegated powers	Amounts for member approval
14	9,400	R4400-ENF101	Cheltenham Environmental Fund - Townscape	Connect My Street - Environmental Fund - commitment to Connect Regeneration Limited		9,400	
15	500	R4400-ENF101	Cheltenham Environmental Fund - Townscape	Humber & Merseyside Roads - Environmental Fund - carry forward to complete work.		500	
16	2,900	R4411-SUP040	Built Environment	ICE Creates Ltd - 4 days consultancy support re. REST systems thinking outstanding for use in Qtr 1 2016/17.	2,900		
	154,300	TOTAL ENVIRONMENT & REGULATORY SERVICES			17,600	116,700	20,000
17	20,000	R1100-REG001	Public Protection	There is a shortage of staff within the service as a result of long term officer sickness. The food safety service plan for 2015-16 attempted to mitigate the impact of this on the number of food inspections to be carried out by prioritising resource at interventions due in premises rated in the highest risk categories (A to C). However the authority is not in compliance with Food Law requirements if it operates outside of the frequency of official controls. An FSA audit in Feb 2016 required an undertaking that the council would bring all the out of date inspections up to date by 31st March 2017. The carry forward is requested to ensure full compliancy with statutory obligations.			20,000
	20,000	TOTAL GENERAL UNDERSPEND					
	312,500	TOTAL CARRY FORWARD REQUESTS			25,100	247,400	40,000

			2015/16 Movement Revenue £	2015/16 Reserve Re-alignment £	2015/16 Movement Capital £	Proposed use of 2015/16 underspend £	31/3/16 £
EARMARKED RESERVES							
Other							
RES002	Pension Reserve	To fund future pension liability	-177,246				-177,246
RES003	Economic Development & Tourism Reserve	To fund future economic and tourism studies	-4,200	-50,000		-100,000	-154,200
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	-5,000	42,534		-83,991
RES026	Social Housing Marketing Assessment Reserve	To fund Social Housing Marketing Assessment work	0	1,500	-42,534		-41,034
RES009	Twinning Reserve	Twinning towns civic visits to Cheltenham	-4,279	-7,000			-11,279
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
RES014	GF Insurance Reserve	To fund risk management initiatives / excess / premium increases	-79,371	1,500	-13,735		-91,606
RES016	Joint Core Strategy Reserve	To fund Joint Core Strategy	-68,780				-68,780
RES018	Civic Pride Reserve	To pump prime civic pride initiative / match funding	-492,137	91,850			-400,288
RES020	Ubico Reserve	Replacement fund	-170,000	-24,000	100,000		-94,000
RES021	Cheltenham Leisure & Culture Trust	To cover unforeseen deficits in operations within new trust	-270,000	39,400	70,000		-160,600
RES022	Homelessness Reserve	To cover future homelessness prevention costs	-50,000	8,900			-41,100
RES023	Transport Green Initiatives Reserve	To fund Transport Green Initiative Schemes	-34,600	1,475			-33,125
RES024	New Initiatives reserve	To fund 2020 Vision transformation programme	0	-400,000			-400,000
RES025	Budget Strategy (Support) Reserve	To support budget strategy	0	-404,898	-429,229	-139,020	-973,147
			-1,613,117				-2,807,610
Repairs & Renewals Reserves							
RES201	Commutated Maintenance Reserve	Developer contributions to fund maintenance	-107,629	39,000		-246,882	-315,511
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	-508,379		45,323	-1,495,198
			-1,225,673				-1,815,946
Equalisation Reserves							
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	-55,000			-207,932
RES103	Licensing Fees Equalisation	Past income surpluses to cushion impact of revised legislation	-11,155	11,155			0
RES104	Interest Equalisation	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	-125,843			-299,855
RES105	Local Plan Equalisation	Fund cyclical cost of local plan inquiry	-7,230	-100,000			-107,230
RES106	Elections Equalisation	Fund cyclical cost of local elections	-92,100	-60,000			-152,100
RES107	Car Parking Equalisation	To fund fluctuations in income from closure of car parks	-350,000	5,800	14,200		-330,000
RES108	Business Rates Retention Equalisation	To fund fluctuations in income from retained business rates	-140,608	-1,123,308			-1,263,916
			-1,005,936				-2,361,032
Reserves for commitments							
RES301	Carry Forwards Reserve	Approved budget carry forwards	-674,848	362,348			-312,500
CAPITAL							
RES402	Capital Reserve - GF	To fund General Fund capital expenditure	-791,061	-437,500		1,046,464	-182,097
TOTAL EARMARKED RESERVES							
			-5,310,635				-7,479,185
GENERAL FUND BALANCE							
B8000 -B8240	General Balance - RR	General balance	-1,599,226	-9,365	200,000		-1,408,591
			-1,599,226				-1,408,591
TOTAL GENERAL FUND RESERVES AND BALANCES							
			-6,909,861	-2,583,800	0	844,905	-239,020
			-6,909,861	-2,583,800	0	844,905	-239,020
			31/3/15	Receipts Received	Receipts Applied		31/3/16
B8700 - B8716	General Fund Capital Receipts		-11,422,603	-1,302,430	3,513,514		-9,211,519

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Annual Treasury Management Review 2015/16

Purpose

This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2015/16. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2015/16 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 12/02/2015)
- a mid-year (minimum) treasury update report (Council 14/12/2015)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

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

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

Executive Summary

During 2015/16, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Prudential and treasury indicators	2014/15 Actual £000	2015/16 Budget £000	2015/16 Actual £000
Capital expenditure			
• General Fund	4,333	24,882	17,897
• HRA	6,974	5,458	6,949
• TOTAL	11,307	30,340	24,846
Capital Financing Requirement:			
• General Fund	28,821	41,398	40,666
• HRA	44,750	44,750	44,750
• TOTAL	73,571	86,148	85,416
Gross borrowing	71,516	75,663	80,795
External debt	58,926	65,360	65,360

Prudential and treasury indicators	2014/15 Actual £000	2015/16 Budget £000	2015/16 Actual £000
Investments			
• Longer than 1 year	645	575	505
• Under 1 year	23,916	16,885	19,960
• Total	24,561	17,460	20,465
Net Borrowing	46,955	58,203	60,330

Other prudential and treasury indicators are to be found in Appendix 1 of this report. The Section 151 Officer (S151) also confirms that statutory borrowing limit (the authorised limit) was not breached at any time.

The financial year 2015/16 continued the challenging investment environment of previous years, namely low investment returns.

Recommendations

The Council is recommended to:

1. Approve the actual 2015/16 prudential and treasury indicators in this report
2. Note the annual treasury management report for 2015/16

Introduction and Background

This report summarises the following:-

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

1. The Council's Capital Expenditure and Financing 2015/16

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

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or

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

£m General Fund/HRA	2014/15 Actual £000	2015/16 Budget £000	2015/16 Actual £000
Capital expenditure			
Financed in year	11,307	30,340	24,846
Unfinanced capital expenditure	0	0	0

2. The Council's Overall Borrowing Need

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the 2015/16 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements.

Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

Gross borrowing and the CFR - in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2016/17) plus the estimates of any additional capital financing requirement for the current (2015/16) and next two financial years. This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to either borrow in advance of its immediate capital needs in 2015/16 or reduce its investments. The table below highlights the Council's gross borrowing position against the CFR.

	31 March 2015 Actual	31 March 2016 Budget	31 March 2016 Actual
Gross borrowing position	£71.516m	£75.663m	£80.795m
CFR	£72.594m	£73.871m	£85.416m

The authorised limit - the authorised limit is the "affordable borrowing limit" required by s3 of the Local Government Act 2003. Once this has been set, the Council does not have the power to borrow above this level. The table below demonstrates that during 2015/16 the Council has maintained gross borrowing within its authorised limit.

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

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

	2015/16
Authorised limit	£116m
Operational boundary	£106.6m
Average gross borrowing position	£64.9m
Financing costs as a proportion of net revenue stream	5.61%

3. Treasury Position as at 31 March 2016

The Council's debt and investment position is organised by the treasury management service in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established through member reporting detailed in the summary. At the beginning and the end of 2015/16 the Council's treasury position was as follows:

TABLE 1	31 March 2015 Principal	Rate/Return	31 March 2016 Principal	Rate/Return
Fixed rate funding:				
-PWLB	£43.03m	3.78%	£49.46m	3.66%
-Market	£15.90m	4.00%	£15.90m	4.00%
-Temporary	-	-	-	-
Total debt	£58.93m	3.84%	£65.36m	3.74%
CFR	£73.87m		£85.42m	
Over / (under) borrowing	(£14.94m)		(£20.06m)	
Investments:				
- in house	£20.80m	0.62%	£20.47m	0.65%

4. The Strategy for 2015/16

The expectation for interest rates within the treasury management strategy for 2015/16 anticipated low but rising Bank Rate, (starting in quarter 1 of 2016), and gradual rises in medium and longer term fixed borrowing rates during 2016/17. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach, whereby investments would continue to be dominated by low counterparty risk considerations, resulting in relatively low returns compared to borrowing rates.

The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back.

5. The Economy and Interest Rates

Market expectations for the first increase in Bank Rate moved considerably during 2015/16, starting at quarter 3 2015 but soon moving back to quarter 1 2016. However, by the end of the year, market expectations had moved back radically to quarter 2 2018 due to many fears including concerns that China's economic growth could be heading towards a hard landing; the potential destabilisation of some emerging market countries particularly exposed to the Chinese economic slowdown; and the continuation of the collapse in oil prices during 2015 together with continuing Eurozone growth uncertainties.

These concerns have caused sharp market volatility in equity prices during the year with corresponding impacts on bond prices and bond yields due to safe haven flows. Bank Rate, therefore, remained unchanged at 0.5% for the seventh successive year. Economic growth (GDP) in 2015/16 has been disappointing with growth falling steadily from an annual rate of 2.9% in quarter 1 2015 to 2.1% in quarter 4.

The sharp volatility in equity markets during the year was reflected in sharp volatility in bond yields. However, the overall dominant trend in bond yields since July 2015 has been for yields to fall to historically low levels as forecasts for inflation have repeatedly been revised downwards and expectations of increases in central rates have been pushed back. In addition, a notable trend in the year was that several central banks introduced negative interest rates as a measure to stimulate the creation of credit and hence economic growth.

The ECB commenced a full blown quantitative easing programme of purchases of Eurozone government and other bonds starting in March at €60bn per month. This put downward pressure on Eurozone bond yields. There was a further increase in this programme of QE in December 2015.

As for America, the economy has continued to grow healthily on the back of resilient consumer demand. The first increase in the central rate occurred in December 2015 since when there has been a return to caution as to the speed of further increases due to concerns around the risks to world growth.

The UK elected a majority Conservative Government in May 2015, removing one potential concern but introducing another due to the promise of a referendum on the UK remaining part of the EU. The government maintained its tight fiscal policy stance but the more recent downturn in expectations for economic growth has made it more difficult to return the public sector net borrowing to a balanced annual position within the period of this parliament.

