



CHEL TENHAM

BOROUGH COUNCIL

Notice of a meeting of Council

Monday, 17 October 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	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING Minutes of the meeting held on 18 July 2016	(Pages 5 - 26)
4.	COMMUNICATIONS BY THE MAYOR	
5.	COMMUNICATIONS BY THE LEADER OF THE COUNCIL	
6.	TO RECEIVE PETITIONS	
7.	PUBLIC QUESTIONS These must be received no later than 12 noon on the fourth working day before the date of the meeting	
8.	MEMBER QUESTIONS These must be received no later than 12 noon on the fourth working	

	day before the date of the meeting.	
9.	PETITION REGARDING CHANGES TO THE C BUS ROUTE IN SPRINGBANK Report of the Cabinet Member Development and Safety	(Pages 27 - 34)
10.	VISION 2020: BUSINESS CASE FOR LOCAL AUTHORITY COMPANY Report of the Cabinet Member Corporate Services	(Pages 35 - 82)
11.	OVERVIEW AND SCRUTINY ANNUAL REPORT 2015-16 Chair of Overview and Scrutiny Committee, Councillor Tim Harman	(Pages 83 - 100)
12.	AUDIT COMMITTEE UPDATE Chair of Audit Committee to address Council Audit Committee minutes (21 September 2016)	
13.	NOTICES OF MOTION Motion 1 – proposed by Councillor Clucas and seconded by Councillor Parsons “This Council recognises the hardship that is being caused by gender and age related changes to State Pensions and calls upon the Government to make fair transitional state pension arrangements for all women born on or after 6th April 1951, who have unfairly borne the burden of the increase to the State Pension Age (SPA) with lack of appropriate notification.” Motion 2 – proposed by Councillor Colin Hay and seconded by Councillor Wilkinson “This council notes the decision of Oakley Neighbourhood Project and Oakley Regeneration Partnership to close due to the current finances being unsustainable. It further notes the substantial benefit to residents the project has had in the ward, which has some of the highest indices of deprivation not only in Cheltenham but the whole County. The loss of services, provided by the project, will have a significant negative effect on the local community, which will almost certainly create greater demand on statutory services. Therefore, this Council - which is most closely associated with the project, should call a meeting of the statutory bodies, CCG, the County Council, the Police, Cheltenham Borough Homes and other relevant organisations with an interest in the local area to identify what services are required and how best to deliver them. That this meeting is called with some urgency to ensure residents have some continuity. That council also ensures that local councillors are fully involved in the discussions.” Motion 3 – proposed by Councillor Willingham and seconded by Councillor Sudbury Preventing Coerced Debt and Financial Abuse “Cheltenham Borough Council notes the important and valuable work	

	<p>performed by the Gloucestershire Domestic Abuse Support Service (GDASS) across the County.</p> <p>This Council is concerned that whilst many areas of Domestic Abuse are addressed by primary legislation, have well-defined best practice to try to prevent them and have support services that can provide assistance to victims; the victims of Coerced Debt and Financial Abuse can be left with little redress against their abuser, can experience poverty and can become secondary victims of the debt collection industry, and that there is currently little guidance and best practice for lenders and financial services providers about the necessary checks and balances to incorporate into their lending and debt recovery procedures to avoid facilitating or exacerbating Coerced Debt and Financial Abuse.</p> <p>This Council notes that it has limited powers to act directly to address Coerced Debt and Financial Abuse, but calls upon the Leader of the Council, or his delegated Cabinet Member, to ensure that the matter is raised with the Local Government Association both to raise the profile of this issue and to lobby the government to introduce primary legislation to require lenders, financial services providers and the debt recovery industry to put safeguards in place to try to minimise the occurrence of Coerced Debt and Financial Abuse, and to investigate what measures can be put in place to reduce the impact of Coerced Debt on the victims of Financial Abuse.</p> <p>However, in areas such as Housing, Council Tax, Benefits and staff training, which locally are in the control or influence of this Council; Cheltenham Borough Council resolves to work with partners including, but not limited to, GDASS and CAB, to explore how measures can be incorporated into Council processes and procedures to minimise the risk of Coerced Debt and Financial Abuse occurring in our interactions with the people of Cheltenham, and to seek to develop and implement a “best practice” policy”.</p>	
14.	ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION	

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Pat Pratley
Head of Paid Service

Council

Monday, 18th July, 2016

2.30 - 5.50 pm

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

Minutes

1. APOLOGIES

Councillors Flynn, Mason, Parsons, Sudbury and Wilkinson.

2. DECLARATIONS OF INTEREST

The following Councillors declared an interest in agenda item 9 and therefore did not participate in the debate of this item:

Councillor Jeffries due to his private work capacity.

Councillor Wheeler as a County Councillor as he had allocated some of his Active Together Funding to St Margaret's Hall.

Councillor McKinlay as he was the Council's representative on St Margaret's Hall.

Councillor Whyborn as Chair of Trustees for St Margaret's Hall.

Councillor Walklett as a family member was Chair of St Margaret's Hall Committee.

Councillor Ryder declared a personal interest in agenda item 8 as Chair of Cheltenham in Bloom.

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 16 May were approved and signed as a correct record subject to the following amendments:

The Mayor took the opportunity to welcome newly elected Members to the Council. She thanked retiring Members Jacky Fletcher and Andrew Chard for their service to the Council.

The minutes of the meeting held on 30 June were approved and signed as a correct record subject to the following amendments:

1. Under Communications by the Mayor the following was added
The Mayor advised Members that the 11 and 12 June saw much celebration of the Queen's birthday. She thanked her Chaplain for the well thought through service held at the Minster to commemorate the occasion.

She reported that she had recently returned from a visit to Annecy to celebrate Cheltenham being twinned with the town for 60 years. The party from Cheltenham had been given a wonderful reception and she was looking forward to welcoming dignitaries and twinning friends from Annecy to Cheltenham in July. The Mayor thanked everyone who had attended the commemoration event for the Battle of Jutland at the Minster. The Mayor advised that on the following day she would be representing Cheltenham at the Centenary Commemorations of the first day of the Battle of the Somme and invited Councillors to join her at the Pittville Pump Rooms at 3.30 pm. She concluded that she would now be handing over the Chair to the Deputy Mayor, Councillor Sudbury.

2. Under Agenda item 8 the following was added :
A Member wished to thank this Council and Officers for the consideration of Leckhampton in the preparation of this plan. Three unanimous votes of support come to mind, important wording added into the JCS resolutions and the 31st July 2014 planning committee left all those present feeling inspired.'

4. COMMUNICATIONS BY THE MAYOR

The Mayor informed Members that she had attended the Battle of the Somme 100 years commemoration service on behalf of the Town in State, within the Grounds of Pittville Pump Rooms. She thanked all Members who had attended.

She had also welcomed the Mayor of Annecy along with twinning friends to Cheltenham to commemorate 60 years of friendship with our town. She thanked Councillor Garth Barnes and the twinning officer for their programme of events. Subsequently, on hearing of the tragic event that had taken place in Nice, she told Members that she had written on behalf of the town to Jean Luc Rigaut, the Mayor of Annecy, expressing our sincere condolences.

A minutes silence was then held in honour of those killed.

Finally, the Mayor said that she had officially opened the new Pittville Park Play area on Sunday 17 July.

5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

Councillor Steve Jordan reiterated the comments the Mayor had made with regard to the recent Annecy visit and the formal opening of the Pittville Park Play Area.

The Leader informed that the JCS Inspector had now received feedback from the three councils. She was still looking at several issues and would hold further sessions that week. The focus was on housing numbers and some issues surrounding Leckhampton. In light of this, the Extraordinary Council meeting scheduled for September had been cancelled and instead would be

rescheduled for mid-October. Further to this meeting there would be a statutory consultation period of 6 weeks. An examination in public would be held in January to consider the implications of the main modifications which would enable the residents of Prestbury and West Cheltenham to input into the process. The Council would then be convened to sign off the final Joint Core Strategy.

The Leader referred to a seminar which had been convened by the council with 30 stakeholders from business to discuss the impact of Brexit. A note had been circulated to Members on this. The council was considering how best to assist the business community at an uncertain time.

Finally, the Leader informed the meeting that Councillor Thornton would be joining Licensing Committee.

6. PUBLIC QUESTIONS

1.	Question from Tess Beck to Cabinet Member Housing, Councillor Peter Jeffries
	<p>Recent months have seen a number of retrospective applications for planning permission for large Houses of Multiple Occupation (HMOs with more than 6 tenants). Some of these HMOs had been operating as such for several years and had been licensed by Cheltenham Borough Council during that period.</p> <p>Why were these properties licensed despite not having planning permission in place?</p> <p>What steps will be taken to improve cross-checking and communications between the Planning, HMO Licensing and Building Control teams in the future?</p>
	Response from Cabinet Member Housing
	<p>Historically, Houses in Multiple Occupation (HMO's) were licensed without planning consent being in place, because some properties had been in this form of occupation for many years and therefore had established use and owners were not obliged to seek planning consent. A lack of planning consent is not an automatic bar on a property being licensed, as separate pieces of legislation govern these issues.</p> <p>More retrospective applications are being submitted for planning permission relating to larger HMO's as a direct result of the activity of the council's enforcement team. Since the housing and enforcement teams were merged, closer joint working has generated significant additional income from retrospective applications.</p> <p>A number of issues arise in ensuring that HMO's have the required license and planning consent, for example:-</p> <ul style="list-style-type: none"> • The number of occupants can vary over time; • The level of occupancy is not always obvious and may change where a property is subdivided or extended; • Properties are often adapted without consent, or under permitted development rights, without any notification to the council of an increase in the number of occupants.

7. MEMBER QUESTIONS

1.	Question from Councillor Tim Harman to Cabinet Member Corporate Services, Councillor Roger Whyborn
	<p>The Cabinet has recently performed a massive U turn by withdrawing Revenue and Benefits from the 20/20 process.</p> <p>20/20 is a process of sharing back office services with other Councils which has helped to drive down costs thereby protecting valued front line services. Will the Cabinet Member confirm whether the Cabinet is planning to abandon 20/20 altogether? Also will he explain to Council how he plans to fill the black hole of £159,000 which will be created in the budget next year arising from this decision?</p>
	Response from Cabinet Member Corporate Services
	<p>The clue to the answer to Cllr Harman is in the question. Cabinet has identified that 'Revenues and Benefits' is not primarily a back office service. Many residents who deal with the service – for example if there are issues with Council tax benefit or Housing benefit – are dealing with a very much 'front of office' public facing service. Often this can involve some of the neediest and least empowered members of the public. I note that the new Prime Minister has recently spoken of the need for government to empower all, and not just the privileged few.</p> <p>The £159,000 figure which is quoted presumably includes Customer Services (£105,000 = Revs & Bevs plus £54,000 = Customer Services), and again Customer Services is about as 'front-facing', and non 'back office' as it gets.</p> <p>The Cabinet is not planning to abandon 2020 vision rather to progress it with GOSS, ICT, counter fraud and audit services.</p> <p>The Cabinet accepts that savings not taken in one area must be made in another, and will be addressing the whole question of developing the budget for 2017/18 in the context of updating the MTFS as part of an ongoing exercise.</p> <p>In a supplementary question, Councillor Harman asked the Cabinet Member to confirm the exact amount of the transition grant and that this would not be jeopardised in any way by this decision. Would he also agree to attend the next meeting of the Overview and Scrutiny Committee on 12 September to fully brief members and answer any questions?</p> <p>In response the Cabinet Member said he was unable to provide a figure for the exact amount of the transition grant however he indicated that it was quite safe provided the council could come to some agreement with the other three partners in the 2020 partnership on the way forward. These negotiations were already under way so he was quite confident that they would result in such an agreement so consequently it was as safe as anyone could say at this stage. He confirmed he would be happy to attend O&S on 12 September.</p>
2.	Question from Councillor Tim Harman to Cabinet Member Finance, Councillor Rowena Hay
	Will the Cabinet Member update the Council on the present position with regard to the future of North Place?

	<p>In considering what options the Council might have will the Cabinet Member include as one option the possible repurchase of the site in the public interest as a means of securing the key objectives such as additional affordable housing?</p>
	<p>Response from Cabinet Member Finance</p>
	<p>In answering this question it is important to remember that the detail of any discussions between the parties needs to be treated with strict confidence, considering the commercial sensitivities involved.</p> <p>However, in answer to the question I am able to update this council as follows: Subsequent to Morrison's withdrawal from the scheme, Augur Buchler are currently in discussions with a number of interested parties regarding alternatives. The council are supporting them in developing a way forward and are undertaking the necessary due diligence and risk assessments to understand the benefits, potential risks and viability of any proposals.</p> <p>As part of the due diligence and risk assessment process currently underway, due consideration will be given to all potential options open to this council. The uncertainty in the development market caused by recent national events has made risk profiling more complicated. Housing could form part of a scheme going forward as the current development brief states mixed use.</p> <p>Any alternative option would be subject to legal considerations in addition to planning and viability testing. I will of course ensure that as soon as any decision is made Members are informed, I am as keen, as I am sure you are to see this very important site developed.</p> <p>In a supplementary question, Cllr Harman asked the Cabinet Member whether she agreed that there could be some benefits in having some aspects of affordable housing in any option being considered and this may help alleviate the pressure for affordable housing in other areas of the town such as Prestbury.</p> <p>The Cabinet Member agreed that she would want to see more affordable housing provided in the town but she reminded members that this site no longer belonged to the council and a mixed use development had been agreed for the site.</p>
<p>3.</p>	<p>Question from Councillor Babbage to Cabinet Member Clean and Green Environment, Councillor Coleman</p>
	<p>Wheelie recycling bins can make it easier for residents to recycle domestic waste. Will the Cabinet Member follow the example of neighbouring councils and offer wheelie bins, where suitable, for recycling?</p>
	<p>Response from Cabinet Member Clean and Green Environment</p>
	<p>Neighbouring councils operate with a variety of different ways for residents to recycle at home. Whilst it is correct to say that Tewkesbury Borough Council have decided to continue with their co-mingled service using wheeled bins for recycling, Gloucester City Council, Forest of Dean District Council and Cotswold District Council all use boxes in a similar way to how we operate.</p> <p>Wheeled bins for recycling have to be collected using a co-mingled collection where all the recyclables are mixed together and taken to a Materials Recycling Facility (MRF) to be sorted. This type of collection doesn't provide as good a quality recycle</p>

	<p>once they have been sorted and therefore the materials aren't worth as much compared to the current method of collection used in Cheltenham, where all recyclables are sorted at the kerbside.</p> <p>However, as part of the work underway in preparation for the potential service redesign in 2017, we are assessing the pros and cons of the current recycling collection method and the other options available in the industry including co-mingling. This appraisal together with the results of the consultation will help us choose the most practical and cost-effective option for Cheltenham.</p> <p>This Administration continues to be committed to providing the best service possible for the people of Cheltenham.</p>
4.	Question from Councillor Babbage to Cabinet Member Clean and Green Environment, Councillor Chris Coleman
	How many households take up the garden waste service and what steps are being taken to promote this scheme?
	Response from Cabinet Member Clean and Green Environment
	<p>For the past 3 years, the council has offered a promotional discount from February until May of £2 on new garden waste bin subscriptions, with those current users renewing before their renewal date also being eligible for the discount. We always see a surge in new business at the end of May from customers wishing to secure the discount. There is a renewal rate of more than 95%.</p> <p>We have been keen to promote the service as widely as possible. We have distributed bin hangers at the start of spring publicising the service as well as adverts being placed in the Echo and posters being displayed in the public areas. There have been banners at the HRC and on the sides of our vehicles. There has also been reference to the service in the Council Tax mailing as well as online.</p> <p>Take up is continuing to increase year on year and we currently have approximately 15,800 current bin subscriptions compared to 14,703 as at 31 March 2015, 13,699 as at 31 March 2014 and 12,781 as at 31 March 2013. I am satisfied with this increase in take up as well as feedback around the service received from customers.</p> <p>In a supplementary question, Councillor Babbage asked for more details about the paper bag scheme?</p> <p>The Cabinet Member responded that he would be happy to circulate a briefing note to all Councillors so that they could inform their residents about the options for disposing of garden waste including the one to take their garden waste to the recycling centre where they could dispose of it free of charge.</p>
5.	Question from Councillor Babbage to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Could the Cabinet Member please provide an update on the implementation of the Cheltenham Transport Plan in general, and the Albion Street changes in particular.
	Response from Cabinet Member Housing and Safety
	The bulk of the works in Albion Street being carried out by Gloucestershire County Council (GCC) began on 14 th April and concluded on 8 th July 2016 as planned. I believe that some minor non-disruptive works are continuing such as the closing off of

	<p>the now redundant access road into the former Beechwood car park.</p> <p>The traffic flows and behaviours are I believe being monitored by GCC so that any fine tuning – traffic signal timings, signage etc – can be amended as appropriate. My understanding is that parallel to this monitoring exercise GCC are making preparations for phase 2 (Imperial Square) such that should they be satisfied that the implementation of phase 1 is satisfactory, they will be in a position to proceed, without undue delay and still meet their procurement requirements.</p> <p>In a supplementary question, Councillor Babbage asked what updates would the Cabinet Member expect from the county council after the scheme has been put in place.</p> <p>The Cabinet Member advised that the Cheltenham Development Task Force had been given a verbal update at their meeting on the previous Friday by traffic officers from GCC. They had advised that the implementation had gone well and no significant problems have been reported and the Cabinet Member at the county council had confirmed that he had very few emails on the issue. The county council had been requested to put this in writing and send to the Council within the next four weeks. Phase 2 was currently being discussed and the Cabinet Member had requested the county council to confirm the exact timeframe being planned. He would be happy to circulate both these responses to all Members.</p>
6.	<p>Question from Councillor Savage to Cabinet Member Clean and Green Environment, Councillor Coleman</p>
	<p>Cheltenham sends a higher proportion of household waste to landfill than our neighbours in Tewkesbury and Cotswolds. Can he explain why we are lagging behind other local councils in this important area?</p>
	<p>Response from Cabinet Member Clean and Green Environment</p>
	<p>Cheltenham is far more densely populated than the rural districts of Tewkesbury and the Cotswolds and has a far greater number of properties to collect waste from.</p> <p>The Joint Waste Committee received a performance update for 2015/16 on 21st June, which shows that whilst we are seeing an increase in waste across the country, Cheltenham was the closest to achieving its target for landfill waste per household (475 kg's against a target of 464 kg's) than any of the other authorities in Gloucestershire – as shown on page 5 of the report.</p> <p>http://glostext.gloucestershire.gov.uk/documents/b11845/Agenda%20Item%2011%20-%20Performance%20Monitoring%20Presentation%20Tuesday%2021-Jun-2016%2010.00%20Gloucestershire%20Joi.pdf?T=9</p> <p>Recycling and waste performance is not a competition. Whilst I could be satisfied at comparing our performance to other similar Authorities, such as Gloucester City Council for example, that would miss the point. Here in Cheltenham, we are committed to providing as good a service as possible and our focus will remain on reducing waste and increasing recycling where possible.</p> <p>Councillor Savage thanked the Cabinet Member for their response. The Cabinet Member apologised that the link provided in his response did not appear to work on the app on their iPads and indicated that he would be happy to circulate it to members in an e-mail.</p>
7.	<p>Question from Councillor Savage to Cabinet Member Clean and Green</p>

Environment, Councillor Coleman	
	<p>Can the Cabinet Member guarantee residents that fortnightly bin collections are safe? Can he assure the Council that there are no plans to move to 3 weekly bin collections?</p>
Response from Cabinet Member Clean and Green Environment	
	<p>We are currently considering the various options available to improve our waste and recycling services, with potential changes to be introduced in 2017.</p> <p>We are keen to hear residents' views so that we can make informed decisions when re-shaping and enhancing our services. Therefore we are currently inviting residents to take part in a consultation exercise which is asking for their thoughts on everything from frequency and ease of collections, materials which can be collected, the type and style of bins and recycling containers, as well as questions relating to other parts of the service.</p> <p>As part of the work we are also looking at in close detail, the approaches used by other local authorities, which includes things such as the introduction of a greater number of materials which can be recycled at the kerbside, the co-mingled recycling collection approach and three weekly refuse collections.</p> <p>I have personally reassured residents that we won't be implementing any changes to this valued service until all of this work has been carried out and we are comfortable with the best and most practical option for Cheltenham.</p> <p>In a supplementary question, Councillor Savage asked for reassurance that there would be no move to less frequent bin collections without the full support of the residents of Cheltenham.</p> <p>The Cabinet Member was keen to give his reassurance and clarify the misunderstanding where Cheltenham had been misquoted in a recent TV programme. The makers of the programme had been advised that the renewal of the contract for Cheltenham's waste fleet provided an opportunity to review waste services, consider best practice and look at alternative options including looking at the experience of other councils who had changed the frequency of their waste collections. A consultation is now in progress and he assured members that it would be a period of weeks if not months before any subsequent changes were made. The focus of this administration remained to reduce the amount of waste sent to landfill and increase recycling and those would continue to be the council's objectives.</p>

8. FINANCIAL OUTTURN 2015/16 AND BUDGET MONITORING TO JUNE 2016

The Cabinet Member Finance, Councillor Rowena Hay, introduced the report. She explained that in December 2015 a possible under-spend of £307, 900 was forecast. This was then transferred to the budget support reserve following Council in February 2016.

The Cabinet Member Finance highlighted that changes to government funding arrangements, together with the current economic climate (particularly in the light of Brexit), presented an ongoing concern for the budget. It was important that the council continued to focus on economic development at the same time

as ensuring that it used underspends to support economic growth, the budget strategy reserve and general balances, bearing in mind the Medium Term Financial Strategy. She explained that business rates income had seen a significant short term dip with the Beechwood shopping centre closure and the Brewery redevelopment but despite this, the business rates pool had generated a surplus of £140, 000 in 2015/16 which had been transferred to the business rates equalisation reserve. She reported that a government consultation on the retention of business rates was underway with a deadline for responses by September. This would help shape future reforms and a further technical consultation was expected in the autumn. Parliamentary legislation for the framework was due in 2017 with a pilot scheme being introduced in April next year and full implementation by the end of this parliament.

In terms of the government offer for a fixed 4 year funding settlement, the Cabinet Member Finance believed this should be considered alongside the current business rates consultation. In any case the council was not in a position to submit a response to government with regard to the funding settlement by the October deadline. Cabinet was working with officers to address the MTFs in order to show a balanced budget over the period of the MTFs which must happen before any submission.

The Cabinet Member Finance reported that the Council had contributed £440,000 to the Joint Core Strategy over the last four years. It was uncertain how much more funding for this process was required but discussions were ongoing with the Inspectorate clarifying their estimated costs to completion. A reserve of £68,779 was available for this purpose and any request for additional funding would come forward in the report to be submitted at the October meeting of Council. This was a frustrating position but outside the council's control.

The Cabinet Member Finance announced an underspend of £239,020 in addition to the £307,900 already incorporated into the revised budget. She paid tribute to the officers who were constantly working to find savings, reduce costs and generate income wherever possible. It was proposed that this saving also be transferred to the budget support reserve.

In section 3 of the report, reference had been made to the 2017 Tour of Britain cycle race and the Cabinet Member informed members that discussions were ongoing with regard to the possibility of Cheltenham hosting the penultimate day. Whilst these were at an early stage she emphasised that this would provide a boost to the local economy and raise Cheltenham's profile as a festival town and tourist destination in line with the council's focus on economic and business growth. To host the race the council would be asked to underwrite £100,000 of the cost which would be partly covered by sponsorship by local businesses and other organisations. She believed that the council had to be bold to prosper.

The Cabinet Member Finance referred to the recent currency auction of the council's deposit in the Glitnir Icelandic bank. She reported that on 4 July the council received £627,856. To date the council had recovered £3,055,456 however the shortfall in the return against the carrying value of the loan must be taken into account which amounted to £167,637 (accrual of interest on the investment balance outstanding). Provision had been made within a reserve to

offset any losses and a balance remained of £132,217 which would be used as part of the 2017/18 budget setting process.

She proposed that any revenue savings should be used to strengthen the general fund balance wherever possible and proposed that the budget saving balance of £139,020 be transferred to the Budget Strategy reserve. This would give the council more flexibility to support projects and initiatives which had the potential to deliver future savings and that the £100,000 underwrite for the Tour of Britain be put into the economic development and tourism reserve.

The Cabinet Member Finance proposed that the Keep Cheltenham Tidy reserve be transferred to Cheltenham in Bloom which was an organisation which enhanced the council's floral displays across the town.

In terms of achievements this year the Cabinet Member highlighted the following:

- Ubico had delivered £116,700 to shareholders
- The restoration of the War Memorial was almost complete and community plans were well advanced to mark the 100 year anniversary of WW1
- The Pittville Park Play Area had been completed within budget and on time
- Delta Place was proving to be a wise investment
- Car parking income had exceeded the budgeted target
- The Housing Revenue Outturn statement showed a net positive variance which boded well for the future given the Government imposed rent reduction in future years
- The Capital Programme had delivered the boiler scheme ahead of schedule benefitting tenants with more efficient heating systems and reduced energy costs
- The solar panel installation has generated a feed in tariff of £194,000 which has gone back into the HRA

The following questions were raised by Members and responses given :

- Had the 2020 situation in terms of the withdrawal of revenues and benefits and customer services from the process and the implications for the transformational grant and the consequential loss of savings in the budget made it impossible for the council to apply for four year government funding. In response the Cabinet Member reiterated that the proposal was to look at the Government's offer of four year funding alongside the current business rates consultation. She highlighted that work was ongoing as even without the £157k shortfall from 2020 there must be a balanced budget
- Carry forward requests in Appendix 5- A member expressed concern about the lack of the authority's compliance with statutory food law requirements and asked if Cabinet could provide regular updates to inform Members how this was being progressed to meet this requirement by 2017. In response the Cabinet Member Finance stated that £20k in carry forward requests had been earmarked to address the issues. The Cabinet Member Development and Safety acknowledged that the Annual Food Safety report had revealed the failure of the service to meet some national targets and explained

that this was due to staff long term sickness. A Food Standards Agency audit had considered the council's plans to address the issues and approved its plan in September 2015.