6. Borrowing Outturn for 2015/16

For 2015/16 the Council's actual debt management costs (borrowing) were £2,464,176 compared to a revised budget of £2,169,000, an over spend of £295,176. The reason for this overspend is due to the accounting adjustment made for the PWLB loans taken on behalf of third parties (i.e. CBH, Airport, Everyman), with the interest repaid now coming under 'investment interest'. This will show a surplus in the investment outturn to balance off the overspend here. The weighted average rate on all loans for 2015/16 was 3.71% (2014/15 3.83%) on an average loan balance of £64,908,095 for the financial year.

The HRA repaid the General Fund £1.685m interest for the use of debt balances it holds.

Loans were drawn down in 2015/16 from the PWLB for £2.2m to fund capital expenditure for the St. Paul's Phase 2 Development project on behalf of Cheltenham Borough Homes. This loan was taken on an annuity basis in which Cheltenham Borough Homes are repaying back in full to the Council based on the loan term taken (30 years) with the PWLB, ensuring the GF is cost neutral. Another three PWLB loans totalling £4.750m were taken out between July and August 2015 to part fund the purchase of new offices, Delta Place.

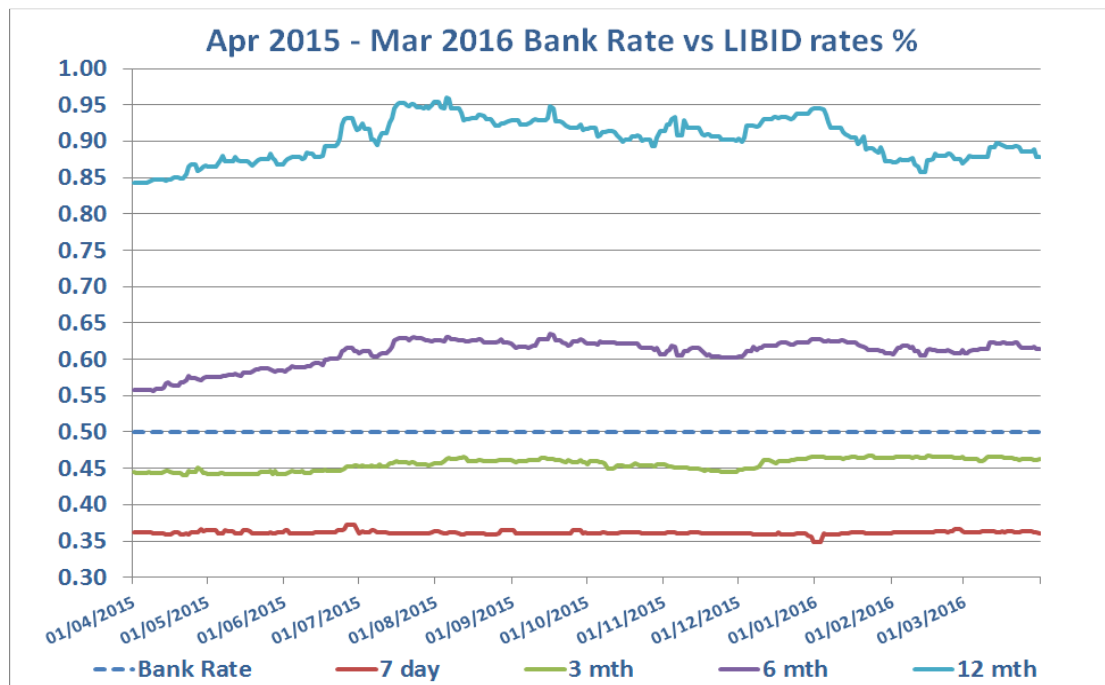
The loans drawn were:

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£2.2m	Fixed interest rate	3.08%	30 years
PWLB	£1.75m	Fixed interest rate	3.07%	20 years
PWLB	£1.5m	Fixed interest rate	2.80%	15 years
PWLB	£1.5m	Fixed interest rate	2.16%	10 years

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

7. Investment Rates in 2015/16

Bank Rate remained at its historic low of 0.5% throughout the year; it has now remained unchanged for seven years. Market expectations as to the timing of the start of monetary tightening started the year at quarter 1 2016 but then moved back to around quarter 2 2018 by the end of the year. Deposit rates remained depressed during the whole of the year, primarily due to the effects of the Funding for Lending Scheme and due to the continuing weak expectations as to when Bank Rate would start rising.



8. Investment Outturn for 2015/16

Investment Policy – the Council's investment policy is governed by CLG guidance, which was been implemented in the annual investment strategy approved by the Council on 12th February 2015. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies, supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

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

Type of Investments	Balance on 01/04/2015 £	Average Weighed Balance Held in 2015/16 £	Interest Earned in 2015/16 £	% Rate Achieved in 2015/16 %	Balance on 31/03/2016 £
Fixed Term Deposits	12,000,000	15,187,218	115,333	0.76%	14,300,000
Call Accounts & MMF's	8,590,000	7,683,745	31,941	0.42%	5,660,000
Policy Investments	210,000	237,968	3,480	1.46%	140,000

The Council maintained an average balance of £23.109m of internally managed funds during 2015/16. The internally managed funds earned an average rate of return of 0.65%. The comparable performance indicator is the average 3 month LIBID rate which was 0.44% for the same period. The Council budgeted for £105,200 investment interest for 2015/16 but made an actual return of £485,946, a surplus of £380,746. Included in this figure was interest accrued on the Glitnir Escrow account which accounted for £30,544 towards the surplus and as mentioned in paragraph 6, the third parties PWLB interest repayments to the council are now included within the overall investment figure which accounts for £303,967 of the surplus.

Net loans and investments budget for 2015/16 was a cost of £2,063,800 but made an actual return of £1,978,230, a surplus of £85,570.

9. Icelandic Bank Defaults

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

At the current time, the process of recovering assets is still ongoing with the administrators. In the case of Kaupthing, Singer and Friedlander Ltd, the administrators have made a number of dividend payments to date, with further payments and updates anticipated during 2016/17. To date 83.75p in the pound has been recovered. It is estimated that total dividends will be between 85p to 86.5p in the pound.

In regard to Glitnir the outstanding amount currently resides in an escrow account held in Iceland where it is earning interest at over 4%. Icelandic government controls are making it difficult for the Council to access these funds presently but it is reported that the Government controls could be relaxed sometime later on this year.

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

Icelandic Deposits Held	Original Deposits	Amount Received to date	Amount Owed
	£	£	£
Kaupthing Singer & Friedlander	2,000,000	1,675,000	325,000
Kaupthing Singer & Friedlander	1,000,000	837,500	162,500
Glitnir	3,000,000	2,427,600	572,400
Landsbanki	2,000,000	2,000,000	0
Landsbanki	2,000,000	2,000,000	0
Landsbanki	1,000,000	1,000,000	0
TOTAL	11,000,000	9,940,100	1,059,900

Appendix 1: Prudential and treasury indicators

1. PRUDENTIAL INDICATORS	2014/15	2015/16	2015/16
Extract from budget and rent setting report	actual	revised	actual
	£'000	£'000	£'000
Capital Expenditure			
Non - HRA	4,333	24,882	17,897
HRA	6,974	5,458	6,949
TOTAL	11,307	30,340	24,846
Ratio of financing costs to net revenue stream			
Non - HRA	2.90%	3.34%	2.77%
HRA	8.01%	7.78%	7.77%
Gross borrowing requirement			
brought forward 1 April	£68,454	£71,516	71,516
carried forward 31 March	£71,516	£75,663	80,795
in year borrowing requirement	£3,062	£4,147	£9,279
CFR			
Non – HRA	£28,821	£41,398	£40,666
HRA	£44,750	£44,750	£44,750
TOTAL	£73,571	£86,148	£85,416
Incremental impact of capital investment decisions	£	£	£
Increase in council tax (band D) per annum *	£nil	£nil	£nil
Increase in average housing rent per week **	£nil	£nil	£nil
* Council Tax Freeze for 2015/16			
** Decisions on annual rent increases are subject to rent restructuring guidelines set by Central Government. As a consequence rent levels will only rise by RPI Index plus 0.5% and this should cover all additional capital expenditure.			

2. TREASURY MANAGEMENT INDICATORS	2014/15	2015/16	2015/16
	actual	revised	actual
	£'000	£'000	£'000
Authorised Limit for external debt - borrowing	£109,000	£116,000	£116,000
other long term liabilities	£0	£0	£0
TOTAL	£109,000	£116,000	£116,000
Operational Boundary for external debt - borrowing	£101,000	£106,600	£106,600
other long term liabilities	£0	£0	£0
TOTAL	£101,000	£106,600	£106,600
Actual external debt	£58,926	£65,360	£65,360
Upper limit for fixed interest rate exposure			
Net principal re fixed rate borrowing / investments :-	0-100 %	0-100 %	0-100 %
Upper limit for variable rate exposure			
Net principal re variable rate borrowing / investments :-	0-100 %	0-100 %	0-100 %

Maturity structure of fixed rate borrowing during 2015/16	upper limit	lower limit
under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

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GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Budget 2015/16	Revised Budget 2015/16	Outturn 2015/16	Underspend/ (Overspend) 2015/16	Budget 2016/17	Revised Budget 2016/17	Budget 2017/18
				£	£	£	£	£	£	£
Property Services										
CAP001	PPMR	Cremators	New cremators		59,700	45,323	14,377			
CAP601-4	C/GCR	Crematorium Development Scheme	Construction of new crematory building, car parks, exit roads and replacement cremators.		500,000	7,420	492,580	6,984,500	7,435,700	
CAP505	GCR	Town Centre acquisitions	Acquisition of Shopfitters site		432,300	42,931	389,369		389,400	
CAP504	C/PB/GCR	Town Centre acquisitions	Acquisition of Delta Place		14,300,000	14,300,000	0			
Financial Services										
CAP010	GCR	GO ERP	Development of ERP system within the GO Partnership		14,700	0	14,700		14,700	
CAP012	GCR	Cash Receipting System	Capitalisation of 3 year contract extension		125,300	125,326	(26)			
ICT										
CAP026	HCR/GCR	IT Infrastructure	5 year ICT infrastructure strategy including capitalisation of UNIFORM	379,600	746,400	519,986	226,414		226,400	
Parks & Gardens										
CAP101	S106	S.106 Play area refurbishment	Developer Contributions	50,000	3,900	3,865	35	50,000	50,000	50,000
CAP102	GCR	Play Area Enhancement	Ongoing programme of maintenance and refurbishment of play areas to ensure they improve and meet safety standards	80,000	95,100	53,729	41,371	80,000	121,400	80,000
CAP106	P	Pittville Gates	Restoration of Pittville Gates - Partnership Funding			6,395	(6,395)			
CAP125	C/GCR	Pittville Park play area	Investment in the play area		399,500	264,611	134,889		134,900	
CAP501	C/GCR	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infra-structure.		591,400	11,758	579,642		579,600	
Cultural Services										
CAP121	P/C	Art Gallery & Museum Development	Net residual costs on the completed Art Gallery & Museum redevelopment scheme			2,744	(2,744)			
CAP126	GCR	Town Hall redevelopment scheme	Preliminary work, subject to Council approving a detailed scheme and a business case		400,000	0	400,000		400,000	
CAP124	GCR	Town Hall Chairs	Replacement of Town Hall chairs on a like for like basis		80,000	74,694	5,306		5,300	
Recreation										
CAP112	C	Carbon reduction scheme	Replacement of Pool Hall lighting to LEDs at Leisure@		30,000	0	30,000		0	