RESOLVED THAT

1. **the financial outturn performance position for the General Fund, summarised at Appendix 2 be received, and that it be noted that services have been delivered within the revised budget for 2015/16 resulting in a saving (after carry forward requests) of £239,020.**
 2. **£40,000 of carry forward requests (requiring member approval) at Appendix 5 be approved.**
 3. **the use of the budget saving of £239,020 as detailed in Section 3 be approved.**
 4. **the annual treasury management report at Appendix 7 be noted and the actual 2015/16 prudential and treasury indicators be approved.**
 5. **the capital programme outturn position as detailed in Appendix 8 be noted and the carry forward of unspent budgets into 2015/16 be approved(section 7).**
 6. **the position in respect of Section 106 agreements and partnership funding agreements at Appendix 9 (section 9) be noted.**
 7. **the outturn position in respect of collection rates for council tax and non-domestic rates for 2015/16 in Appendix 10 be noted(section 10).**
 8. **the outturn position in respect of collection rates for sundry debts for 2015/16 in Appendix 11 (section 11)be noted.**
 9. **the financial outturn performance position for the Housing Revenue Account for 2015/16 in Appendices 12 to 13 be received and the carry forward of unspent budgets into 2016/17 be approved (section 12).**
 10. **the budget monitoring position to the end of June 2016 (section 13) be noted and the budget virement of £60,000 be approved.**
9. **PROPOSED FINANCING ARRANGEMENTS FOR THE CONSTRUCTION OF AN ANNEX AT ST. MARGARET'S HALL**
Having declared an interest in this item Councillors McKinlay, Whyborn, Wheeler and Jeffries left the Chamber.

The Cabinet Member Finance, Councillor Rowena Hay, introduced the report and explained that in 1997 Cheltenham Borough Council purchased St Margaret's Hall and it was re-opened by a consortium of users known as the St Margaret's Hall Users' Group who have successfully managed the building and

have undertaken a range of projects to improve the fabric of the building. The hall was a popular community facility serving the Warden Hill and Hatherley communities as well as the wider community of Cheltenham. Rental income brought in around £22,000 per annum. She went on to explain that the current lease ran to 2026 with a rent review in 2017. To support fundraising activities associated with the annex project, the Users Group have approached the council with a request to replace the lease with a new 35 year term on the same terms and conditions. To meet increasing demand for space at the Hall, the Users' Group have drawn up plans for an annex. Details of the proposal were set out in a business plan at Appendix B and she informed Members that planning and building regulation permissions had already been granted. She reported that the Users group have approached the council for a loan of £50,000 which they would repay over a period of 15 years at 3 % interest. They intended to use the offer of a loan from the Council to apply to a range of grant awarding organisations for funding to cover the costs of the building works. The User group had already secured £41,000 and aimed to fund raise the remaining £84,000. Council was therefore being asked to consider an "in principle" loan of £50,000 to the User Group with the following conditions :

- *The offer of the loan in principle will remain open for 12 months from the date of the Council meeting.*
- *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.*
- *Subject to the User Group securing the additional funds, a further report will be considered by full council to agree whether the "in-principle" loan should be turned into an agreed loan.*

She explained that the proposed development would help meet the growing needs within the south of Cheltenham and support one of the many voluntary sector organisations who the council relied on to help support delivery of the town's priorities through partnership working.

In discussing the proposal Members made the following comments :

- St Margaret's Hall provided a valuable service to local residents and organisations and Members welcomed the proposal and hoped that the facility would continue to prosper into the future
- The building was one of the Council's assets and an excellent example of how the council could influence community activities
- Members wished them well with their fundraising and looked forward to receiving a further report in 12 months' time.

RESOLVED THAT

- 1. an "in-principle" loan of £50,000 be made to St. Margaret's Hall Users Group.**
- 2. 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.**

3. **this “in-principle” loan be offered on a series of conditions set out in section 5.**
4. **subject to these conditions being met, a further report will be considered by Council to agree whether the “in-principle” loan be turned into an agreed loan.**

10. NOTICES OF MOTION

Motion 1

The following motion was proposed by Councillor McKinlay, seconded by Councillor Clucas

‘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.

Council further notes that the people of Cheltenham voted to remain members of the European Union.

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.

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.’

Councillor McKinlay introduced the motion and Councillor Clucas as seconder of the motion reserved the right to speak later in the debate. Councillor McKinlay highlighted the need for the new government to be clear on its objectives for Brexit and have a clear plan going forward. It was important that Cheltenham Borough Council seized the moment and did everything it could for the people of Cheltenham. To that end he made reference again to the seminar the council had convened with the business community which had proved to be valuable. A report on the information gained would now be circulated. Going forward it was important that opportunities were maximised and in this respect he highlighted the Joint Core Strategy as a key strategic planning document to set the framework for providing employment and attracting inward investment to the town. He also referred to the coordinating role of the council in lobbying central government and pursuing policies to make Cheltenham a more attractive and better place. Maintaining contacts with Europe was in his view key. The motion would signal to the community that the council was aware of the issues regarding Brexit and he was keen that there was a positive outcome for the town. He reminded Members that the Brexit vote was what the majority of the country voted for so they had a commitment to the people of Cheltenham to seek the best outcome.

Councillor Savage questioned the use of the phrase “political and economic crisis” which he would be reluctant to endorse and therefore announced his intention later in the debate to propose an amendment for it to read “political and economic uncertainty”. He was upbeat about the local economic situation

and in his view a protracted period of political uncertainty had been avoided due to the formation of a new government.

During the debate the following points were raised :

- The impact of the loss of funding streams such as the European Social Fund, the European Regional Development Fund and support given to locally and regionally elected Members was highlighted. One Member quoted that €1 million had been awarded to Gloucestershire. The EU had done a lot to support community cohesion.
- Members welcomed the prudent approach by bringing businesses together in the town at the recent seminar
- Twinning links were important and they gave the Council the opportunity to build on these further allowing young people to develop their understanding of different culture and languages.
- Erasmus funding was used to support youth work in the town via the twinning agenda.
- Some Members questioned the use of the word 'crisis' which they believed projected fear for younger people, rather than making the most of the opportunity to take the town forward. Some Members felt the use of the word 'crisis' would be more appropriate if Scotland voted to leave the United Kingdom
- Members felt the need for more public involvement in the Brexit agenda, there was currently a vacuum in terms of what it meant. Some Members did not agree with the "wait and see" view and felt that it was essential to talk to business about the immediate issues they faced. There were vital industries in the area such as aerospace and engineering which were directly affected.
- There was concern that employment rights associated with being a Member of the European Union such as through the Working Time Directive, Equal Pay could be at risk in the light of Brexit
- A Member highlighted the impact withdrawal of EU funding would have on Cleeve Common which was a Site of Scientific Interest
- The plight of EU nationals residing in Cheltenham was referred to, Members felt their status needed to be guaranteed.

As seconder of the motion Councillor Clucas listed the risks Cheltenham faced as a result of Brexit in terms of loss of skills, investment, health and social care workers and research funding for universities among others. In view of the uncertainty it was important to look at the long term and she highlighted the importance of protecting the diversity in our communities to ensure cohesion. Through the new communities that the JCS would create, the council should aim to build on the values of what it meant to live in Cheltenham and the JCS should enhance the economy for residents to thrive in. She believed there was a striking opportunity in the strength of Cheltenham's own culture, environment and economy. To that end she informed Members that that she had invited colleagues and partners to attend an inaugural meeting of a cultural partnership in September with the purpose being to develop a new role for culture in the town's communities. The aim would be for Cheltenham to be UK City of Culture in 2021 and European Capital of culture in 2023. She intended to set up a Cabinet Member working group to develop this idea further.

Councillor Clucas highlighted the importance of the Chinese business presence in the UK. Some companies established themselves in the UK to give them access to the EU but with Brexit this was now called in to question. It was therefore vital to maintain the ability to attract new companies and plan for the future.

With regard to the wording of the motion, Cllr Clucas firmly believed that the current situation did amount to a crisis but would leave it to Cllr McKinlay, as proposer, to agree such wording as he saw fit.

Councillor Savage said there was a need for stability and confidence and he believed the current wording did not inspire confidence and was not necessarily beneficial for the town. He therefore formally moved the amendment to remove the reference to 'political and economic crisis' and replace this with 'political and economic uncertainty'.

In response to the debate Councillor McKinlay thanked Members for their wide ranging comments. He believed the word 'crisis' in the motion was recognition of the current situation. However he did say that it was a question of semantics and he would accept the proposed change into the motion. He recognised the impact that a reduction in EU funding would have and highlighted the need for businesses to have stability. It was vital that the town remained attractive to investors. Should the package the new UK government propose be rejected by Europe there would be even more uncertainty. He agreed with the comment that the UK should maintain the highest standard in any employment laws and any other areas.

He welcomed the proposals for Cheltenham to build on its traditional strengths of culture and education and the possibility to apply for European City of Culture which would bring the arts, culture and sport together.

Finally, he was pleased that in this motion the Council would lay down a marker to say it was aware of the issues and was trying to tackle them to ensure a positive outcome for the town.

The Mayor asked whether the amended wording to the motion to replace the word 'crisis' with 'uncertainty' was accepted by Cllr McKinlay and he confirmed that it was. He said that the most important thing was for Members to unite behind the motion. The revised substantive motion was then put to the vote. Upon a vote the motion was carried (For 27, Against 3)

Motion 2

The following motion was proposed by Councillor Savage and seconded by Councillor Harman.

'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.'

Councillor Savage introduced the motion and Councillor Harman as seconder of the motion reserved the right to speak later in the debate.

Councillor Coleman considered the wording of the motion was well-made and it was essential that the council stood shoulder to shoulder with all people whatever their background and made a firm stand against any sort of discrimination. He was aware that there were currently over 3 million EU nationals in Great Britain who were very concerned about their status and he was very keen that these people should not be used as a bargaining tool in any negotiations with the EU. There were many EU nationals in Cheltenham who made a valuable contribution to the society where they live, work and love and they must be treated appropriately.

He proposed an amendment which was seconded by Councillor Jordan which was to include the following additional wording:

“This Council also calls on the Government to provide a full assurance to EU Nationals residing in our town that they will have the right to stay in the UK indefinitely.”

Councillor Savage as proposer of the motion indicated that he was happy to accept this amendment and therefore this became the substantive motion which was then debated.

In the debate that followed, Members fully supported the motion.

A member gave an example of where they had the misfortune to witness a hate crime on a bus in Cheltenham and they had reported the incident to the police. They encouraged all members to report such incidents and were concerned that the politics of division had been used in the Brexit debate. Another Member referred to a similar statement made by the Police and Crime Commissioner who had stressed the importance of reporting such incidents to the police.

Another Member suggested that the result of the referendum had emboldened some people to speak out. Their comments were often based on ignorance and he warned people against using emotive words such as ‘hate’. The Leader commented that hate crime had not accelerated in Cheltenham since the referendum result but shouldn't be underestimated. The council must ensure that no groups in the town are isolated and he was pleased that a community pride grant had been granted to address this important issue. Another member referred to a recent seminar on this issue which had emphasised that despite the genteel perception of the town, hate crimes still did exist.

Other Members emphasised the need for working together on this important issue and welcomed consensus across the chamber which would only strengthen the council's response.

Other Members spoke of their experiences and privileges in working and meeting people of different cultures and they felt that this diversity enhanced the town and should be celebrated.

A Member requested that should the council agreed this motion, as well as being minuted, the council should use its communication team to ensure the message was sent out to schools, police and partner organisations. The council had a duty to make it clear to everyone that hate crime was not acceptable and it would not be allowed in Cheltenham.

The Mayor thanked the Cabinet Member Healthy Lifestyles, for her support for the Mayor and Deputy Mayor issuing a media release to encourage all communities to attend the Fiesta in the Park event which had celebrated diversity. She thanked officers and partners for making it such a success.

In seconding the motion, Councillor Harman requested that an action plan should be produced and he would welcome a further Member seminar on this topic.

Councillor Savage thanked members for a high quality and wide ranging debate and for sharing their personal experiences.

Upon a vote the motion was carried unanimously.

Motion 3.

The following motion was proposed by Councillor Coleman and seconded by Councillor Willingham

'This Council recognises that it is important that the makeup of each of its committees is as representative of the Council as possible.

This Council believes that in order to achieve this objective, the start times for meetings need to be kept under review.

This Council notes that, whilst the Corporate Diary was agreed earlier in the year, a new Council was elected in May 2016.

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 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.'

In introducing the motion, Councillor Coleman indicated that he had joined the council in 2002 in his early 20s. At the time he was working as a junior lawyer and although he felt he could have made a valuable contribution to the Licensing Committee, he felt unable to put his name forward due the committee taking place in the daytime. He referred Members to a similar debate which had taken place when it had first been proposed that the Planning Committee should move from an afternoon slot to a 6 p.m. start. Despite arguments that it would have an adverse effect on officers, applicant and professionals involved in the committee, he didn't recall that this had been the case in practice. He felt that the change had enabled the makeup of the Planning Committee to be more representative of the Council Membership and the same should apply to the Licensing Committee. He was confident that the quality of decision-making would be improved by having a wider membership available to service the

committee. He reminded members that at February Council, Members had been challenged by a member of the public to do more to encourage women to stand as councillors. He advised that he had discussed the change with officers and this had resulted in the revised motion that had been circulated in Members' places. This suggested a review of the structure and meeting arrangements for the Licensing Committee with the aim of making it even more professional and strengthening the work of the committee.