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Budget 2015/16	Revised Budget 2015/16	Outturn 2015/16	Underspend/ (Overspend) 2015/16	Budget 2016/17	Revised Budget 2016/17	Budget 2017/18
				£	£	£	£	£	£	£
		Integrated Transport								
CAP152	GCR	Civic Pride - Promenade Upgrade	Upgrade of Promenade pedestrianised area including remodelling of tree pits, providing seating, re-pointing existing Yorkstone.		65,800	12,439	53,361		53,400	
CAP152	GCR	Civic Pride - Promenade Upgrade	Public Art - Promenade		22,000		22,000		22,000	
CAP154	GCR	Civic Pride - Creative Hub	Scheme for St.Mary's churchyard		45,300	5,749	39,551		39,600	
CAP154	GCR	Civic Pride - Creative Hub	Public Art - St Mary's churchyard		20,000		20,000		20,000	
CAP155	P	Pedestrian Wayfinding	GCC Pedestrian Wayfinding		53,200	5,150	48,050		48,000	
CAP156	S106	Hatherley Art Project	Public Art - Hatherley		13,800	1,970	11,830		11,800	
CAP204	GCR	Civic Pride	Improvements to Grosvenor Terrace Car Park (Town Centre East), improving linkages to the High Street, signage and decoration.		134,200	18,740	115,460		115,500	
CAP201	GCR	CCTV in Car Parks	Additional CCTV in order to improve shopping areas and reduce fear of crime	50,000	265,000	0	265,000	50,000	315,000	50,000
CAP202	GCR	Car park management technology	The upgrade of the car park management technology at selected sites such as Regent Arcade is essential as the existing management systems and hardware have now reached the end of their life cycle.		37,100	0	37,100		37,100	
CAP205	GCR	Public Realm Improvements	High Street & Town Centre public realm improvement including repaving work in the High Street and town centre	317,300	561,700	70,695	491,005		491,000	
CAP206	GCR	Car Park Investment	New car park machines to allow additional functionality to be introduced for the benefit of customers		250,000	0	250,000		250,000	
		Housing								
CAP221	BCF/GCR	Disabled Facilities Grants	Mandatory Grant for the provision of building work, equipment or modifying a dwelling to restore or enable independent living, privacy, confidence and dignity for individuals and their families.	600,000	500,000	453,840	46,160	600,000	600,000	600,000
CAP222	GCR	Adaptation Support Grant	Used mostly where essential repairs (health and safety) are identified to enable the DFG work to proceed (e.g. electrical works).	26,000	26,000	10,841	15,159	26,000	26,000	26,000
CAP223	PSDH	Vacant Property Grants	Health and Safety Grants and Loans and for funding compulsory purchase associated with regeneration/ vacant property under the Housing Renewal Policy 2012 – 2017 (Appendix 5 Housing and Homelessness Strategy 2012 – 2017)		275,200	0	275,200		275,200	
CAP224	LAA	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems		78,400	10,000	68,400		68,400	
CAP225	PB/HCR	Housing Enabling - St Paul's Phase 2	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Housing Corporation		2,312,800	1,504,990	807,810		807,800	
CAP228	S106	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Housing Corporation		500,000	0	500,000	500,000	1,000,000	

GENERAL FUND CAPITAL PROGRAMME

Code	Fund	Scheme	Scheme Description	Original Budget 2015/16	Revised Budget 2015/16	Outturn 2015/16	Underspend/ (Overspend) 2015/16	Budget 2016/17	Revised Budget 2016/17	Budget 2017/18
				£	£	£	£	£	£	£
		Operations								
CAP301	PB/GCR	10 Year vehicle Replacement	CBC & Ubico vehicle & plant replacement programme and recycling equipment	806,000	1,495,800	52,056	1,443,744	905,000	2,348,700	143,000
		BUDGET PROPOSALS FUTURE CAPITAL PROGRAMME:								
	GCR	Town Hall redevelopment (£1.8m)	Subject to Council approving a detailed scheme and a business case							
	GCR	Public Realm improvements (£2m)	Pending the completion of the Cheltenham Transport Plan process							
CAP302	GCR	Material Bulking Plant	Maximum Project Budget for acquisition cost of creating the materials' bulking plant at the central Depot, required to deliver annual revenue savings of £92k		390,000	291,782	98,218		98,200	
CAP503	GCR	Bus Station	Demolition of existing concrete bus shelter and waiting room and provision of services to supply new café facility		50,000	0	50,000		50,000	
		<u>CAPITAL SCHEMES - RECLASSIFIED AS REVENUE</u>								
CAP203	C	Re-jointing High Street/Promenade pedestrianised area	Re-jointing works required to improve safety and appearance of the core commercial area		7,500	0	7,500			
		TOTAL CAPITAL PROGRAMME		2,308,900	24,882,100	17,897,034	6,985,066	9,195,500	16,035,100	949,000
		Funded by:								
		BCF Better Care Fund (DFG)		306,000	383,000	383,180		380,000	383,000	383,000
		LAA LAA Performance Reward Grant			78,400	10,000			68,400	
		P Partnership Funding			25,700	25,728			48,000	
		PSDH Private Sector Decent Homes Grant			275,200				275,200	
		PPMR Property Planned Maintenance Reserve			59,700	45,323		474,500	474,500	
		S106 Developer Contributions		50,000	649,200	67,835		550,000	1,103,800	50,000
		HCR HRA Capital Receipts		50,000		54,990				
		GCR GF Capital Receipts		447,300	7,745,400	3,513,514		630,000	5,321,600	373,000
		PB Prudential Borrowing		806,000	14,294,100	12,750,000		6,915,000	8,360,600	143,000
		C GF Capital Reserve		649,600	1,371,400	1,046,464		246,000		
				2,308,900	24,882,100	17,897,034		9,195,500	16,035,100	949,000

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S106 Contributions 2015-16 as at 31 March 2016

Detail	Developer Contributions (S106)	Balance @ 1/4/15 £	Receipts/ Refunds in year £	Amounts Applied to fund fixed assets £	Amounts transferred to revenue £	Usable Developer Contributions @ 31/3/16 £
Bonds						
DEV401	Courts-Kingsditch-Bond Sum Indexed Linked	(19,800.00)				(19,800.00)
DEV402	St James South-Bond Sum Indexed Linked	(63,000.00)				(63,000.00)
	Sub-Total Bonds	(82,800.00)	0.00	0.00	0.00	(82,800.00)
Commuted Sums						
DEV403	Cold Pool Lane Grounds Maintenance	(53,303.83)			53,303.83	0.00
DEV404	Gloscat Park Grounds Maintenance	(34,083.00)			34,083.00	0.00
DEV405	Benhall Grounds Maintenance	(96,564.03)			96,564.03	0.00
DEV406	Rosebay Gardens Grounds Maintenance	(41,835.83)				(41,835.83)
DEV407	Portland St & North Place MSCP repairs & insurance	(100,000.00)				(100,000.00)
DEV408	Portland St & North Place compensation claims	(80,000.00)				(80,000.00)
	Sub-Total Commuted Sums	(405,786.69)	0.00	0.00	183,950.86	(221,835.83)
Affordable Housing						
DEV002	Berkeley Homes - Thirlestaine Hall	(433,854.08)				(433,854.08)
DEV002	Berkeley Homes - Thirlestaine Hall	(603,392.86)				(603,392.86)
DEV003	205 Leckhampton Road - Affordable Housing Contr'n		(465,000.00)			(465,000.00)
	Sub-Total Affordable Housing	(1,037,246.94)	(465,000.00)	0.00	0.00	(1,502,246.94)
Public Art						
DEV101	Dunalley St-Public Art	(7,000.00)				(7,000.00)
DEV102	Rosemullion-Public Art	(1,340.57)				(1,340.57)
DEV103	75-79 Rowanfield Road-Public Art	(5,342.50)				(5,342.50)
DEV104	Hatherley Lane (ASDA) - Public Art	(22,878.00)		1,970.00		(20,908.00)
DEV106	12/13 Hatherley Lane (B&Q) - Public Art	(53,100.00)				(53,100.00)
DEV107	Devon Avenue - Public Art	(3,440.00)	(24,300.00)			(27,740.00)
DEV109	79 The Park	(2,557.00)				(2,557.00)
DEV110	Spirax Sarco St Georges Road	(15,000.00)				(15,000.00)
DEV111	Public Art - Midwinter site	(50,000.00)				(50,000.00)
DEV112	Wayfinding - University Pittville Campus		(25,683.00)			(25,683.00)
	Sub-Total Public Art contributions	(160,658.07)	(49,983.00)	1,970.00	0.00	(208,671.07)
Playing Spaces						
DEV201	S106 Playspace-Adult/Youth	(88,068.68)	(11,534.16)	65,865.00		(33,737.84)
DEV203	58-60 St Pauls-Adult/Youth	(3,756.13)				(3,756.13)
DEV204	Dunalley Street-Adult/Youth	(2,720.00)				(2,720.00)
DEV206	Marrowdown-Adult/Youth	(201.98)				(201.98)
DEV207	Charlton Lane-Adult/Youth	(1,840.00)				(1,840.00)
DEV208	S106 Playspace Arle Farm	(495.01)	495.01			0.00
DEV209	S106 Playspace-Beeches	(470.50)	470.50			0.00
DEV211	Market Street-Elmfield	(7.67)	7.67			(0.00)
DEV212	07/08 S106 Playspace Fairview	(1,690.00)				(1,690.00)
DEV214	S106 Playspace-Lansdown Crescent	(1,518.50)	1,518.50			0.00
DEV215	S106 Playspace-Leckhampton Lanes	(43.00)	43.00			0.00
DEV217	S106 Playspace-Priors Farm	(7,220.50)	7,220.50			0.00
DEV218	S106 Playspace-Whaddon Road	(5.49)	5.49			0.00
DEV219	S106 Playspace-Prestbury	(759.67)	759.67			0.00
DEV222	S106 Playspace - OE2	(182.00)	182.00			0.00
DEV223	S106 Winston Churchill Gardens	(3,939.00)	3,939.00			0.00
DEV224	12/13 King George V PF S106	(635.87)	(254.13)			(890.00)
DEV225	St Paul's St North		890.00			890.00
DEV233	S106 Play area - Beeches	(1,638.00)	(470.50)			(2,108.50)
DEV251	S106 Playarea - King George V		(635.87)			(635.87)
DEV252	S106 Playarea - Lansdown Crescent		(1,669.00)			(1,669.00)
DEV261	S106 Playarea - Prestbury Playing Field		(759.67)			(759.67)
DEV262	S106 Playarea - Priors Farm		(7,220.50)			(7,220.50)
DEV263	S106 Playarea - Queen Elizabeth II		(182.00)			(182.00)
DEV269	S106 Playarea - Springfield Park		(495.01)			(495.01)
DEV271	S106 Playarea - Winston Churchill Gardens		(3,939.00)			(3,939.00)
	Sub-Total Play Spaces	(115,192.00)	(11,628.50)	65,865.00	0.00	(60,955.50)
Total Developers Contributions BAL101		(1,801,683.70)	(526,611.50)	67,835.00	183,950.86	(2,076,509.34)

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**Council Tax and Business Rates
Collection Rates 2015-2016**

Business Rates 2015/2016

Appendix 10

Current Year Charges - 2015/2016		
Monitoring Period	% Collected at 31.03.2016	2015/2016 Target
	98.47%	98.15%
Comparison with 2014/2015	31.03.2015	% Collected 31.03.2015
	98.12%	98.12%

The end of year collection rate is above the target

Previous Years Charges Outstanding in 2015/2016		
Monitoring Period	Amount outstanding at 31.03.2016	2015/2016 Target
	£640,394	£690,000
Comparison with 2014/2015	Amount outstanding at 31.03.2015	Amount outstanding at 31.03.2015
	£744,809	£744,809

The arrears outstanding are below the target. We continue to work with any businesses having difficulty in paying

Council Tax 2015/2016

Current Year Charges - 2015/2016		
Monitoring Period	% Collected at 31.03.2016	2015/2016 Target
	98.17%	98.12%
Comparison with 2014/2015	As at 31.03.2015	% Collected 31.03.2015
	98.08%	98.08%

The end of year collection rate is above the target

Previous Years Charges Outstanding in 2015/2016		
Monitoring Period	Amount outstanding at 31.03.2016	2015/2016 Target
	£1,144,562	£1,095,000
Comparison with 2014/2015	As at 31.03.2015	Amount o/s 31.03.15
	£1,123,252	£1,123,252

The arrears outstanding are slightly higher than the target. We are monitoring the position closely and working with council tax payers having difficulty in paying.

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HRA OPERATING ACCOUNT

	2015/16	
	Forecast	Actual
	£	£
<u>EXPENDITURE</u>		
General & Special Management	2,081,400	2,039,737
ALMO Management Fee	5,085,000	5,085,000
Rents, Rates, Taxes and Other Charges	60,000	49,679
Repairs and Maintenance	3,975,000	3,881,543
Provision for Bad Debts	150,000	132,919
Interest Payable	1,684,700	1,684,665
Depreciation & Impairment of Dwellings	5,336,500	5,409,966
Depreciation of Other Assets	168,700	168,800
Debt Management Expenses	79,000	80,900
TOTAL	18,620,300	18,533,209
<u>INCOME</u>		
Dwelling Rents	19,215,200	19,273,313
Non Dwelling Rents	419,300	418,834
Charges for Services and Facilities	826,400	869,313
Supporting People Grant	93,000	92,036
Feed in Tariff from PV Installations	195,100	194,392
Other Grants		5,000
TOTAL	20,749,000	20,852,888
NET INCOME FROM SERVICES	2,128,700	2,319,679
Amortised Discounts	10,100	10,103
Interest Receivable	62,000	55,225
HRA SURPLUS carried to reserve	2,200,800	2,385,007
Revenue Reserve brought forward	3,656,100	3,656,103
Revenue Reserve carried forward	5,856,900	6,041,110

HRA CAPITAL PROGRAMME

	2015/16	
	Forecast	Actual
	£	£
<u>EXPENDITURE</u>		
New Build & Acquisitions	1,322,000	1,365,708
Property Improvements & Major Repairs (incl fees)	4,947,800	5,138,741
Adaptations for the Disabled	400,000	407,930
Environmental Works (Tenant Selection)	60,000	36,433
Repurchase of Shared Ownership Dwellings	50,000	0
	<u>6,779,800</u>	<u>6,948,812</u>
<u>FINANCING</u>		
Capital Receipts - Existing stock	450,000	450,000
Capital Receipts - New Build & Acquisitions		471,859
Leaseholder Contributions	250,000	140,218
Major Repairs Reserve	4,757,800	4,992,886
New Build Reserve		893,849
New Build & Acquisitions (funding not specified)	1,322,000	
	<u>6,779,800</u>	<u>6,948,812</u>

MAJOR REPAIRS RESERVE

	2015/16	
	Forecast	Actual
	£	£
Balance brought forward	0	0
Depreciation of Dwellings	5,336,500	5,332,300
Depreciation of Other Assets	168,700	168,800
	<u>5,505,200</u>	<u>5,501,100</u>
Applied in Year	-4,757,800	-4,992,886
Balance carried forward	<u><u>747,400</u></u>	<u><u>508,214</u></u>

NEW BUILD DEVELOPMENT RESERVE

	2015/16	
	Forecast	Actual
	£	£
Balance brought forward	1,903,144	1,903,144
Applied in Year		-893,849
Balance carried forward	<u><u>1,903,144</u></u>	<u><u>1,009,295</u></u>

Cheltenham Borough Council

Council – 18 July 2016

Potential financing arrangements for the construction of an annex at St. Margaret’s Hall

Accountable member	Cllr. Rowena Hay; Cabinet Member Finance
Accountable officer	Richard Gibson, Strategy and Engagement Manager
Ward(s) affected	St. Margaret’s Hall lies in Warden Hill ward, but serves a much wider geography.
Key/Significant Decision	No
Executive summary	<p>The Trustees of St. Margaret’s Hall Users Group have approached the council with a request for financial help to support their plans to construct an annex onto the existing building.</p> <p>The building, which is owned by Cheltenham Borough Council, and leased to the Users Group, is a popular community building serving the immediate Warden Hill and Hatherley communities as well as the wider community of Cheltenham. The Users Group report that demand for the existing hall is high, with the bookings diary being regularly full and demand exceeding capacity.</p> <p>The annex is planned to meet this demand and will be able to accommodate 75 people in a space that can be divided in two, and will have its own services so it can be hired independently of the main hall. The proposed costs of the annex are c.£175k (inc VAT).</p> <p>The Users Group have approached the council for a loan of £50,000 which they will re-pay over a period of 15 years at an estimated interest rate of 3%, based on current market rates. They will use the offer of a local from CBC to apply to a range of grant-giving organisations for funding to cover the costs of the building works. The actual interest rate shall be that prevailing at the time a formal loan agreement is drawn up should this be approved by Council.</p> <p>It is proposed that Council consider making an “in-principle” loan of £50,000 to the Users Group which, if the fund-raising target is met and the remaining funds secured to cover the proposed total cost of the scheme, will be then be subject to further Council agreement to turn this into an agreed loan.</p>
Recommendations	<p>Full council is asked to make an “in-principle” loan of £50,000 to St. Margaret’s Hall Users Group.</p> <p>That this “in-principle” loan be offered for the purposes of enabling further fund-raising to take place in connection with the construction of the proposed annex detailed in section 3.</p> <p>That this “in-principle” loan be offered on a series of conditions set out in section 5.</p>

That, subject to these conditions being met, a further report will be considered by full Council to agree whether the “in-principle” loan be turned into an agreed loan.

Financial implications	<p>The St Margaret’s Hall user group aim to fund raise to cover the estimated £175k total cost of the annex. This will include a contribution of £30k of their own funds and £11k already committed by Gloucestershire County Council. This report recommends a £50k loan” in-principle”. However this loan will need to be subject to final approval by Council, which should only be considered once the remaining £84k funding has been secured and the council is satisfied that the St Margaret’s Hall User Group have sufficient funds to cover the running costs of both the existing hall and proposed annex.</p> <p>Contact officer: Sarah Didcote GO Business Partner Manager (West) Sarah.Didcote@cheltenham.gov.uk 01242 264125</p>
Legal implications	<p>The Council has broad powers (including under Section 19 of the Local Government (Miscellaneous Provisions) Act 1976) to support the provision of recreational facilities, including by way of giving grants or loans to third parties.</p> <p>As the property is leased by the Council to the Users’ Group (and a new lease is proposed), it will be important to ensure that the lease and the loan agreement are co-ordinated and that the works are monitored.</p> <p>Contact officer: Rose Gemmell rose.gemmell@tewkesbury.gov.uk 01684 272014</p>
HR implications (including learning and organisational development)	No HR implications identified with this report
Property/Asset Implications	<p>As set out in the report.</p> <p>Contact officer: David Roberts Head of Property Services David.roberts@cheltenham.gov.uk 01242 264151</p>
Key risks	There are no risks to this “in-principle” loan. However full consideration of possible risks will need to be given by council in order to facilitate an agreed loan, once funding has been secured to cover the full costs of the scheme.
Corporate and community plan Implications	<p>Successful delivery of the project by the St. Margaret’s Hall User Group will help the council deliver its corporate strategy outcome:</p> <ul style="list-style-type: none"> • People live in strong, safe and healthy communities
Environmental and climate change implications	The new annex will be built in accordance with the environmental specifications set out in the latest building regulations.

1. Background

- 1.1** St Margaret's Hall was originally built as a Mission Centre for the Roman Catholic Church in 1977, which later evolved into a general purpose community hall. Following closure in 1997, Cheltenham Borough Council purchased the hall and it was re-opened by a consortium of users known as the St Margaret's Hall Users' Group.
- 1.2** The Users Group have subsequently managed the building and have undertaken a range of projects to improve the fabric of the building such as installing new toilets, new flooring, new kitchen equipment and a new central heating system.
- 1.3** The hall is a popular community building serving the immediate Warden Hill and Hatherley communities as well as the wider community of Cheltenham. The Hall is let on a regular basis to 11 charitable organisations and seven commercial organisations who provide a number of activities including those aimed at parents and children, health and fitness activities and a wide range of social activities. Demand for the existing hall is high, with the bookings diary being regularly full, leaving little space for other users to hire the hall. Rental income brings in around £22k per annum.

2. Current lease arrangements

- 2.1** The current lease was agreed with the Users Group in August 2011 and this runs to 2026 with a rent review in 2017. The current rent is £13,500 and is supported by a third sector matching grant of £13,500 so no rent is collected by the council.
- 2.2** To support fund-raising activities associated with the annex project, the Users Group have approached the council requesting surrender of the current lease and entering into a new lease for a further term of 35 years and subject to similar conditions as the existing lease. In addition the User Group will also be obliged to enter into an Agreement for Lease and Building Agreement which, upon successful completion of these first two elements, a new lease will be granted.

3. Details of the proposal

- 3.1** To meet increasing demand for space at the Hall, the Users Group have drawn up plans for an annex which will be able to accommodate 75 people, in a space that can be divided in two, and will have its own services so it can be hired independently of the main hall.
- 3.2** Details of the proposal are set out in a business plan, attached at appendix B, that has been prepared by the Users Group.
- 3.3** The Users Group have also considered the impacts on other local halls. Their research indicates that other hall providers in the areas of Hatherley, Warden Hill and The Reddings are also at or near to capacity. Other halls in the area provide either a main hall of 130-220 capacity, or a minor hall of up to say 50-60 capacity, or both.
- 3.4** Plans for the Annex have received both planning permission and building regulations permission.
- 3.5** Preliminary costings indicate a capital cost of c.£175k (inc VAT), but that the new annex will generate anticipated additional income building up to £12,000 per year, less relevant running costs, estimated at £5,000 per annum.
- 3.6** The Users Group have approached the council for a loan of £50,000 which they will re-pay over a period of 15 years at an estimated interest rate of 3%, based on current market rates. They will use the offer of a loan from CBC to apply to a range of grant-giving organisations for funding to cover the costs of the building works. It should be noted that the actual rate applicable will be based on current market rates at the date of the loan agreement, should this recommendation be

approved by Council.