Councillor Willingham spoke as seconder of the motion. He felt it was important that meetings were accessible to all members of the public, particularly those who work during the day. He was pleased to note that the chair had already taken some action to ensure that all debates by the committee were as open as possible to the public. He wished to assure members that there was no intention to move the committee to a Friday evening slot. He also hoped that the review could look at how Licensing policies were developed and the process for approval by Cabinet or Council. In conclusion he felt it was a good move for democracy.

In the debate that followed Members were supportive of the motion. It was commented that whilst an afternoon timing would have been suitable for publicans in the past, the situation had changed and this no longer applied. A member questioned whether employers had to give their employees time off for public service and was there an extra cost involved in officers servicing an evening meeting of the Licensing Committee. Another Member suggested that it should be down to the Licensing Committee to decide when it was best for them to meet. However another Member pointed out that Members may not have put themselves forward to go onto the committee if they knew that it would be held in the afternoon. Other Members suggested that perhaps the Council should also have a 6 pm start in the future and highlighted the overflowing public gallery at the recent JCS meeting which had started at that time.

In his summing up Councillor Coleman thanked members for their support. He confirmed that employees did have rights to take time off for public service however in his own circumstances, at the beginning of his career, he did not have the courage to ask his employer for time off so had taken Annual Leave in order to attend meetings of Council. He noted the comments about the evening start for council. He referred Member to the information paper which had been circulated which indicated that officers attending an evening meeting would take time off in lieu during the day so there will be no budgetary increase. Overall he felt the move to an evening slot would strengthen the openness and transparency of the committee and he was happy to confirm that there would be consultation with outside bodies as part of that review.

Upon a vote on the motion was carried unanimously.

11. TO RECEIVE PETITIONS

Doreen Spiers, Chair of the Springbank Residents Association presented a petition against changes to the C bus route in Springbank. The Mayor accepted the petition which would come to Council for debate in due course under the Council's petition scheme.

Chris Ryder
Chairman

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Council - 18 July 2016

Public Questions (1)

1.	Question from Tess Beck to Cabinet Member Housing, Councillor Peter Jeffries (was not in attendance)
	<p>Recent months have seen a number of retrospective applications for planning permission for large Houses of Multiple Occupation (HMOs with more than 6 tenants). Some of these HMOs had been operating as such for several years and had been licensed by Cheltenham Borough Council during that period.</p> <p>Why were these properties licensed despite not having planning permission in place?</p> <p>What steps will be taken to improve cross-checking and communications between the Planning, HMO Licensing and Building Control teams in the future?</p>
	Response from Cabinet Member Housing
	<p>Historically, Houses in Multiple Occupation (HMO's) were licensed without planning consent being in place, because some properties had been in this form of occupation for many years and therefore had established use and owners were not obliged to seek planning consent. A lack of planning consent is not an automatic bar on a property being licensed, as separate pieces of legislation govern these issues.</p> <p>More retrospective applications are being submitted for planning permission relating to larger HMO's as a direct result of the activity of the council's enforcement team. Since the housing and enforcement teams were merged, closer joint working has generated significant additional income from retrospective applications.</p> <p>A number of issues arise in ensuring that HMO's have the required license and planning consent, for example:-</p> <ul style="list-style-type: none"> • The number of occupants can vary over time; • The level of occupancy is not always obvious and may change where a property is subdivided or extended; • Properties are often adapted without consent, or under permitted development rights, without any notification to the council of an increase in the number of occupants.

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**Cheltenham Borough Council
Council – 17 October 2016
Petition against changes to the C bus route**

Accountable member	Cabinet Member Development and Safety, Councillor Andrew McKinlay
Accountable officer	Managing Director Place and Economic Development, Tim Atkins
Ward(s) affected	All
Key Decision	No
Executive summary	<p>The following petition was received by Council on 18 July 2016.</p> <p>“Proposed change in C bus route should be in consultation with bus users.”</p> <p>As the petition had in excess of 750 signatures it is entitled to a debate at Council.</p>
Recommendations	Council are asked to decide a course of action as required by the Petition Scheme.

Financial implications	<p>None arising from this report.</p> <p>Contact officer: , @cheltenham.gov.uk, 01242</p>
Legal implications	<p>The petition must be considered in accordance with the Council’s Petition Scheme made pursuant to the Local Democracy, Economic Development and Construction Act 2009. The petition will be considered in accordance with the Council Procedure Rules varied in so far as necessary to comply with the attached Process.</p> <p>Contact officer: Peter Lewis, Head of Legal Services</p> <p>Peter.lewis@tewkesbury.gov.uk Tel:01684 272 012</p>
HR implications (including learning and organisational development)	<p>None arising from this report.</p> <p>Contact officer: , @cheltenham.gov.uk, 01242</p>
Key risks	No risks identified in the report.

Corporate and community plan Implications	
Environmental and climate change implications	None arising from this report.
Property/Asset Implications	None arising from this report Contact officer: David Roberts@cheltenham.gov.uk

1. Background to the Petition Scheme

- 1.1** The petition provisions in the Local Democracy, Economic Development and Construction Act 2009 aim to address the perception nationally, as revealed in the results of the Place survey, that the community is unable to influence local decisions.
- 1.2** The Council's Petition Scheme (based on the national model scheme) is designed to ensure that the public has easy access to information about how to petition their local authority and they will know what to expect from their local authority in response. Included within the Scheme is the requirement to have a full Council debate should a certain number of signatures be achieved. Cheltenham Borough Council has set that threshold lower than that recommended by the legislation at 750 signatures.
- 1.3** The legislation also recommends a 15 minute maximum period for the debate and recognises that the issue may be referred to another committee where the matter is not one reserved for full Council. The purpose of the requirement for Council debate therefore, is not to ensure that the final decision relating to the petition issue is made at that Council meeting but to increase the transparency of the decision making process, ensuring that debates on significant petitions are publicised with sufficient notice to enable the petition organiser and public to attend. It also ensures that local people know that their views have been listened to and they have the opportunity to hear their local representative debate their concerns. The outcome of debates will depend on the subject matter of the petition.

2. The petition

- 2.1** The Council received a petition at its meeting on Monday 18 July 2016. The wording of the petition is set out in the Executive Summary of this report.
- 2.2** Mrs Doreen Spiers (Friends of Springbank) and Andy Hayes (Hesters Way Partnership) were nominated as the petition organisers.
- 2.3** The Council is therefore required to debate the petition for a maximum of 15 minutes in accordance with the Petitions Scheme approved by Council on the 13 May 2010. A process for dealing with a petition was produced by officers and is attached as Appendix 1 as a process to be followed for the debate at this meeting. The debate should conclude with one or more decisions taken pursuant to the Petition Scheme as follows
- taking the action requested in the petition (provided the matter is reserved to full Council for decision)
 - referring the matter to Cabinet or an Appropriate Cabinet Member or Committee (including Overview and Scrutiny) for further consideration
 - holding an inquiry into the matter

- undertaking research into the matter
- holding a public meeting
- holding a consultation
- holding a meeting with petitioners
- calling a referendum
- writing to the petition organiser setting out our views about the request in the petition
- taking no further action on the matter

3. Officer comments

3.1 Background

3.2 On 1st May 2016, Stagecoach implemented changes to the route of the C Bus. Previously, this route served Springbank Way and the Springbank shops on a loop. See map below of the former route:



3.3 The C route would no longer run along the length of Springbank way from the junction with Hesters Way Lane to the Springbank Shops.

3.4 In mitigation, Stagecoach extended the route of the B bus, so that it now serves Pilgrove Way.

3.5 Reasons for the change

3.6 The change to the route was taken for commercial reasons, and as the route is not subsidised, there was no opportunity for the county council to influence the proposals prior to the changes being implemented. Stagecoach stated that the revisions were driven by the need to make punctuality improvements to Service C.

3.7 In further statements, Stagecoach have explained that although the decision was not an easy one to make, they feel they have calculated that most customers using the affected stops on Springbank Way will need to walk a maximum of 2 minutes further for their nearest bus. In some cases, walking time decreases because the new route for Service B is actually closer than the current Service C.

- 3.8** They went onto state that they had not been delivering the levels of punctuality on Service C that they or their customers expect. They cited increasing congestion (in part due to fuel price changes), poor traffic light priority at key junctions, parking concerns on residential streets (including but not exclusively at school times) that had all played a part in making journeys run late. The relatively tight turn-around time between journeys (a necessity of the then route length) meant that small delays regularly escalated into gaps in their timetable and complaints from customers.
- 3.9** Stagecoach had explored adding an additional vehicle to the three they used on the route, but stated that the service was not taking enough revenue to justify the 33% cost increase to solve the punctuality problem. They had also discounted reducing the number of journeys (to give each bus more time) as they felt that this would lead to a reduction in the appeal of the service as a turn-up-and-go route, with a risk that revenue had diminished as a result.
- 3.10** Stagecoach have stated that their decision to cease serving Springbank Way was not an easy one, as they always seek to make positive changes to encourage growth and development. They feel that they found the best compromise for the majority of their customers. They have stated that the time saving of 2 to 3 minutes per trip would be significant enough to address the punctuality challenges.
- 3.11 Potential Impacts on the Springbank community**
- 3.12** The removal of the bus service from the length of Springbank Way, however raised a number of concerns with local residents. Primarily these were:
- How would elderly and infirm people be able to access local services?
 - Was an impact assessment carried out?
 - Why was there not any consultation with service users / residents?
 - Additionally whilst this is not a subsidised route, what means of an appeal or challenge do local residents have?
 - How will the removal of the route along Springbank Way affect the potential redevelopment of the Springbank shops site?
- 3.13** The loss of the C route affects a 400m length of Springbank Way, where it is known that there are many older people living. Unfortunately, precise data for this catchment area is not available. Using data for the Springbank ward as whole shows the following:
- At the 2011 Census, 7.6% of the population (501) were aged over 65 and 5.9% (386) aged over 75. This was slightly less than the Cheltenham average of 8.1% and 7.9% respectively.
 - 11.2% of households (313) were formed of older people living alone, compared to the Cheltenham average of 12.8%.
 - 22% (614) of the Springbank households did not have access to a car. This was the same percentage as for Cheltenham as a whole.
 - There were 5.6% of the population (368) who recorded their health as being either bad or very bad, compared to 3.9% of the population of Cheltenham.
 - There were 7.9% of the population (522) who stated that their day to day activities were limited a lot, compared to 6.5% of the population of Cheltenham.

- 3.14 So whilst there are a slightly lower proportion of older people living in Springbank when compared to Cheltenham as a whole, there is a higher proportion of people that have bad health or whose ability to carry out day-to-day activities is limited.
- 3.15 Stagecoach have stated that no impact assessment was carried out, nor consultation with users / residents. They gave 56 days notice of the changes to the Office of the Traffic Commissioner.
- 3.16 As the service is a commercial service, the Borough Council, nor County Council have a right of appeal to the changes.
- 3.17 It is uncertain about any impact on the proposed redevelopment of the Springbank shops.
- 3.18 **What has happened since?**
- 3.19 Since the changes have been made, Stagecoach have stated that punctuality has increased by 2.37% (May to August when compared to Jan to April). They are unwilling to share passenger numbers due to commercial reasons.

4. Reasons for recommendations

- 4.1 Council are asked to decide a course of action as required by the Petition Scheme.

<p>Report author</p>	<p>Contact officer: @cheltenham.gov.uk, Tel: 01242 26</p> <p>Richard Gibson, Strategy and Engagement Manager</p> <p>Richard Gibson@cheltenham.gov.uk</p> <p>01242 235354</p> <p>Rosalind Reeves, Democratic Services Manager</p> <p>rosalind.reeves@cheltenham.gov.uk</p> <p>01242 774937</p>
<p>Appendices</p>	<ul style="list-style-type: none"> 1. Risk assessment 2. Process for dealing with a petition at council
<p>Background information</p>	<ul style="list-style-type: none"> 1. Council's petition scheme – report to Council 13 May 2010

Process for dealing with petitions at Council

The following is the recommended process to be followed for the debate of a petition at the Council meeting in accordance with the Council's Petition Scheme. The Council Procedure Rules shall be suspended in so far as necessary to facilitate this process.

1. The Mayor will remind members of the procedure to be followed

2. Statement by the petition organiser

The Mayor will invite the petitioner organiser or their representative to come to the microphone and speak for up to 5 minutes on the petition.

There will be no questions and the petition organiser/their representative will take no further part in the proceedings.

3. Clarification on the background information in the officer's report

Members will be invited to ask any questions for clarification as to the facts in the officer's report.

4. Statement by the relevant Cabinet Member

The Cabinet Member whose portfolio is most relevant to the petition will be invited by the Mayor to speak for a maximum of 5 minutes on the subject of the petition. They may wish to refer to the background report from officers circulated with the papers for the meeting.

They may also wish to propose a motion at this point; if so, the motion must be seconded.

5. Debate by members

Where a member has proposed a motion (which is seconded), the usual Rules of Debate (Rule 13) will apply.

If there is no motion, the Mayor will invite any member who wishes to speak on the petition to address Council for up to a maximum of 3 minutes.