- 3.7 It is proposed that Council consider making an “in-principle” loan of £50,000 to the Users Group, which if the fund-raising target is met, and all funds secured to cover the proposed total cost of the scheme, will be then be subject to further Council agreement to turn this into an agreed loan.

4. Project Assessment

- 4.1 In common with any significant capital scheme, the Users Group have completed a project assessment tool template (attached as appendix C) that sets out further information about the proposal, a financial assessment, an assessment of how well the proposal will meet our corporate priorities and a risk assessment.
- 4.2 The completed document has been reviewed by officers and the Cabinet Member Finance and has demonstrated that there is effective governance of the project – should it go ahead – and that the proposal will support our corporate priorities.
- 4.3 The User Group had requested that the Council procure and manage the works contract; however the Council is unable to provide this service to external bodies.
- 4.4 Instead, it is recommended that the User Group manage the procurement and manage the works themselves via a fixed price “design and build” contract.

5. Suggested conditions for the offer of a loan in-principle

- 5.1 If council are minded to offer an in-principle loan, it is suggested that it is offered with the following conditions:
- 5.2 The offer of the loan in-principle will remain open for 12 months from the date of the Council meeting.
- 5.3 The offer of the loan in-principle is only to be used in connection with the proposed Annex as detailed in section 3 and is to help the User Group secure the additional funds necessary to enable the build contract to be entered into.
- 5.4 Subject to the User Group securing all the necessary funds to cover the proposed total cost of the whole scheme, a further report will be considered by full council to agree whether the “in-principle” loan be turned into an agreed loan.

6. Reasons for recommendations

- 6.1 The proposed annex will meet an identified need for community space in the south of Cheltenham. It will support the ongoing viability of the St. Margaret’s hall and will also relieve pressure on other halls.
- 6.2 The proposals will support the delivery of the Council’s priorities and the works will be managed by the Users Group.
- 6.3 The proposals will also see investment of c.£175k into one of the Council’s assets that will help secure its longer-term future.

7. Alternative options considered

- 7.1 No other alternatives have been considered.

8. Consultation and feedback

- 8.1 There has been ongoing consultation on the recommendations set out in this paper with the St Margaret's Hall Users' Group.
- 8.2 It is proposed that, should the Users Group meet the conditions set out in section 5, that the proposed loan be discussed by the Asset Management Working Group before coming to full Council.

9. Performance management –monitoring and review

- 9.1 If a loan is entered into, this will be managed via the agreed terms and conditions.

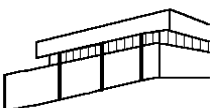
Report author	Contact officer: Richard Gibson Strategy and Engagement Manager Richard.gibson@cheltenham.gov.uk 01242 235 354
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Annex Business Plan 3. Project Assessment Tool
Background information	

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 are no risks to this "in-principle" loan. However full consideration of possible risks will need to be given by council in order to facilitate an agreed loan, once funding has been secured to cover the full costs of the scheme										
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

Business and Community Plan

New Annex:

July 2016



St. MARGARET'S HALL USERS GROUP
Reg. Charity No. 1071545

Chairman: Mr. R.L. Whyborn
Secretary: Mrs. V Downing

Treasurer: Mr M. Chapman
Booking Secretary: Mr C.L. Taylor

Introduction

We are St. Margaret's Hall in Hatherley, Cheltenham, and run by a self-help group of community hall users in the area, known as St Margaret's Hall Users Group. Over the years since 1998 we have re-invested our proceeds in improving the fabric of the hall with disabled toilets, new kitchen, flooring and ceiling and many other improvements which were necessary; the hall was in a very run-down condition in 1998. Our stated aims are to manage and maintain the Hall for the benefit of local residents of Hatherley (Cheltenham) and district, without distinction of sex, race, or political, religious or other opinions, including use for meetings, classes and other forms of recreational and leisure-time occupation with the aim of improving their quality of life. Although the hall operates rent-free from the Borough Council, it is on a full repairing lease and receives no other subsidies in its operations, which are for the benefit of the community.

Brief history

St Margaret's Hall was built as a Mission Centre for the Roman Catholic Church in 1977, which later 'morphed' into a community hall as religious activities declined. Following closure in 1997, Cheltenham Borough Council (CBC) purchased the Hall and it was re-opened by a consortium of users who are still known today as St Margaret's Hall Users' Group, with no other capital than the personal loan of £500 from two tireless workers. In the re-opening of the hall and the events that followed the Users Group was established on a sound footing and did much to improve the fabric of the hall. The current lease with CBC, with a matching grant, runs out in 2026. To assist with the annex project, CBC has agreed to replace it with a similar new lease with a 35 year term.

Community plans

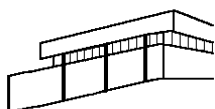
This section describes how St Margaret's Hall fits within the Borough Council's corporate aim of "Strengthening our Communities", and describes our wider picture within the community. The hall is located within an area of social housing and housing previously owned by the local authority, and shows on the maps of the area as having higher than average level of social deprivation. Appendix 2 is a list of regular hall users.

Healthy Lifestyles

The "Heart to Heart" group is a specialist fitness and self-help class for people with heart conditions. There is a Mother and Toddlers group each week, run by GCC at Gardners' Lane, where the health visitor is in attendance, to weigh babies and to give advice to mothers. St. Margaret's Hall is also host 6 times per year to the National blood service, when normal activities stop for blood doning sessions. St. Margaret's Hall is host to Kick-boxing classes and also fitness classes for young and old, from under five to over 80 years old. Zumba and yoga groups are also part of the rich tapestry of different users to contribute to healthy lifestyles.

Housing Needs/Community Security and Safety

Cheltenham Borough Homes is a regular hirer of the hall for tenants and residents neighbourhood meetings, sometime attended by the Police as well. On past occasions, and potentially in the future, the hall may be used for Police/INA meetings, and other activities aimed at the safer communities agenda. These organisations always receive a discount when hiring.



Community Engagement

The committee endeavours to involve the community in all the events that the committee stage, and by and large they are well supported by the local community. The hall is also used as a Polling Station. It is also regularly hired out to local residents as avenue for parties, meetings etc. Cheltenham Borough Homes is a regular hirer (see above). Given the nature and various needs of this area within Hatherley, the hall is very valuable community resource.

The hall has on occasions been hired by faith groups, and for wedding receptions. On one occasion we hosted an engagement party for a Sikh community for over 100 people.

The hall performed a vital role as a day and overnight shelter during 2010 when a civil emergency required the evacuation of some 200 homes within the Hatherley area.

Arts & Culture

We have also hosted both language and dance classes, the latter including Line-dancing and Tea Dances. As a space for the arts, it regularly hosts cabaret evenings, concerts and fashion shows.

Children and Young people

There is a Mother and Toddlers group each week, see under "Healthy Lifestyle". This is sponsored by the local authority, and is a very valuable activity in the immediate area which is a mixture of social housing and owner-occupied housing at the bottom end of the market (with some private rented also). Whilst we have no specific youth club, there are various activities aimed at youngsters, such as Martial Arts groups and Various Dance classes. Pre-school activities are also catered for by **Tumble Tots** – best described as acrobatics for children and others.

Voluntary Sector

We offer reduced rates to charities and non-profit making and community organisations, though of course we must do that within the context of needing to cover our costs.

Sustainable Transport

The Hall is very close to a bus route, and has also recently installed a cycle rack. For those who travel by car, there is car park, hence avoiding on-street congestion of vehicles.

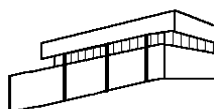
The hall is potentially available to allow parking in its car park on working days, when the Hall's own parking needs are relatively light, to ease pressure on local roads for employee parking.

Scope

Whilst all these activities go on, the committee can only promote the activities, it is for the users to decide who comes to use the hall. We aim to provide for the whole community, but it would be for others to – for example – start a senior citizens group, who could then decide to hire the hall, and send a representative to the hall committee. The Hall's activities and ethos is well known and established in the community, and the committee's experience is that there is an ongoing demand for activities which are both local and community-based within the Hatherley area.

Outlook

Casual bookings are buoyant, and evidence from neighbouring halls is the same, with most time slots filled. The committee believes that demand will continue, as the emphasis in society is further transferred from the public sector to the voluntary sector, of which St Margaret's Hall is an integral part. Demand is currently outstripping supply, throughout much of the week, and we are experiencing increased demand for smaller rooms. Our enquiries show that other halls are also very busy with demand for both larger halls (100+ capacity) and smaller halls (under 100).



Financial and Business management

Current business position:

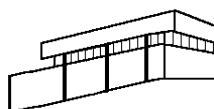
Accounts including back-accounts are available under separate cover, as is a copy of the constitution of the organisation. Careful stewardship over our revenue budget over recent years has allowed us to plough surpluses back into the business, which together with grants from various funders has enabled a number of improvements to take place:

- New toilet blocks and entrance which are fully compliant for the disabled
- Complete floor and ceiling replacements
- Completion of new kitchen refurbishment
- Stage area and side rooms re-organised for more effective use and better storage
- Replacement of external cladding
- New boiler and radiators
- New security alarm and CCTV system
- Evaporative cooling system
- Solar PV panels

The overall fabric of the building is considered to be good, and investment over the last decade has in our view increased the asset value. St Margaret's Hall User Group considers that both the financial and community aspects of St Margaret's Hall's position are strong, and that the hall is set fair to go forward for the next decade, and that the management is sound and stable.

Moving forward

Having reached the position described in the foregoing paragraphs, it is the committee's view that the current facility is fulfilling its potential, and near to filling its saleable hall capacity- but that there is significant unmet demand in the community. Users are being turned away, not only from St Margarets Hall but also from smaller halls in the area which are fully booked. Hence our proposal to build a new annex, which we describe overleaf.



Proposal for New annex

We have now reached the stage where our diary is full, and we are receiving requests for hall capacity, particularly for a smaller hall and/or rooms. Our research indicates that other hall providers in the areas of Hatherley, Warden Hill and The Reddings are also at or near to capacity. Other halls in the area provide either a main hall of 130-220 capacity, or a minor hall of up to say 50-60 capacity, or both.

The choice of 75 person capacity for the new annex is deliberate. No local halls in the Warden Hill and Up Hatherley area offer capacity in the 60 - 110 seater range, our site does not easily lend itself to a 100 seater annex except at significantly higher capital cost and/or significant loss of car park capacity. Our proposed annex is for 75 person capacity, with the possibility to be divided in to two rooms. Our view is that the new facility should be capable of being hired independently of the main hall, with its own toilets, including disabled and ability to make drinks etc. Given its size it would be relatively simple, though we may elect to carpet, or partially carpet the floor. It is also recognised that some users may wish to hire the whole site on occasions.