When the 15 minutes set aside for the debate (as laid down in the Council's Petition Scheme) is up, the Mayor may decide to extend the time allowed for the debate but will bring it to a close when they feel sufficient time has been allowed.

6. Conclusion of Debate

The debate should conclude with one or more decisions taken pursuant to the Petition Scheme as follows:

- taking the action requested in the petition (provided the matter is reserved to full council for decision)
- referring the matter to Cabinet or an Appropriate Cabinet Member or Committee (including Overview and Scrutiny) for further consideration
- holding an inquiry into the matter
- undertaking research into the matter
- holding a public meeting
- holding a consultation
- holding a meeting with petitioners
- calling a referendum
- writing to the petition organiser setting out our views about the request in the petition
- taking no further action on the matter

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
	No risks identified at this stage until Council decide what action to take on the petition.										
<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>											

Cheltenham Borough Council**Cabinet – 11 October 2016****Council – 17 October 2016****2020 Partnership Local Authority Company**

Accountable member	Cabinet Member Corporate Services, Councillor Roger Whyborn
Accountable officer	Pat Pratley, Head of Paid Service
Ward(s) affected	All indirectly
Key/Significant Decision	Yes
Executive summary	<p>Councillors will be aware that in October 2015 Council approved the creation of the 2020 Partnership Joint Committee (joint committee), the delegation of GO Shared Services (GOSS) and ICT from the date of its creation and, following Cabinet decisions on 9 February, the subsequent delegation to the joint committee, of revenues (including council tax), benefits and customer services.</p> <p>In October Council also delegated to the joint committee employment matters for all partner council staff including HR policies and procedures, pay and grading policy and total reward policy (including financial and non-financial benefits). Along with the other partner councils, CBC requested a further report during 2016 on the business case for a local authority company.</p> <p>On 30 September 2016 the joint committee met and approved a company structure and governance proposals. Those proposals include for CBC to become a member of a support services company (limited by guarantee) from which it would receive GOSS and ICT.</p> <p>Having previously delegated revenues, benefits and customer services to the joint committee Cabinet has reviewed the position and determined to withdraw those services and to return them to the direct management of CBC, rather than commit them to the company.</p> <p>The updated business case at Appendix 2 now based on these arrangements shows that the support services company proposal will generate additional savings of £66k pa. However the option to remain as a conventional (s101) shared service is not a realistic one, and the alternative of reverting the GOSS and ICT to CBC has substantial on-costs. Whilst the extent of service provision through a company is less than originally envisaged CBC very much wishes to work in collaboration with the 2020 Partnership where it is of mutual benefit especially in the area of ICT enabled service transformation.</p> <p>With regard to employment matters delegated to the joint committee these will remain as currently delegated until the joint committee is dissolved. If at some point this needs to change a further report will be brought back to Council for a decision.</p>

This report also explains how revenues, benefits and customer services will be managed when withdrawn from the joint committee and, as a related matter, this report also signals the Head of Paid Service's proposals with regard to future arrangements for this council's s151 officer role and management responsibilities.

Recommendations in respect of the future provision of Audit and Counter Fraud services will be subject to a separate report to Cabinet in November 2016 following consideration by Audit committee.

Recommendations

It is recommended that Cabinet

1. Approves the updated 2020 Partnership Business Case at Appendix 2 in so far as it relates to Cheltenham Borough Council for the delivery of GOSS and ICT functions.
2. Approves the transfer of GOSS and ICT functions as outlined in Schedule 2 of the Inter Authority Agreement dated 11 February 2016 to a local authority support services company owned by Cheltenham Borough Council, Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council.
3. Agrees to withdraw this authority's revenues (including council tax), benefits and customer services from the 2020 Partnership Joint Committee with effect from 14 November 2016.
4. Authorises the Head of Paid Service, in consultation with the Leader, Cabinet Member for Corporate Services, the s151 Officer and the Borough Solicitor to work with the Partnership MD to finalise and complete the Articles of Association, Members Agreement, Contract for Services and documents and to take all necessary steps to enable the support service local authority company formation.
5. Authorises the Democratic Services Manager, in consultation with the Borough Solicitor, to make such changes to the Constitution as are necessary to reflect and facilitate the implementation of the recommendations in this report.

It is recommended that Council

6. Approves the continued designation of Paul Jones as s151 Officer in an interim seconded capacity until 27 March 2017 and to note the inclusion of the management of revenues and benefits from the date of withdrawal from the 2020 Joint Committee.
7. Appoints the Leader of the Council as this council's member representative of the support services company.

<p>Financial implications</p>	<p>As detailed in Section 8 of the report and the updated business case at Appendix 2:</p> <table data-bbox="478 235 1149 526"> <tr> <td>Business Case Cost</td> <td>£1.801m</td> </tr> <tr> <td>Share of Transformational Challenge Award Grant</td> <td>(£0.950m)</td> </tr> <tr> <td>Net Business Case Cost</td> <td>£0.851m</td> </tr> <tr> <td>Business Case Benefit</td> <td>£0.565m pa</td> </tr> </table> <p>Costs of the programme to date are included in the table above and have been fully funded by the Government's Transformation Challenge Award Grant.</p> <p>The council's approved Medium Term Financial Strategy includes £0.900m of funding for the 2020 Programme. The revised business case 'local' cost for this council is £0.851m which covers our share of expert professional advice, programme management and project support, ICT including telephony and the cost of transformational change.</p> <p>Contact officer: Paul Jones, Head of Finance GOSS paul.jones@cheltenham.gov.uk, 01242 775154</p>	Business Case Cost	£1.801m	Share of Transformational Challenge Award Grant	(£0.950m)	Net Business Case Cost	£0.851m	Business Case Benefit	£0.565m pa
Business Case Cost	£1.801m								
Share of Transformational Challenge Award Grant	(£0.950m)								
Net Business Case Cost	£0.851m								
Business Case Benefit	£0.565m pa								

<p>Legal implications</p>	<p>The new support services company is a local authority company limited by guarantee which complies with Regulation 12(4) Public Contracts Regulations 2015. This means that the authority may transfer services to it for delivery without the need to comply with the EU procurement legislation.</p> <p><u>Legal Documentation</u></p> <p>A key legal document is the Members Agreement (MA) (equivalent to a Shareholder Agreement) which sets out the relationship between the owners of the company and the company itself. This document includes, but is not limited to, the matters which will be reserved to the Members/Owners for decision, known as reserved matters, and these are set out in paragraph 4.6 of this report.</p> <p>A further key document is the Articles of Association. This document will set out the objects of the company and other procedural matters such as the process for decision making by the Board of Directors e.g. Chair, quorum, use of written resolutions and the ability to hold meetings remotely.</p> <p>The delivery of services from the new company to the authority will be set out in a contract for services/SLA. This agreement normally sets out the level of service provision, performance management and cost.</p> <p>The legal documentation referred to above is not available for consideration at the time of this report but some agreed principles are set out in paragraph 3.3 (Term) paragraph 4 and paragraph 5 (Service provision) below. The legal documentation will, therefore, be dealt with in accordance with the proposed delegated authority to the Head of Paid Service.</p> <p>In addition there will be a number of consequential matters arising such as the withdrawal of the revenues, benefits and customer services from the joint committee which will also be dealt with under the proposed delegation.</p> <p>Contact officer: Shirin Wotherspoon, Head of Law (Commercial) shirin.wotherspoon@teWKesbury.gov.uk, 01684 272017</p>
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HR implications (including learning and organisational development)	<p>There are no HR implications arising from the updated 2020 Partnership Business Case so far as it relates to Cheltenham Borough Council for the delivery of GOSS and ICT functions. The officers who deliver these services are employees of Cotswold District Council and Forest of Dean District Council respectively.</p> <p>The HR implications for this council following from the withdrawal of Revenues and Benefits and Customer Services from the 2020 Joint Committee are as follows:-</p> <ul style="list-style-type: none"> a) Officers of these services employed by CBC will return to managerial direction of this council. b) Revenues and Benefits Services will report to the council's designated Section 151 Officer c) Customer Services will report to the Director Resources and Special Projects <p>Contact officer: Julie McCarthy, HR Manager GOSS julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	<p>The key risk for CBC arises from a situation where it is not agreed that it will become a member of a support service company from which it would receive the services provided by GOSS and ICT.</p> <p>A further risk relates to the ability to find further savings to replace those foregone through the withdrawal of revenues, benefits and customer services from the joint committee.</p>
Corporate and community plan Implications	<p>Approval of the recommendations will deliver the corporate plan objective for 2016/17 VFM1 – we will work with our 2020 partners to implement agreed shared services from April 2016 and specifically deliver the milestone - to consider a business case for a local authority company governance model.</p>
Environmental and climate change implications	<p>None arising from this report</p>
Property/Asset Implications	<p>Savings resulting from the rationalisation of accommodation through sharing of staff are likely to be less with limited involvement in the partnership.</p> <p>Contact officer: David Roberts, Head of Property Services david.roberts@cheltenham.gov.uk, 01242 774151</p>

1. Background

- 1.1 Councillors will be aware that the 2020 Partnership (the partnership) comprises Cheltenham Borough Council (CBC), Cotswold District Council (CDC), West Oxfordshire District Council (WODC) and Forest of Dean District Council (FoDDC). The partnership ambition is *“A number of councils, retaining their independence and identities, but working together and sharing resources to maximise mutual benefit leading to more efficient, effective delivery of local services”*.
- 1.2 In October 2015 CBC approved the creation of the 2020 Partnership Joint Committee (joint committee), the delegation of GO Shared Services (GOSS) (finance, HR, internal audit, procurement, counter fraud) and ICT from the date of its creation and the subsequent delegation of revenues (including council tax), benefits and customer services following Cabinet decisions on 9 February 2016.
- 1.3 Councillors will also be aware that last October this council, along with the other partner councils, delegated to the joint committee employment matters including HR policies and procedures, pay and grading policy and total reward policy (including financial and non-financial benefits).
- 1.4 Along with the other partner councils, CBC requested a further report during 2016 on the business case for a local authority company or alternatively, continuation of the joint committee.
- 1.5 On 30 September 2016 the joint committee met and approved a company structure comprising three local authority companies together with governance proposals and agreed that CBC become a member of the shared services local authority company which would provide GOSS and ICT to CBC.
- 1.6 Having approved the delegation of revenues and benefits and customer services to the joint committee earlier this year the Cabinet has reviewed that position and concluded that the public is better served by withdrawing those services from the joint committee and to returning them to be directly managed by CBC, rather than commit them to the company.

2. Initial company set up

- 2.1 The joint committee has approved a company structure (**Appendix 2 – figure 8.1**) comprising of three teckal companies limited by guarantee (CLG).
- 2.2 Unlike a company limited by shares, a CLG has no share capital or shareholders, instead it has “members” who undertake to contribute a nominal amount towards any shortfall in the company’s assets to settle its debts in the event of it being wound up.
- 2.3 The 2020 programme has obtained specialist tax and legal advice as to the most appropriate legal form for the partnership companies and it is as a result of that advice that CLGs are being recommended.
- 2.4 The companies, their members and primary purpose will be:

Support Services Company

Members CBC, FoDDC, CDC, WODC

Primary purpose: to directly provide support services to members with limited trading (less than 20%) with other bodies/companies. This company intends to also provide services to Ubico Ltd, Cheltenham Borough Homes, The Cheltenham Trust.

Regulatory Services Company

Members FoDDC, CDC, WODC

Primary purpose: to directly provide regulatory services to its members with limited trading (less than 20%) with other bodies/companies

Co-ordinary Company

Members FoDDC, CDC, WODC

Primary Purpose: to directly provide core-co-ordinating services i.e. strategic advice, management services, commissioning (and other specific services) to its members with no significant trading with other bodies/companies.

- 2.5 CBC will only be a member of the support services company because it is being recommended that it only receives services from GOSS and ICT.

3. Transfer of services to the companies

- 3.1 The other partner councils have agreed that all their staff will transfer to one of the three companies. No CBC staff will transfer because neither GOSS nor ICT staff are CBC employees having transferred under the principles of TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006 to those shared services when they were originally established.
- 3.2 The updated business case has been predicated on the companies being established by April 2017, all companies operational during 2017-18 with GOSS and ICT transferring to the support services company during that year.

3.3 Contract duration

- 3.3.1 There are a number of factors affecting the potential duration of contracts between the companies and the member councils. Initially it is proposed that the contract durations are sufficient to enable the new companies to become established and to transform service delivery. Contract duration is also an important consideration with regard to the potential risk around pension exit valuation costs. Actuarial advice has been received that longer term contracts provide more certainty that a cessation valuation will not apply as active members of the pension scheme will remain.
- 3.3.2 The joint committee has endorsed a contract period for the support service company of 5 years with an opportunity to extend for two further periods each of 4 years.