This will tap into an area of the market, such as meetings, classes, rehearsals and lectures, as well as some of the 'gentler' fitness etc. classes which sometimes book into larger halls (including St Margarets on occasions); it is expected that provision of a 75 seat facility will provide much needed hall capacity, not least by freeing off capacity in larger halls. Further opportunities are provided with the option to subdivide the new hall into two (30 + 40 seater) rooms.

The immediate area around the hall is in an estate of above average deprivation by Cheltenham standards, and the committee is conscious of the need to supply good facilities to the community such as parent and toddler facilities, community meetings, and numerous community and charitable uses.

Provision of a larger e.g. 100 seater meeting room is constrained by not only cost, but the presence of a large culvert crossing the site and the desire to avoid reducing car parking capacity, (currently very adequate), and to avoid compromising access and egress from the main hall.

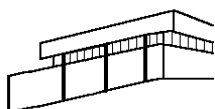
At the time of writing, the proposed annex has Planning approval, granted September 2015, and Building regulations approval is currently being evaluated by the local authority.

Appendix 2 details some of the research on hall demand around the area in which we were grateful for support by Cheltenham Borough Council's community engagement officer.

Description of New annex

Residential Location:

The User's Group are conscious of the location of the Hall and its presence surrounded by residential development. The Group have worked hard with the local residents and the public to ensure that users of the hall have minimum impact on the enjoyment of the local residents. Prior to the submission of the Planning application, the Users Group carried out a Public Consultation with the surrounding residents to explain the Group's intentions in expanding the community facilities at the Hall. This also revealed additional demand for more parent and toddler type facilities.



Design Factors:

The design of the building, with central tall hall surrounded by single storey flat roofed structures is replicated in the design features of the proposed Annex. Facing brick will match the existing brickwork.

The Users Group considered the lighting of the new Annex and concluded that high level windows be included within the design, and that these best matched the style of the existing hall.

Access:

The new Annex will be fully accessible for Disabled Persons, with the entrance to the Annex via a flush threshold. A unisex-disabled toilet facility is included within the design.

The Annex is close to the current Disabled parking spaces.

It is proposed to create a new access door between the Annex and the Main Hall though this will not be a primary access to the new facility.

Parking:

The car parking area has facilities for 46 cars in marked spaces. The building of the new annex will not reduce this capacity and it proposed to provision a further three spaces by creation of further 'overflow' parking. Car parking however is generally more than adequate with overcapacity during the working day, albeit the User Group wishes to avoid shortage of capacity.

Many users live in the local community, they walk to the centre or use the bus service (D) through the Estate (15 minute frequency during the day and 30 minute evening).

Financial and project management:

Preliminary costings (appendix 3) indicate a capital cost of some £170,000 to be raised, with anticipated additional income building to £12,000 per year less the relevant running costs.

Having completed the design to a Building regs standard, the committee has sought to take a pragmatic view to offset risk of cost escalation though a fixed price "manage and build" project to be tendered as a fixed price contract, as opposed to the lower costs of managing the project through the more traditional means of employing the QS, contractor and others separately.

St Margarets Hall Users Group expects to contribute some £30,000, additional to design costs over the course of the building project, the balance to come though fund raising, of which CBC is the largest component, which will lever in other funds through grants. Initial investigations show that it would be feasible to borrow some £50,000 from CBC, to be repaid over 15 years in supplementary rent at £4,200 per annum. As CBC will be the owner of the annex, it is expected (not yet confirmed) that CBC are the commissioner of the purchase order(s); in which case the construction would be free of VAT, a facility otherwise not available to the Users' group.

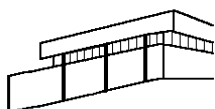
In Conclusion

The committee is of the view that the current facility is now working to near its saleable capacity, and that the provision of a 75 seat annex is not only a useful contribution to community needs, but is viable and sustainable. Support from grant-funding organisations is therefore sought.

The Committee

St Margarets Hall Users Group

30/06/16



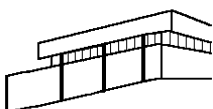
APPENDIX 1 – List of Principal USERS

Charitable or other local groups who are not-for-profit

- The Fitness league
- Heart to Heart
- GCC parent and toddlers group (Gardners Lane)
- Lifelong fitness
- Guide Dogs for the blind (Dog training)
- Blood Donors (National Blood Service)
- Cheltenham Network Church
- Model Railway exhibition (in support of Winston's Wish – childhood bereavement charity)
- Tea Dances
- Cheltenham Borough Homes and Cheltenham Borough Council
- Occasional social evenings run by the hall committee including known artists

Commercial Users (who also contribute to the wellbeing of the community through the activities mentioned)

- Slimming World
- Several Zumba, and fitness groups
- Two Yoga groups
- Tumble Tots (children's acrobatics)
- Dynamx (kick boxing)



APPENDIX 2 – Community Usage considerations

Other Halls within South Cheltenham:

The Church in Warden Hill complex in Salisbury Avenue, Warden Hill (URC and C of E)
Reddings Community Centre
Hillview Community Centre
Up Hatherley Parish Church - Social Centre
The Brizen Young Peoples Centre
Up Hatherley Village Hall

In November 2014, Helen Down from Cheltenham Borough Council contacted other local Hall secretaries to determine available Capacity:

See E-mail responses below:

From: "Down, Helen" **Date:** 22 November 2014 19:42:21 GMT
To: Councillor Roger Whyborn
Subject: Fwd: Up Hatherley Village Hall
Hi Roger,
Last response below,
Best wishes,
Helen

Sent from my iPad

Begin forwarded message:

From: Kathryn Oakey
Date: 21 November 2014 16:30:03 GMT
To: Helen down
Subject: Re: Village Hall and church hall
Helen

We are fully booked monday to thursday in the day and evenings. Fridays we have a regular booking every other week, and occasional evening bookings. Weekends tend to be ad hoc parties rather than regular bookings.
Josh

HILLVIEW

Barry Turner We have reasonably full Calendar

REDDINGS COMMUNITY CENTRE

Laura Thomas We are pretty booked up with the large hall but we have some spaces in our small hall.

BRIZEN

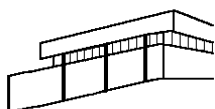
Allan Knight The Brizen calendar is quite full, there are slots available mainly on Tuesdays & Thursdays. Weekends we rely mainly on a couple of church groups and kids parties etc. You can get a clearer picture if you click on the following calendar link. Hope this helps.

ST PHILIP & ST JAMES CHURCH CENTRE

We are currently reviewing our list of current bookings. Although we do have some slots available (mainly afternoons) we do have to weigh up the usage in conjunction with use by the church as it is a shared resource. More details to follow.
Malcolm West

UP HATHERLEY VILLAGE HALL

No response yet (Stuart has asked Josh Oakey to respond).



WALLACE HOUSE

Paula Watson @ CBH – no response yet.

ST CHRISTOPHER'S & WARDEN HILL UNITED REFORMED CHURCH

Rev Jacqui Hyde – full except during school holidays and the small room at the URC has some spaces.

Hope this helps and is enough detail – let me know if you want more information.

Thanks!

Helen

From: malcolm west [<mailto:malcbwest@yahoo.co.uk>]
Sent: 23 November 2014 20:00
To: Down, Helen
Cc: Church office; Fr Richard
Subject: Re: Fw: Church hall. SS Philip and James Church Up Hatherley

Hi Helen

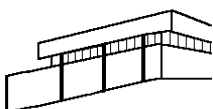
I have now had a look at our bookings in the Church Centre. We are pretty much up to capacity but do have some time available Wednesday pm, and on Thursdays. As I mentioned previously we would need to consider other church activities when looking at any further regular bookings.

.....(other matters).....

I have attached a copy of our latest bookings and contacts which you may find useful. We are keen to work with the local community to ensure the work of the Church and Centre are widely known so if you need any further information or wish to discuss please let me know.

Regards

Malcolm West

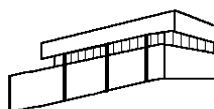


APPENDIX 3 – PROPOSED ANNEX – SIMPLIFIED REVENUE BUDGET ESTIMATES

More detailed spreadsheet information showing year on year projected revenue cash flows and balances 2013-2020 is available as a further appendix to this report.

Receipt and Payments in typical year, say second year of operation.

	Actual 2014-15	Budget Main hall	Annex add-on budget	Total
RECEIPTS				
Charitable Trading -Main Hall Hire	£21,697.66	£21,000.00	£0	£21,000
Charitable Trading -Annex	£0.00	£0.00	£12,000	£12,000
Fund Raising Events *	£0.00	£0.00	£0	£0
Grants & Loans *	£0.00	£0.00	£0	£0
Interest	£1.92	£5.00	£0	£5
TOTAL RECEIPTS	£21,699.58	£21,005.00	£12,000	£33,005
PAYMENTS				
Caretaker	£3,700.00	£4,000.00	£1,200	£5,200
Cleaning (supplies) & Gardening	£1,262.78	£1,500.00	£400	£1,900
Maintenance etc.	£1,680.20	£3,000.00	£1,100	£4,100
Security & BT	£704.96	£800.00	£300	£1,100
Gas & Electricity	£1,940.26	£2,200.00	£900	£3,100
Electricity FiTs and loans	-£686.90	-£650.00		-£650
Rates & Insurance & Water	£2,156.76	£2,500.00	£900	£3,400
Management & Publicity	£413.42 #	£700.00	£100	£800
Stationery & PC	£205.75	£250.00	£50	£300
Miscellaneous	£202.84 #	£205.00	£50	£255
TOTAL OPERATING PAYMENTS	£11,580.07	£14,505.00	£5,000	£19,505
Events - Special *	£0.00	£0.00	£0	£0
Special Projects *	£0.00	£0.00	£0	£0
<i>of which Restricted *</i>	<i>£0.00</i>		<i>£0</i>	<i>£0</i>
<i>RENT/Repayment of loan</i>			<i>£4200</i>	<i>£4200</i>
TOTAL PAYMENTS	£11,580.07	£14,505.00	£9,200	£23,705
* (with Restricted funds, Special projects, grants loans, and fundraising stripped out)				
RECEIPTS LESS PAYMENTS *	£10,119.51	£6,500.00	£3,800.00	£9,300.00
=Contribution to reserves for long term maintenance and improvements.				



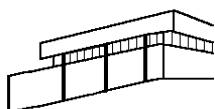
CAPITAL BUDGET ESTIMATE FOR ANNEX.

Based on	DOVE CONSTRUCTION Budget price estimates. M Tyre e-mail of 13/04/16	MARNEL quote	NEW & TILLEY Quote
131,000 included	Extension less flooring	146,000	124,224
included	New drainage (40m foul, 30m surface) Internal alterations, insulation, 2 new roof lights to existing area and wall demolitions, making good and decoration, etc		
included	Flooring to new area - included at £2500		2,500
included	Fire resisting doors, but no fire equipment or furniture, or fittings etc.		
included	HW & CW, Heating system based on Gas heaters, but not alteration to existing services		
included	66M2 assumed of external paving slabs		
-10,500	Deduct £10,500 allowed for Electrical costs , then add back basic DB-F quote (Dove construction)}		
5,100	Dove: DB-F Quote Electrical £4100. Contingency/management £1000 on above }		included
1,500	Fire equipment to building regs, some interfacing costs to existing utilities. Locks New & Tilley: design and professional fees (£2000). Dropped kerbs to overflow parking (£1000)		included
			3,000
<u>127,100</u>	Sub total [Discount TB Neg Marnel, 5% assumed]	<u>135,050</u>	<u>129,724</u>
4000	SMH Estimate for other unpriced items e.g. heating upgrade	4,000	4,000
N/A	Building Control (SMH Estimate - spent already)		
N/A	Planning (Scale) - spent already c £1000		
Revenue	{Architectural Drawings (SMH Estimate - most drawings already done, £1000 to go)	Revenue	Revenue
Revenue	{Other Fees (SMH Estimate £3000, QS + Minimal Structural eng) say£4000	Revenue	Revenue
<u>131,100</u>		<u>139,050</u>	<u>133,724</u>
13,110	Contingency 10%	13,905	13,372
<u>144,210</u>		<u>152,955</u>	<u>147,096</u>
28,842	VAT at 20%	30,591	29,419
<u>173,052</u>	TOTAL	<u>183,546</u>	<u>176,516</u>
	<u>Following items to be postponed till later if funding position so requires.</u>		
10,000	Acoustic sliding partition # (scheme 2 £6900 estimate) & improved flooring # (+£3100)	10,000	10,000
2,625	Fire and security alarm system/fire equipment (£2625, based on New & Tilley)	2,625	2,625
<u>185,677</u>		<u>196,171</u>	<u>189,141</u>

Phasing through stage payments to be agreed, within overall build time of 20 weeks estimated.

Comprising up to:

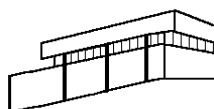
£30,188	To be provided from St Margarets Hall own resources.
	<u>Loans</u>
£50,000	Expecting £50,000 from Cheltenham Borough Council
	<u>Grants obtained.</u>
£10,812	Gloucestershire County Council
	<u>Grants applied for or to be applied for.</u>
£14,000	£14,000 Summerfield Trust
£10,000	£10,000 Gloucestershire Community foundation
£50,000	£50,000 Gloucestershire Environmental Trust
£5,000	Cheltenham Borough Council - aim Comm. Pride 2016/17
	<u>Fund-raising</u>
£8,000	Sums to be raised by other fund raising: £8000 through own local fund raising events, draw tickets etc.
<u>£178,000</u>	<u>TOTAL</u>
£10,000	£10,000 Lottery – Awards for all - only for items marked #



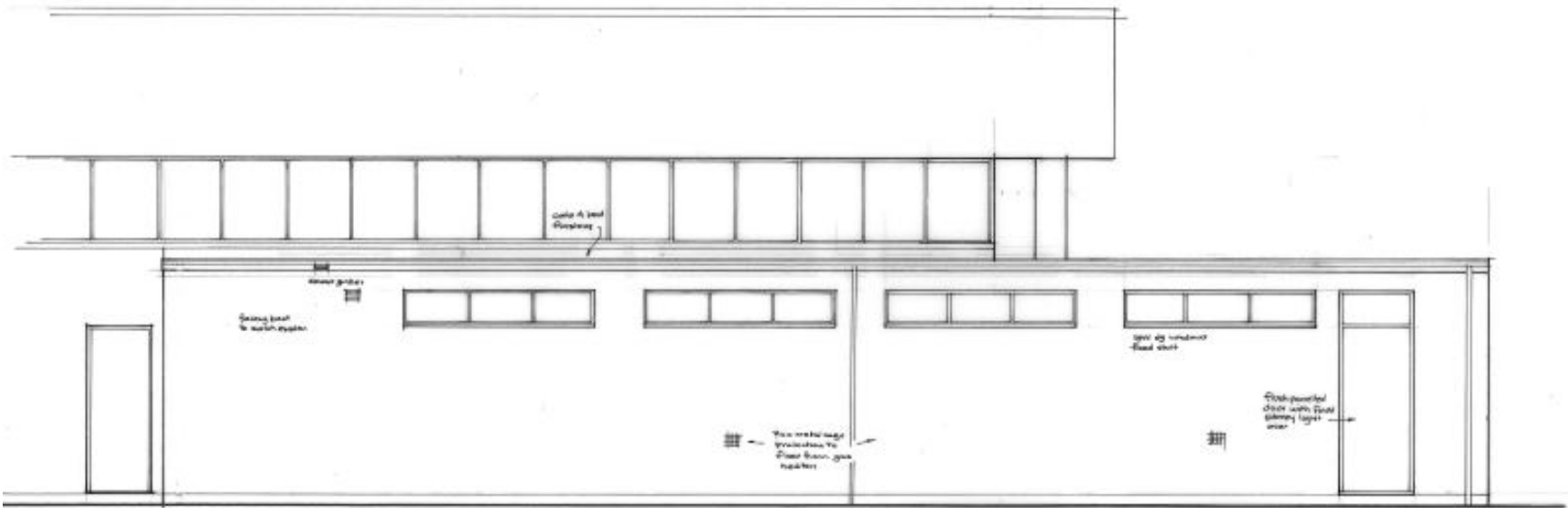
APPENDIX 4

ST. MARGARET'S HALLRECEIPTS AND PAYMENTS ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2016UNRESTRICTED (GENERAL) FUNDS

RECEIPTS	2016 Unauditted	2015 Examined	2014 Examined
Hall Hire	22876	21698	23572
Other Fund Raising			1789
Grants, Gifts & Loans			
Investment Income -			
Other Gifts			
Bank & National Savings Interest		2	14
Less Restricted monies			
TOTAL	22876	21700	25374
PAYMENTS			
Charitable Activities -			
Caretaker	3930	3700	3922
Cleaning & Gardening	1656	1263	1120
Maintenance & Security	3453	2385	3116
	Incl. new CCTV		
	Net of	702	1253
	FiTs		981
Gas & Electricity	702	1253	981
Insurance & Rates	2284	2157	2355
Special projects & Replacements	3922		195
	Planning etc Annex		(CBC Planning)
Rent	0	0	0
Support Costs -			
Fundraising events		0	1814
Publicity & Management	701	413	374
Stationery & Sundry	362	409	396
TOTAL	17,010	11,580	14,273
NET RECEIPTS/(PAYMENTS)	5,867	10,120	11,101
Less NET (PAYMENTS to) /RECEIPTS from	To Annex (30,000)	(3776)	(7006)
RESTRICTED FUNDS			
FUNDS LAST YEAR END	31,732	25,389	21,294
FUNDS THIS YEAR END - UNRESTRICTED FUNDS	7,599	31,732	25,389



APPENDIX 5 Illustration of Proposed new Annex

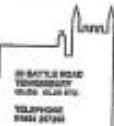


ST MARGARET'S HALL
CONISTON ROAD
HATHERLEY
CHELTENHAM
GL51 5NX

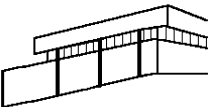
PROPOSED EXTENSION
SIDE ELEVATION

DRAWING NO 2015/1058/202
SCALE 1:50 @ A3
DECEMBER 2015

GRAHAM HALLETT
ARCHITECTURAL SERVICES



10 BATTLE ROAD
TEMPLETON
CHELTENHAM
GL51 5JH





- (H) heat detector
- (M) CO detector
- PL panic latch on panic door
- LT vertical glass pane in door
- PC illuminated push button
- PE exit with opening alarm in emergency
- (E) Emergency light
- (B) Breakdown emergency light
- (W) Exit sign
- (W) Exit sign

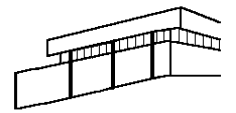
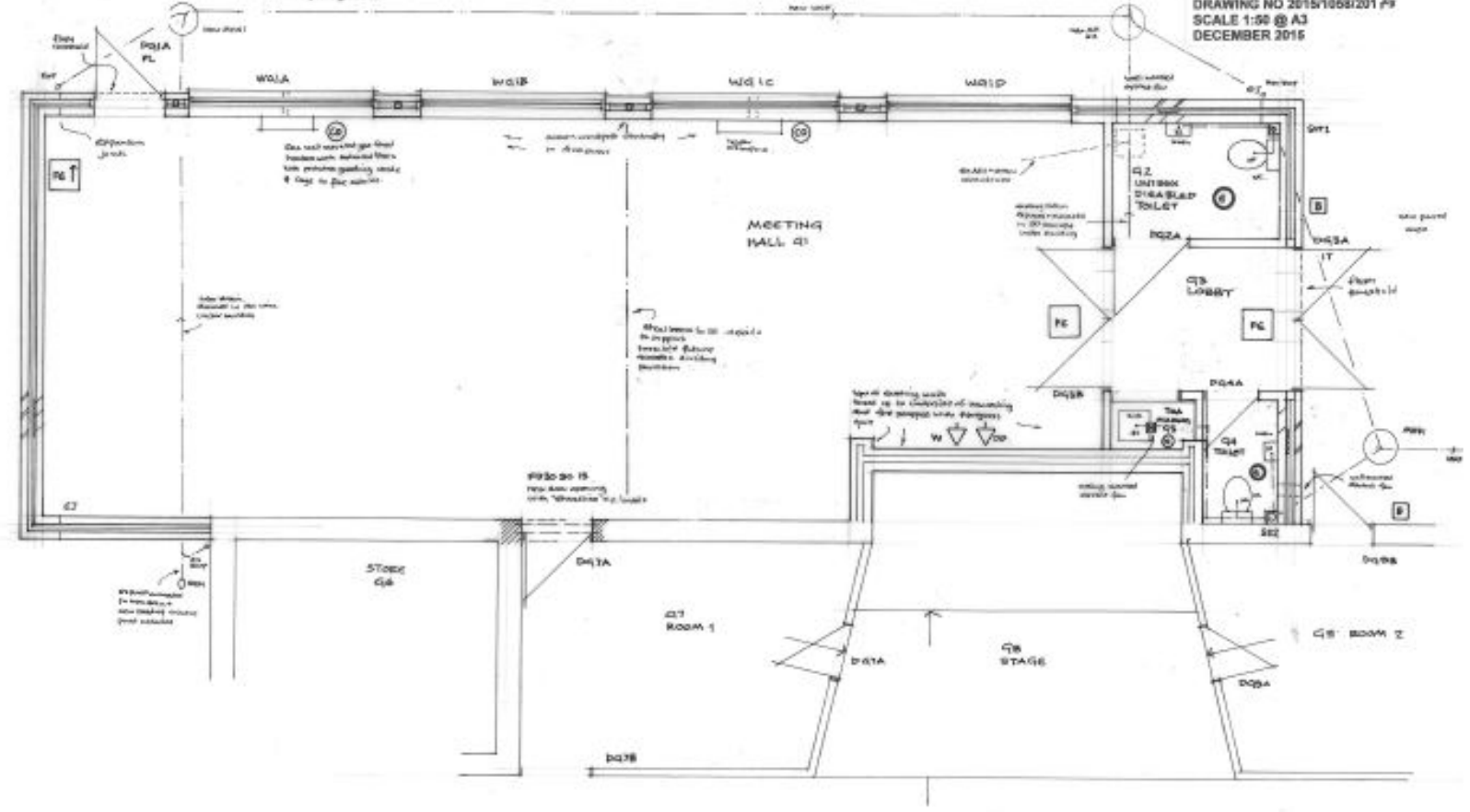
GRAHAM HALLETT
ARCHITECTURAL SERVICES