4. Leaders' Statement

- 4.1 The partnership has developed an overarching Leaders' Statement, which was approved by the Joint Committee on 30 September, which outlines a set of principles on which the partnership will operate, as follows:

"We have a strong track record of over three years of being committed to working collaboratively in pursuit of our agreed shared vision as approved by all four councils in 2014:

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

In October 2014, we all agreed a further set of desired outcomes that would govern our work going forward. These are:

- **Financial** - respond to current and future pressure
- **Efficiency** - value for money
- **Resilience** – increase pool of expertise, add capacity
- **Impact** - better outcomes for our communities
- **Democracy** – champion local needs

As the partnership continues to develop there have already been some notable early benefits. Cashable savings to date are on profile with savings already delivered during 2015/16 and 2016/17 approaching £2.5 million. There have also been some significant non-cashable benefits including:

- **Improved knowledge sharing and learning**
- **Increased resilience**
- **More stable and improved technology**
- **Smarter working practices introduced**
- **Reduced office space resulting in some spaces being re-let**
- **More consistent approach to HR with policies and procedures aligned**
- **Future costs avoided**

During that time we have worked together under different governance arrangements and despite some differences in approach and views on how best to achieve the vision and outcomes we have proceeded through a process of engagement, open discussion and debate to find solutions that meet individual requirements.

Following expert legal, tax and pension advice we are proposing to establish a group of three local authority owned Companies Limited by Guarantee (Appendix A) which are Public Bodies. We believe that this structure provides the appropriate balance between, delivering a consistent approach across the “common core” organisational functions such as HR policy, Finance policy, Audit, ICT strategy and Customer Services Strategy; delivering the benefits of operating under a company model; and recognising the commercial trading opportunities and management of risks in the future.

Whilst we have developed a model that is designed to be flexible for the future, we are not planning for, or considering any circumstances at this moment in time that might result in changes to this structure. Neither can we predict what external factors or new opportunities might cause us to re-consider this in the future. Should something change in the future that might cause us to collectively consider changes to the company structures it will be necessary to go through a thorough process, building upon our trusting relationships between partners, prior to shareholders being asked to approve any such proposals.

It is expected that any such process would involve discussions with the Shareholder Representative Board who would be extensively briefed by the Board of Directors on the reasons for any proposed changes and the benefits (measured against the outcomes) of any such changes. As a fundamental principle no changes will be made that would be detrimental to one or more of the partners even if of benefit to others. Furthermore, we will, as we have in the past, continue to work collaboratively to seek the agreement of all of the Partner Councils.

The Partnership has a demonstrable track record of being open and transparent and will continue to do so. As Public Bodies, the Companies will be required to meet their legal transparency requirements (such as responding to Freedom of Information requests). We would further anticipate that as appropriate, the company will make relevant information available to member Councillors to assist them in undertaking their democratic roles.

5. Governance

5.1 The Articles of Association and Member Agreement (MA) will be developed over the coming months and will set out the framework for how the company(ies) will be controlled by and accountable to the member councils. The joint committee approved the following key principles with regard to the company(ies) governance structure.

5.2 Member representative

5.2.1 The Leader of each council will be the member representative for their council responsible for taking member decisions on behalf of their council. At CBC the Constitution allows for the leader to delegate this responsibility to any other member of Cabinet should he choose to do so.

5.3 Voting rights

5.3.1 It is proposed that each company is established with equal membership and equal voting rights.

5.4 Members representatives board

5.4.1 As well as the companies' Annual General Meetings to which the member representatives are invited, it is proposed to introduce a Members Representatives Board that will meet regularly to provide a forum for discussion of common areas of company business such as reserve matter decisions. This type of forum is not unfamiliar as it is along similar lines to the Shareholder Forum that CBC introduced when it reviewed the governance arrangements for Gloucestershire Airport Ltd. That particular forum has proved an extremely beneficial informal addition to the governance arrangements.

5.5 Reserved matters

5.5.1 The joint committee has considered those company decisions which it deems should be reserved decisions and the total member votes required to provide consent. These reserved matters are shown in the table below:

1	Permitting the registration of any additional Members of the Company.	By not less than 75%
2	Adopting or amending the Business Plan in respect of each Financial Year.	By not less than 75%
3	Forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not).	By not less than 75%
4	Amalgamating or merging with any other company or business undertaking.	By not less than 75%
5	Entering into any arrangement, contract or transaction with either a capital or revenue value over £500,000 which is not included in the current approved Business Plan.	By not less than 75%
6	Agreeing the appointment and the appointment terms (including any remuneration terms) of all directors of the Company other than Shareholder Appointed Non-Executive Directors.	By not less than 75%
7	Agreeing any remuneration terms for Shareholder Appointed Non-Executive Directors.	By not less than 75%

8	Increasing, reducing, sub-dividing, consolidating, re-denominating, cancelling, purchasing or redeeming any of the capital of, or allotting or issuing any share of the ownership or other securities in the capital of, the Company.	By not less than 75%
9	Altering any rights attaching to any class of ownership in the capital of the Company, or creating any option, warrant or any other right to acquire or subscribe for any share of ownership or other securities in the capital of the Company.	By not less than 75%

5.5.2 The reserved matters take account of the current constitution of the joint committee. Some reserved matters are considered special resolutions under company law and therefore require a 75% majority vote.

5.5.3 Further protections will be built into the MA, for example, the process through which new members would be considered (including presentation of a business plan.) The Leaders' Statement above captures the fundamental principle that no changes will be made to the company structure that would be detrimental to one or more of the partners even if of benefit to others. The leaders' statement also captures the principle of the companies being open and transparent, including but not limited to the requirement to respond to Freedom of Information requests; also that the company will make relevant information available to member Councillors to enable them to undertake their roles.

5.5.4 It is recognised that it may be preferable to try and reach unanimous decisions on some member reserved matters. Therefore, in developing the detailed legal documentation, it is proposed that consideration be given to a deferral process protocol similar to that already established as part of the 2020 Joint Committee Constitution.

6. Company directors

6.1 Directors control the operation and management of the company subject to the control that the members have under the Members' agreement.

6.2 Executive directors

6.2.1 Executive directors are responsible for operational matters and are normally employees of the company and they will have employment contracts with the company(ies). The required skills and experience of executive directors will be established as part of the terms and conditions of their employment. The joint committee has proposed that the appointment of executive directors is a reserved matter - see above.

6.2.2 Clear standards of behaviour, ethical walls policy and escalation procedures to deal with potential conflicts of interest will be developed and introduced. These safeguards will be particularly important for those individuals who may have concerns about personal conflicts of interest.

6.2.3 It is proposed that initial appointments to the Companies at establishment will be from existing council resources where possible.

6.2.4 It is expected that when a future vacancy occurs the appointment of the executive director(s) would be through open external competition.

6.2.5 It is proposed that the Partnership Managing Director brings forward draft proposals for the number of directors to be appointed to the boards of the companies.

6.3 Non-executive directors

- 6.3.1 The joint committee has proposed that each member council will have the right to appoint a suitable non-executive director of the company. CBC is advised that this right can be exercised individually or collectively by other partner councils, ie, two or more member councils may agree to the appointment of the same non-executive director. However CBC will appoint a single non-executive director on its behalf, who is expected to be an elected member of this council.
- 6.3.2 Candidates for the roles of non-executive directors will be subject to formal terms of appointment and be subject to a rigorous process to ensure that they meet minimum level of skills and experience required to undertake the roles. This proposal is similar to that recommended and enacted by CBC when appointing the first board of trustees to The Cheltenham Trust and in more recent times the external appointment of the chair and vice-chair of Gloucestershire Airport Ltd.
- 6.3.3 For CBC, this appointment will be made in accordance with the usual process, namely, by the Leader if all Group Leaders agree (otherwise it will be a council decision)
- 6.3.4 Subject to the duty to the company as a Director, the authority appointed Director can liaise with and brief their authority as required prior to and following Board meetings.

6.4 Independent non-executive director

- 6.4.1 The joint committee felt it was important to jointly appoint one independent non-executive director to each board of directors. It may be the case that the independent director is chair of more than one of the companies.

7. **Other Matters Covered in the Leaders' Statement**

- 7.1 In addition to the matters pertaining to governance, directors, and company decision making the Leaders' Statement also provides for the following:

7.2 Service Performance

- 7.2.1 Current service plans and service levels are used for the service specifications for the companies.
- 7.2.2 Core service specifications and standards will be established. Additional services and standards can be specified at additional cost.
- 7.2.3 Partnership Board meetings are held between the Companies and relevant Service Portfolio Holder(s).
- 7.2.4 Each council has the right to summon a Company Director (or an appropriate substitute) to account to Overview & Scrutiny Committee.

7.3 Advice, Decisions and Timescales

- 7.3.1 It is considered that the external legal and tax advice already received is sufficient to enable the councils to make the decision to establish the companies.
- 7.3.2 It is proposed that any subsequent decisions necessary to implement the company model should be delegated to each council's Head of Paid Service in consultation with the Leader of the Council, Cabinet Member (Corporate services), S151 Officer, Monitoring Officer and the Partnership Managing Director.
- 7.3.3 Transfer of services to the companies will take place by autumn 2017.

7.4 Staffing Matters

- 7.4.1 It is expected that when the company(ies) are established they will agree to Trade Union recognition.
- 7.4.2 It is proposed that the company(ies) apply to be an admitted body of the appropriate local government pension schemes with a closed scheme for existing shareholder council employees and also to provide a stakeholder pension scheme for new employees.
- 7.4.3 It is therefore proposed that the company(ies) will operate a total reward approach to reward and recognition for company employees

7.5 Exit Arrangements

- 7.5.1 The principle of withdrawal with suitable notice at the cost of the exiting party is adopted.
- 7.5.2 Service contracts will specify the notice period to end a contract and any conditions.
- 7.5.3 The members' agreement will specify the notice any conditions concerning the withdrawal from the company and any disposal or handing back of shares.

8. Statutory Officers

- 8.1 Each council is obliged under legislation to have independent advice from statutory officers, namely the monitoring officer, s151 officer and the head of paid service. CBC's s151 officer is Paul Jones. Paul is an employee of CDC and has a shared s151 role. Paul is the permanent s151 officer for FoDDC and is CBC's s151 officer under an interim secondment arrangement.
- 8.2 Statutory officers can either be employed by a council, or councils, and be seconded to the company(ies) or employed by the council(s) or company(ies) under joint employment contracts.

9. Withdrawal of revenues and benefits and customer services

- 9.1 Whilst Cabinet approved the delegation of revenues, benefits and customer services to the joint committee on 9 February the intention now after review is to withdraw these services from the joint committee and return them to direct management of the council.
- 9.2 Cabinet is mindful that this proposed change has made it an unsettling and difficult time for the staff involved and also the 2020 partners in terms of giving clarity on the direction of travel. Cabinet is also mindful that it approved a transformation project for the Regulatory and Environmental Services Directorate. As that project has begun to take shape the customer service transformation element, to bring about a "whole council" approach, has become more apparent and of significance. Cabinet also notes that services with similar synergies are being provided by CBH in some of its customer facing services. Importantly Cabinet's view is that customer facing services do not lend themselves to shared management with other councils, due to the great sensitivity of these services, and high risk of reputational damage to the council, if services are not locally managed. Cabinet has concluded therefore that it is in the public's best interests that they are directly delivered at this time.
- 9.3 However, collaborative working with the 2020 partnership is still of great importance particularly with regard to ICT infrastructure investment, investment in new technologies including telephony and customer relationship management systems. Access to knowledgeable and skilled IT professionals, together with investment in technology, have a key role to play in service transformation, eg REST, as well as leveraging benefit from economies of scale through shared procurement. As such, the council will continue to work with the partnership to develop a shared Customer Access Strategy to support the transformation of customer services, recognising that

any differing requirements will incur additional costs and may potentially impact on flexibility.

- 9.4 In terms of savings, whilst aware that the current 2017-18 Medium Term Financial Strategy (MTFS) savings target of £159k pa from these services was achievable, the view of Cabinet is that from a strategic standpoint it is not a saving that they feel it is in the best interests of the authority to take.
- 9.5 Cabinet has carried out a fundamental review of the council's MTFS with the objective not only of setting a balanced budget for 2017-18 but also ensuring the future financial stability of the authority. A separate report outlining the Cabinet's updated budget strategy is to be considered at this Cabinet meeting which includes proposals to achieve the savings foregone as part of the 2017-18 budget setting process.

10. 2020 Partnership Updated Business Case and financial implications

- 10.1 The overall updated business case for the partnership moving into a teckal company is attached at Appendix 2.
- 10.2 The updated overall business case related to ICT and GOSS being included in the proposed support services company is shown in Appendix 2. A comparison of the updated overall business case financial projections with the business case projection at October 2015, i.e. based on the now more limited CBC involvement, is contained in tables 9.1 and 9.2.
- 10.3 A high level summary of the revised costs and benefits, extracted from the overall business case which relates to CBC, is summarised below.
- 10.4 Programme costs have remained at circa £10.14m. As a result of the council's more limited exposure to the partnership, the share of programme costs has reduced from £2.173m to £1.8m, a reduction of £372k. Many of the costs of the programme are either already spent e.g. tax and actuarial advice and programme management including reimbursing CBC for the lead commissioner role support to the programme; funding of programme transformation costs to date (including CBC's deletion of the post of Chief Executive) and the infrastructure to support the Joint Committee arrangements; or are required to fund future collaborative work streams e.g. ICT (business systems development/replacement) and customer service infrastructure improvements.
- 10.5 The overall business case savings have been updated to reflect the savings generated by moving from the Joint Committee to the teckal companies with CBC's now proposed involvement. The overall cumulative savings are now estimated at £41m or £5.571m annually, over a 10 year period. The council's share of the additional savings will be limited to those which arise from moving GOSS and ICT into a teckal company and savings arising from audit proposals, a total of £66k annually. The proposals for the Audit Service are subject to a future report to Cabinet.
- 10.6 The business case for Cheltenham moving GOSS and ICT into the teckal company is now primarily based on the avoidance of the cost of not doing so. A separate piece of work was commissioned by Activist to establish the cost and impact of this which looked at a range of options. The cost of one of the options i.e. withdrawing GOSS and ICT and delivering in house services would add an additional £360k per annum on top of the existing annual cost of services and would require c£2.18M of one-off costs to re-establish separate ICT infrastructure. This is likely to result in the risk of reputational damage; impact on other work e.g. delivery of other key council projects; negative impact on staff morale as well as a reduction in performance during any transition which may not return to previous levels.

11. Managerial and financial implications of withdrawing revenues and benefits and customer services

11.1 When Cabinet and Council agreed to create the joint committee last October the report contained a “package” of matters including a review of this council’s senior management structure together with savings in 2016-17 of £150.9Kpa. The proposal to delegate revenues, benefits and customer services to the joint committee had the benefit of freeing up the capacity within the executive board to enable greater focus on the delivery of key projects.

11.2 The withdrawal of these services from the joint committee requires their management to be provided for from the date of withdrawal. In considering the future management arrangements one of the key objectives has been not to add further significant recurring cost to the 2016-17 base budget and to lessen the impact, as far as possible, on the capacity of the executive board.

11.3 Revenues and Benefits and the s151 Officer

11.3.1 Members will be aware that on 22 June 2015 Council recommended that the then Deputy s151 officer, Paul Jones, be designated on an interim secondment basis to the role of s151 officer. The cost of this secondment is being met from government transformation challenge funding with the ongoing costs built in to the updated 2020 partnership business case.

11.3.2 It is necessary for members to be aware of the views of the Head of Paid Service on the future provision of this council’s s151 officer role in light of her proposals with regard to management of revenues and benefits when they are withdrawn from the joint committee.

11.3.3 Prior to the services being delegated they were managed by the s151 officer. The nature of the services means that there are natural synergies with the finance and s151 officer role, particularly with regard to responsibility for the Collection Fund, determining the local council tax setting scheme, business rates retention etc. These accountabilities now fall to the current s151 officer, Paul Jones, and thinking ahead to the reform of local government finance by 2020, the relationship between these services and finance will be particularly important over the next few years.

11.3.4 The Head of Paid Service’s view is that the secondment of Paul Jones as s151 officer has worked extremely well and therefore recommends to council that this designation continues, in an interim seconded capacity, until 23 March 2017. The Head of Paid Service intends to vary the current secondment agreement to allow Paul Jones to line manage the revenues and benefits service from the date of withdrawal of those services from the 2020 Joint Committee.

11.3.5 The Appointments and Remuneration Committee has been briefed on this proposal at its meeting on 3 October. On the basis that the continued interim arrangements have proved satisfactory the Head of Paid Service has indicated that it would be her intention to present a report to the Appointments and Remuneration Committee on 27 February 2017 and, subject to agreement, recommend the appointment of Paul Jones to the role of s151 Officer and that Council approve the designation at its meeting on 27 March 2017.

11.4 Customer Services

11.4.1 Whether customer services remained in the joint committee, and was subsequently delivered by a local authority company or not, there are three key outcomes that would be required:

- Re-thinking CBC’s customer service experience across the council as a whole and afresh with the potential for a whole system/whole council approach enabled through IT investment
- Supporting the accommodation strategy project
- Supporting the REST transformation project

11.4.2 In order to achieve the above outcomes, the proposal is that the current Customer and Support Services Manager be given a project remit to lead a new approach to customer services across the council working closely with the 2020 partnership and playing a key role on both the REST and Accommodation Strategy projects. This project role would be supplemented by “one off” external consultancy support which would be necessary as part of the REST transformation project. Whilst it is hoped that this one-off cost can be accommodated within the existing project cost for REST this cannot be guaranteed at this point, however, there is a commitment to achieve that outcome if at all possible.

12. The future of the 2020 Joint Committee

12.1 The joint committee is governed by a constitution and provides the following functions;

- 1) Provides strategic direction for the continued improvement and development of the 2020 partnership; and

Direction, development and performance management of the 2020 partnership services delegated to it by the delegating authorities

- 2) Secure the delivery of the following functions and activities delegated to it by the partner councils;
 - a) Human resources policies and procedures including pay and grading policy and total reward policy (including financial and non-financial benefits)
 - b) ICT network infrastructure, applications, policies and procedures.
- 3) Providing strategic direction and oversee performance, development and continued operation of the 2020 partnership services on behalf of the councils and in accordance with the standards and specifications set out by those councils.

12.2 The joint committee does have a time limited life in terms of its service delivery role once those services currently delegated to it, e.g. GOSS and ICT are transferred to the local authority company(ies) and once the other partner council staff have transferred to one of the new local authority companies. Some residual functions of the joint committee will revert to CBC.

13. Performance management – monitoring and review

13.1 Current arrangements

13.1.1 Following the delegation of services to the joint committee each council has established its own client management arrangements. CBC’s client management is provided by officers within the Business Development Team. A client officer group has also been established which is a forum for all the client managers to meet with the joint committee Group Managers to challenge and monitor performance.

13.1.2 Service plans are being developed in consultation with the client officer and the Cabinet Member for Corporate Services. Overview and Scrutiny can call the Partnership MD or any other key officer to attend their meetings as necessary.

13.2 Future arrangements

13.2.1 Following the transfer of GOSS and ICT to the support services company, service performance will be reported to each authority in accordance with their normal performance reporting processes. Annual service plans and service budgets will continue to be developed for agreement by each authority as currently. The existing service plans will be used as the basis for

the service specifications for the new company. In addition, each company will prepare annually a rolling 3-year business plan and budget. Each company will also meet the company reporting requirements of an annual report and accounts for submission to Companies House.

- 13.2.2 A Partnership Board consisting of representatives from the company and the Cabinet Member and relevant officers of each client authority will be created. Each company will hold meetings to allow the Cabinet Member to discuss matters of service performance and development. In addition, each authority will have the right to summon directors and appropriate other officers to respond to questions from Overview and Scrutiny and all Councillors will have access to appropriate company staff to assist them in carrying out their democratic and representative roles.

14. Reasons for recommendations

- 14.1 As outlined within the body of this report.

15. Alternative options considered

- 15.1 As explained in paragraph 12.5, advice was commissioned to identify and assess the options for the provision of finance and ICT services were a decision to be taken to withdraw from the 2020 partnership completely. The alternatives and permutations considered were; (1) deliver the services in-house; (2) set up or join another shared service; (3) outsource the services.
- 15.2 The advice identified a number of significant transition challenges, namely, staffing, ICT, timing and performance. The advice also identified a number of key risks associated with the alternatives, specifically, risks associated with lack of resilience and expertise, recruitment difficulties, potential reputational damage, impact on other work, staff morale and implications for reduced performance.
- 15.3 As already outlined, the costs of delivering GOSS and ICT in-house, which are on top of the existing cost of service, are estimated to be c£360k pa additional revenue costs and c£2.18m one-off costs.
- 15.4 Were CBC to be able to find a shared service partner, which is not likely, then the one-off costs are estimated as likely to be similar to in-house, revenue costs would be higher for an initial period but it may be possible to reduce these once the service was established.
- 15.5 Were CBC to look to outsource, outsourcing companies look to make a profit by sharing staff and streamlining processes. The 2020 partnership has already done this so any outsourced provider may not see the resources available as part of CBC's share as enough to make a good deal. Additional funding may also be needed for contribution to additional staff, cost of ICT infrastructure as well as project management, advisors and cost of procurement of the project itself.

16. Consultation and feedback

- 16.1 The 2020 programme has continued to engage with staff and trade union representatives throughout. The Cabinet Member Corporate Services attended Overview and Scrutiny on 12 September and employee sessions will take place during October to update them on the company proposals. A number of staff also volunteered to become engagement champions for the programme and they have received regular updates on 2020 as it has progressed.
- 16.2 The Head of Paid Service has kept local trade union and employee representatives updated through the Joint Liaison Forum and the Joint Consultative Committee has also received updates at its meetings.

- 16.3 A&R committee will have received, on 3 October 2016, a briefing note of the proposal with regard to the future direction of travel with councils s151 officer.
- 16.4 Partner organisations such as The Cheltenham Trust, Ubico Ltd and Cheltenham Borough Homes have also had meetings with the Partnership MD and each organisation has a client officer representative on the client officer group.

17. Equality impact assessment

- 17.1 Equality impact assessments were undertaken to support the transfer of the customer services and revenues and benefits services into the 2020 partnership. Those assessments remain valid and will be used by our in-house teams to ensure a high level of service accessibility and to continue the level of discretionary support that the services provides to those that need it most.

Report author	Contact officer: Pat Pratley, Head of Paid Service pat.pratley@cheltenham.gov.uk, 01242 264100
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. 2020 Partnership Updated Business Case – 30 September 2016 3. Annex B Company structure and governance principles
Background information	<ol style="list-style-type: none"> 1. GOSS and ICT Functions – Schedule 2 of the 2020 Joint Committee Inter-Authority Agreement 2. 2020 Vision for Joint Working – Cabinet 24 June 2014 3. 2020 Vision Memorandum of Understanding – Cabinet 14 April 2015 4. 2020 Vision Programme (information Paper) – Overview and Scrutiny 21 September 2015 5. 2020 Vision – Cabinet and Council – 13 and 19 October 2015 6. Business case for sharing Revenues and Benefits – Cabinet 9 February 2016 7. Business case for sharing Customer and Support Services – 9 February 2016

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If a decision is taken to withdraw from the partnership completely then the council will face significant one-off costs and ongoing revenues costs as well as suffer reputationally	Pat Pratley	30.9.16	5	4	20	Reduce	Ensure that CBC members of the joint committee have sufficient information and support to help in their decision making	30.9.16	Pat Pratley	
	If savings to replace those foregone cannot be found then there is a possibility that the 2017-18 budget will not be balanced	Pat Pratley	30.9.16	5	2	10	Accept	Cabinet currently reviewing the 2017-18 budget proposals and the longer term medium financial strategy	1.3.17	Paul Jones	
	If the council cannot agree a shared Customer Access Strategy it will incur additional cost in order to implement its own requirements	Mark Sheldon	30.9.16	3	2	6	Accept	Continue to collaborate with vision 2020 partners in order to influence the development of the Customer Access Strategy to meet CBC needs.	31.3.18	Judy Hibbert	
<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>											

Page 52

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

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

Risk ref

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

Risk Description

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

Risk owner

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

Risk score

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

Control

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

Action

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

Responsible officer

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

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

Transferred to risk register

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

and what level of objective it is impacting on.

Appendix 2



**Report on the Updated Business
Case**

and

**Next Stage Development of the
2020 Partnership**

**(Original June 2016 - Updated for
Joint Committee 30 September
2016)**

September 2016

1. Background

- 1.1 In June 2014 the four GO Shared Services Partner Councils approved a “Report and Outline Business Case for a “2020 Vision for Joint Working””. In that report there was an agreed proposition:
- 1.2 “Four Independent Councils determining their own policies, priorities and decisions supported by a small number of expert advisors who commission and monitor services either from the private and voluntary sectors or from local authority owned service delivery companies.”
- 1.3 It was recognised that the proposition could effectively lead to councils that do not directly employ any of their own staff, but rather, Councils will jointly own a local authority company which would provide services and deliver outcomes in line with the wishes of each individual council.
- 1.4 Subsequently, in December 2014 the four 2020 Partner Councils approved a “Report on Options for Future Delivery Models and Interim Management Arrangements” prepared by Activist Ltd. In the report Activist carried out an option appraisal of the long-listed sourcing options, evaluating each option against the outcomes framework set out below:

Table 1.1: Outcomes Framework

Outcome	Contributory outcomes
Savings	<ul style="list-style-type: none"> • Delivers realistic and sustainable revenue savings. • Provides a positive return on investment in the medium to long term. • Enables us to make further savings through partnership and better asset management. • Enables opportunities for income generation.
Influence	<ul style="list-style-type: none"> • Respects our separate identities as individual authorities. • Ensures our decision making will remain locally accountable. • Strengthens our ability to exercise community leadership on behalf of our localities. • Allows us to retain strong local knowledge in our frontline services. • Each authority has impartial commissioning and client side advice from people they trust.
Quality	<ul style="list-style-type: none"> • Enhances and maintains good quality services to the public. • Allows us to nurture our partnerships and take advantage of new ones. • Creates organisations that are flexible and adaptable to future changes. • Has governance and structures that are streamlined and easy to understand. • Is widely acknowledged to be socially responsible.
Creativity	<ul style="list-style-type: none"> • Empowers staff to be creative, collaborative and enquiring. • Supports our commitment to a public service that responds to and empowers our local communities. • Fosters and rewards an innovative, can-do approach to delivering services.

- 1.5 The report was not designed to be a definitive final assessment of the merits of each option and acknowledged that more work should be conducted to confirm the final preferred option based on a business case which is both robust and realistic.
- 1.6 The overall results of the option appraisal carried out by Activist are shown in the table below and suggest a clear advantage for either a sharing option or a local authority company.