BRISTOL ROAD
CHELTENHAM
GL51 5NX

**ST MARGARET'S HALL
CONISTON ROAD
HATHERLEY
CHELTENHAM
GL51 5NX**

**PROPOSED EXTENSION
GROUND FLOOR PLAN**

DRAWING NO 2015/1068/201 P
SCALE 1:50 @ A3
DECEMBER 2015



Cheltenham Borough Council – Project Assessment Tool
Section 1: Business case for capital projects

Name of proposal	Version and date last assessed	Lead Officer
New annex for St Margarets Hall, Hatherley	v1 13-06-16 [Simple loan version]	Mark Sheldon
Brief description of project for use in public documents		
Annex to provide an additional facility of a 75 seater large room, dividable into 2 rooms, to provide additional capacity to existing 200+ seater facility, for benefit of community.		
In providing further detail, St Margarets Hall Users group write as follows:		
<p>The current facility is near to filling its saleable hall capacity- but there is significant unmet demand in the community. Users are being turned away, not only from St Margarets Hall but also from smaller halls in the area which are fully booked. The diary is full, and we are receiving requests for hall capacity, particularly for a smaller hall and/or rooms. Our research indicates that other hall providers in the areas of Hatherley, Warden Hill and The Reddings are also at or near to capacity. Other halls in the area provide either a main hall of 130-220 capacity, or a minor hall of up to say 50-60 capacity, or both.</p>		
<p>The choice of 75 person capacity for the new annex is deliberate, with the option to subdivide the new hall into two (30 + 40 seater) rooms. No local halls in the Warden Hill and Up Hatherley area offer capacity in the 60 - 110 seater range. The new facility would be capable of hiring independently of the main hall, with its own toilets, including disabled, and ability to make drinks etc. It is also recognised that some users may wish to hire the whole site on occasions.</p>		
<p>This will tap into an area of the market, for some of the gentler fitness activities and smaller meetings which sometimes book into larger halls due to lack of suitable capacity; it is expected that provision of a 75 seat facility will provide much needed hall capacity, not least by freeing off capacity in larger halls.</p>		
<p>The immediate area around the hall is in an estate of above average deprivation by Cheltenham standards (fourth decile UK), and the committee is conscious of the need to supply good facilities to the community such as parent and toddler facilities, community meetings, and numerous community and charitable uses. The Users Group have worked hard with the local residents and the public to ensure that users of the hall have minimum impact on the enjoyment of the local residents.</p>		
<p>The design of the building, with central tall hall surrounded by single storey flat roofed structures is replicated in the design features of the proposed Annex. Facing brick will match the existing brickwork. The Users Group concluded that high level windows be included within the design, and that these best matched the style of the existing hall.</p>		
<p>The new Annex will be fully accessible for Disabled Persons, with the entrance to the Annex via a flush threshold. A unisex-disabled toilet facility is included. The Annex is close to the current Disabled parking spaces. It is proposed to create a new access door between the Annex and the Main Hall.</p>		
<p>The existing car parking area has more than adequate facilities for 46 cars in marked spaces. Many users live in the local community, they walk to the centre or use the bus service (D) through the Estate (15 minute frequency during the day and 30 minute evening).</p>		
<p>Having completed the design to a Building regs standard, the committee has sought to take a pragmatic view to offset risk of cost escalation though a fixed price "manage and build" project to be tendered as a fixed price contract, as opposed to the lower costs of managing the project through the more traditional means of employing the QS, contractor and others separately.</p>		

What is the Timescale of this project (critical milestones)?

- Planning Permission, Building Regs Permission exist. Landlord's permission (CBC) to formalise.
- Grant funding application deadlines various in June, July, August, September with last of these due to report mid September 2016, exact date not advised yet.
- Initial inputs from St Margarets Hall Users Group to CBC by 31st May, and again 14th May 2016.
- CBC decision on £50,000 of loan capital 18-July-2016 (Council)
- All funding in place and purchase order placed by 31-Oct-2016 (Earliest)
- All funding in place and purchase order placed by 23-Mar-2017 (Deadline)
(Explanation – 12 month expiration of GCC Active together grant already awarded)
- Full tender quote (as opposed to funding standard quotes to be in place before starting)
- Building and stage payments to follow above. Aim November start, April completion.
- £50,000 (near to final) stage funded by CBC, not earlier than 01-Apr-2017 if 2017/18 budget.
-

What are the alternatives options to delivering the project (include doing nothing)

- 1) St Margarets Hall Users Group must raise more funding elsewhere which will be significantly more difficult as the amount which can be a loan expected to be less, and the liability for VAT, potentially more. The group has been offered £30,000 over 10 years at c£7.5% by RBS, though for this to be taken up an agreement would be required concerning assignment or otherwise of the lease.
- 2) St Margarets Hall Users Group is unsuccessful in fund raising, and doing nothing becomes the default position.

What will be the impact of the project on other parts of the organisation; property services, legal, procurement, finance etc?

To be evaluated by officers.

St Margarets Hall Users Group wish to relieve CBC of as much of the administration, management and procurement work as possible, in order to minimise officer time on this project. Budget quotations for build to Building Regs drawings already exist, and the Users Group is happy to manage the project for CBC.

Will the proposal involve any longer term commitments from the council particularly in terms of long-term financial and staffing commitments?

No.

Once the Annex is complete and signed off, St Margarets Hall Users Group anticipate the relationship between the two bodies will revert to business as usual, with the annex becoming part of the full repairing lease arrangement as applies to the existing hall.

How will the views, opinions and concerns of the community and partners be considered in planning the proposal?

There has already been significant consultation with the community, and as a result plans are almost 'shovel ready'. It is of note that the consultation produced at least one organisation who were looking to run a playgroup in the area, but at that point unable to move the project forward unless premises become available. St Margarets Hall Users Group has had numerous requests to book 'rooms'.

Current facilities are full to capacity, and in a survey conducted by a CBC officer, it was clear that other halls in the area were experiencing very high demand.

Cheltenham Borough Council - Project Assessment Tool

Section 2: Financial details of proposal (at current pay and price levels)

These figures are drafted as viewed from CBC

13-06-16 [Simple loan version] v1

CAPITAL COSTS PROFILE	2015/16 £	2016/17 £	2017/18 £	2018/19	2019/20	Totals £
Buildings (£178,000 including contingencies against quotes of £124K - £146K+ VAT)		128,000	50,000 *			
Infrastructure e.g. parks and gardens, landscaping						
Vehicles, plant or equipment						
Other						
Total capital cost of project		128,000	50,000			

CAPITAL FUNDING PROFILE (please state if confirmed)	2015/16 £	2016/17 £	2017/18 £	2018/19	2019/20	Totals £
Match funding – CBC advance - must repay to reserves or lender e.g. PWLB *			50,000 *			
Grant funding – up to £100,000, but use £90,000 for this calculation		90,000				
Sponsorship						
Other (User group own funds £30,000 + fund-raising efforts £8000)		38,000				
Total capital funding of project		128,000	50,000			
Net capital cost to CBC		Nil	50,000			

ADDITIONAL REVENUE COSTS PROFILE	2015/16 £	2016/17 £	2017/18 £	2018/19	2019/20	Totals £
Direct staffing / Additional support services staffing		TBD				
Maintenance		Nil				
Heating/lighting/NNDR etc.		Nil	NNDR expected to increase at a future valuation.			
Other		Nil				
Total additional revenue cost of project						

INCOME / SAVINGS / MATCH FUNDING PROFILE	2015/16 £	2016/17 £	2017/18 £	2018/19	2019/20	Totals £
Increased income - Loan repayment 2017/2018 for 15 years			4,200	4,200	4,200	4,200
Cashable savings			0			
Non-cashable savings			0			

NET CONTRIBUTION TO BRIDGING THE GAP	2015/16 £	2016/17 £	2017/18 £	2018/19	2019/20	Totals £
Please profile the net contribution to the bridging the gap programme			0			

Cheltenham Borough Council - Project Assessment Tool

Section 3: Assessment against corporate strategy objectives and outcomes

13-06-16 [Simple loan version] v1

What contribution will the project make:	assessment					Please describe how the project will contribute to the delivery of the council's strategic objectives and outcomes and what the constraints are to delivering these outcomes
	significant	moderate	weak	none	undermines	
Enhancing and protecting our environment						
To keeping Cheltenham clean and well maintained?				✓		
To improving the quality of Cheltenham's natural and built environment?			✓			Adds a community building where there is currently unused space
To reducing carbon emissions?				✓		
To helping the Council adapt to the impacts of climate change?		✓				Adds facility in the event of needing a community refuge. (Main Hall has already been used for one civil emergency)
Strengthening our economy						
To ensuring that Cheltenham has a strong and sustainable economy?			✓			Difficult to quantify, but stronger communities usually gain economically
Strengthening our communities						
To helping our communities feel safe?		✓				Ditto – usable facility for Police, CBH, and other community meetings
To improving access to decent and affordable housing?				✓		
To helping people to lead healthy lifestyles?	✓					New annex gives ability to run more healthy lifestyle and fitness facilities e.g. heart exercise group, yoga, fitness in main hall. New annex increases that capacity
To help residents enjoy a strong sense of community?	✓					Strengthens community facilities in an area where they are needed, and which has some levels of deprivation (Lakeside Estate) Residents use hall for meetings as above and social events, parent and toddler, blood donating; new annex increases that capacity.
Enhancing the provision of arts and culture.						
To ensure that arts and cultural activities are strengthening both the economy and local communities		✓				New annex gives facility to run more of this type of activity. E.g. WEA, Language classes and arts groups.

Cheltenham Borough Council - Project Assessment Tool
Section 4: Risk assessment

Please identify the main risks associated with the project (financial, health and safety, reputation)	Impact 1-5	Likelihood 1-5	Score out of 25	How would you manage the risk	Risk Manager
If hall demand does not increase, it will place strain upon St Margaret's Hall Users Group ability to maintain the extra costs and repayments	4	2	8	Revenue costings are very conservative, existing hall facility generates £10,000 p.a. surplus when special projects are stripped out.	St Margaret's Hall Users Group
Building cost overrun makes project difficult or expensive to complete	4	2	8	Unlikely, the design is very straightforward, the land is flat, User Group proposes fixed price contract to existing approved design	St Margaret's Hall Users Group?

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