Table 1.2: Summary of Option Appraisal of Long-listed Sourcing Options

Options	Outcomes				Shortlist?	Key Issues
	Savings	Sovereignty	Quality	Creativity		
In-house transformation	L	H	M	L	No	<ul style="list-style-type: none"> Lacks scale economies.
Private sector joint venture	L	M	L	M	No	<ul style="list-style-type: none"> Poor ROI. Long lead-in.
Sharing	H	H	M	M	Yes	<ul style="list-style-type: none"> Tried and tested.
Local authority company	H	H	M	M	Yes	<ul style="list-style-type: none"> Local experience.
Spin-out to mutual or trust	L	M	M	M	No	<ul style="list-style-type: none"> Poor ROI Long lead-in.

- 1.7 The report concluded that whilst there was no significant difference in terms of the outcomes, based on the financial assessment the approach recommended was to establish a shared services arrangement under a Joint Committee and then move to a Local Authority owned company model, both dependent upon business cases.
- 1.8 It is noted that the report set out the key differences between the shared service under a Joint Committee and the company model as follows:
- The generation of income through profits made on trading.
 - A move to a stakeholder pension scheme for new starters.
 - Having a single employer would reduce complexity.
- 1.9 It was therefore recognised that the Joint Committee option was limited as it cannot deliver potential longer-term savings that a company model makes possible.
- 1.10 In August 2015 the full “2020 Vision for Joint Working Business Case” was prepared. The business case was approved by each Council’s Section 151 Officer and was independently reviewed and validated by CIPFA working in association with Proving Services based at the Cranfield Business School.
- 1.11 That business case based on the original proposition, forecast to return cumulative savings totalling £38m over a 10 year period in return for a proposed total investment of £10.1m over the same period with annual revenue savings of £5.7m after 5 years.

Table 1.3: Financial case for the overall programme (August 2015)

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

- 1.12 Consequently, the business case was agreed and approved by the four Councils in September/October 2015 along with a number of joint strategies including a Commissioning Strategy.
- 1.13 Subsequently the 2020 Joint Committee was established and became operational in February 2016 with a number of shared services being established from April 2016.

2. Introduction

- 2.1 This report considers the business case for the next phase of the development of the partnership taking into account the decisions taken and further work completed to date. This September update of the 2016 business case approved in June 2016 takes account of the financial implications as a result of the revised position of Cheltenham Borough Council.
- 2.2 The business case therefore focuses on updating the original financial assumptions based on;
- a proposed company structure,
 - considering the potential for additional shared services and trading,
 - the proposed new Commissioning Framework.
- 2.3 In addition, the business case is compared with the new baseline costs of continuing with shared services under a Joint Committee.
- 2.4 It is not considered necessary to do any further work on the broader outcomes against the Outcome Framework as sufficient work has been completed already to prove that both options (Joint Committee and company model) work sufficiently well to meet the required outcomes for partner Councils.
- 2.5 Any changes in outcomes required by Partner Councils can be considered as part of the commissioning and specification of services at the appropriate time in accordance with the new commissioning framework.

3. Partnership Benefits Delivered to Date

- 3.1 As the partnership continues to develop it is notable that some early benefits have already been developed. These include both non-cashable benefits in addition to the cashable savings set out in the business case and are summarised below.
- Cashable savings to date are on profile with savings already delivered in 2015/16 and 2016/17 of £2,306,000.
 - Improved knowledge sharing and learning.
 - Increased Resilience.
 - Technological improvements.
 - Smarter working.
 - Reduction in office space.
 - More consistent approach to HR, alignment of policies and procedures.

- Cost avoidance in procurement. E.g. Non cashable savings due to market presence of Ubico Ltd., valued at £900k for FoDDC achieved through the introduction of an enhanced service as part of the waste contract renegotiation.

4. New Commissioning Framework

- 4.1 The original high level Commissioning Strategy for the 2020 Vision Partnership approved in September/October 2015 builds on the recommendations of the Activist Report. This outline framework covers:
 - Commissioning Principles
 - Approach to Commissioning
 - Service Design Principles
 - Long Term Strategy & Framework Development
- 4.2 This strategy stated that if, in the future the partnership moves, as planned, to a Teckal company model rather than a Joint Committee the proposal would be to discuss the formation of a distinct shared commissioning function that in the longer term could take a more 'joined up' approach to commissioning to ensure that opportunities for collaboration are fully exploited.
- 4.3 Longer term the plan involved the development of a Commissioning Strategy covering commissioning arrangements across all partners. That strategy would include the design of a flexible commissioning framework which operates across all partnership organisations. The organisation of commissioning activity within the partnership would also require consideration and would be designed in accordance with the shared principles agreed by each Council.
- 4.4 Consequently a project to consider the options for creating a shared Commissioning Framework that could be operated across the partnership was completed.
- 4.5 It was recognised that given most partners' commitment to put all services (in due course) into a company structure, doing nothing is not an option. Equally, although a single shared commissioning support service could be created in theory, the differing approaches to commissioning across the partnership render this undeliverable in practice.
- 4.6 The recommended way ahead, therefore, is to:
 - Create a 3-way shared commissioning support team (Forest, Cotswold & West Oxfordshire) within a co-ordinating company.
 - Agree that, subject to the above, a shared commissioning support team can be augmented on a case-by-case basis by internal and external specialists, including CBC commissioners.

5. Further Shared Services

- 5.1 The shared services proposition is to deliver financial savings through the efficient management of more flexible skilled and resilient shared staff resources – while still delivering the agreed outcomes for each partner council and with no detriment to the customer. In terms of financial efficiency it is assumed that the greater the number of staff that are shared, the greater the potential financial benefits.
- 5.2 Since the establishment of GOSS and Ubico Ltd. in 2012, confidence has grown in the partnership's ability to generate financial efficiencies through shared services. As a result we are now in the position where most of the partner Councils will consider sharing all of their staffing resources.
- 5.3 Consequently the re-refresh of the business case re-confirms the earlier assumptions made about the level of sharing of staff resources whilst taking account of specific feedback from individual Councils about any specific limitations.
- 5.4 Following the Joint Committee meeting in June 2016 the business case has been further updated to reflect the anticipated position of Cheltenham Borough Council limiting their involvement in shared services to only ICT and GO Shared Services.

6. Commercialisation & Trading

- 6.1 CIPFA and Proving Services were engaged to consider the opportunities for commercial trading across the four Councils. For this high level process, a number of individuals across the councils were interviewed to assess their perspectives on the councils' options and abilities to move towards a more commercial approach. CIPFA & Proving Services also used their own expertise and experience to consider how to maximise any advantages identified, both in general and for specific services.
- 6.2 The interviewees recognised that staying still is not an option, but felt that the councils currently lack clarity on the direction services should pursue, including which areas will generate the best returns in respect of finance, performance and social value.

Opportunities for greater commercialism

- 6.3 The ability to enhance council services by trading outside traditional markets is limited in many cases and is also faced with local competition. There are opportunities but these are often small scale and should not be seen as 'quick wins' or generators of huge income. Starting commercial services on a small scale may however lead to larger gains and a stronger foothold in the market in the future. Therefore this option is worth further investigation.
- 6.4 Providing services to other councils may be an option worth pursuing for many services i.e. offering a better product than is currently the case, at a competitive price.

- 6.5 Some members have expressed an interest in moving into new markets where Local Authorities can be seen to have a role. These include things such as energy provision or supply (solar farms) or house building with a Council purchasing land and developing it itself for both commercial and social benefit. These rewards are possible and if a council decides to pursue this, further specialist skills and knowledge of these particular sectors is critical for success.
- 6.6 Regardless of external trading opportunities a more commercial focus on the Councils' services and costs is very likely to lead to higher efficiency savings for the partner Councils.

Commercial opportunities - staffing and skills

- 6.7 The move towards a more commercial outlook in services is recognised within the current council cultures. However, there is varying opinion as to whether all current staff have the skills and the mind set to make this a permanent and successful movement. There needs to be a focus on managing this change with a proactive programme which involves commercial skills training and commercial awareness.

What is already planned to build the foundations of a more commercial approach?

- 6.8 The councils are already focused on a number of areas which will build the foundations of a more commercial approach. These are:
- Undertake a fundamental review of the Councils' approach to employing, retaining and developing staff with a sharper focus on developing/acquiring the necessary commercial skills and approach.
 - Developing shared services and creating business relationships with partner Councils.
 - Investigating a company structure which optimises tax and pension positions and provides maximum flexibility to expand services in the future for the benefit of the partner councils and allows for expanding into new market opportunities should the right proposal be identified.

What more can be done to become more commercial?

- 6.9 The CIPFA report also recommended that the Partnership should consider developing:
- A much better understanding of cost-competitiveness compared with other providers, particularly for support services which impact not only on other support services but on all direct service provision be it a shared service or a retained service.
 - Further service redesign in support service areas.
 - Reviewing other partnerships- including joining existing partnerships in other councils- to determine further opportunities either to collaborate or take advantage of achieving better value for money.

Commercialisation conclusions

- 6.10 Whilst there are commercial opportunities available the business case takes a prudent approach to the initial benefits. As stated above more work would need to be done to prepare services to be more competitive and identify the most beneficial potential markets within which to compete. As part of the development of the partnership's People Strategy emphasis will be given to developing a more commercial approach.
- 6.11 However it is recognised that the optimum corporate company structure should be introduced to enable trading opportunities to be fully exploited. This is an important factor in determining not only the overall corporate structure but also the optimal way in which to group functions into one or more companies.
- 6.12 For example, based on the initial assessment of the available trading markets, it is possible to conclude that the current markets for generic ICT and financial support services are very mature and competitive. Therefore it is unlikely that the partnership would wish to compete in these markets.
- 6.13 In contrast however, the current market for local authority regulatory services is underdeveloped with very few suppliers. Therefore this is a market with greater opportunity for successful trading and may prove attractive to the partnership.
- 6.14 The availability of trading opportunities and the potential partners in any service delivery company are key factors in grouping and establishing the service companies.

7. Company Structure Framework

- 7.1 A technical report on the legal and tax implications of possible corporate structure formulations for the companies has been completed by Trowers & Hamblins and KPMG. Their advice is set out in their report (commercial in confidence) dated March 2016 and was presented to the Members of the Joint Committee in April 2016. Further advice was provided dated August 2016.
- 7.2 The key criteria for the 2020 partnership are to develop a company structure framework that delivers the flexibility to meet both current and future needs and can be implemented incrementally over time. Once such a framework has been agreed it will be for the partner Councils to determine which staff and services they wish to transfer into companies and when.
- 7.3 The preferred corporate formulation for the partnership has optimal features that;
- Allow new Local Authorities to join (or leave) tax efficiently;
 - Minimise the on-going tax liability of any entities to be established (by considering available reliefs);

- Allow other Local Authorities to ‘buy-in’ to the structure on a piecemeal basis, if desired, to participate in only some services rather than to take a share in the overall model;
 - Allow scope for trading and income generation from third parties in the future; and
 - Allow transfer of staff from the Local Authorities to companies.
- 7.4 To enable consideration of the appropriate company framework it is first necessary to consider the services, functions, and staff that Councils are prepared to transfer to a company in order to help define the purpose(s) for that company (or companies).
- 7.5 ***Current Retained Services – (Non-shared/Non-traded Services)***
- These retained services are currently provided by each Council’s directly employed staff, primarily for the sole benefit of a single Council and are not shared. These services could be provided discretely by autonomous divisions within the company model. For any statutory roles or non-delegable functions dual employment contracts would be required. Each Council may have a different view of which of their services can be readily accommodated within the proposed framework and may prefer to retain direct employment of these staff.
- 7.6 ***Shared Services – (Non-traded Services)***
- These are the services that are currently shared or could be shared across two or more of the partner Councils primarily for the benefit of the partner Councils but with the potential for some limited external trading. In terms of the company framework these services would be delivered to the founding Councils on a cost sharing basis and any external trading with third parties could be carried out within the 20% Teckal exemption.
- 7.7 ***Shared Services – (Traded Services)***
- These services would be provided primarily for external third parties with limited service provision for two or more of the partner Councils. In terms of the company framework these services would be delivered on a profit making basis and there would be no limit on external trading. These services would generate income and profit for the shareholding Councils.

Proposed Company Structure

- 7.8 The further legal and tax advice received from Trowers & Hamblins and KPMG in August 2016 has concluded that the most appropriate and tax efficient company structure would be the establishment of a number of companies limited by guarantee. Based on this advice a proposed company structure that best meets the requirements of the partnership and the criteria given in 7.3 above has been

determined. The framework is flexible and can be developed and implemented overtime as required.

- 7.9 It comprises the core building blocks of a Teckal Co-ordinating Company, Teckal Non-Traded Services Companies and potential for Traded Services Companies. This approach would allow the Councils to maximise employment within a company model, whilst managing and ring-fencing risk within different entities, with the flexibility for new partners to join as required.
- 7.10 The way companies are established and structured will be developed over time as the need arises and based on appropriate business cases as required. The framework provides a basis for these future decisions that will reduce potential risk duplication and cost.

Local Authority Companies and 'Teckal'

- 7.11 The partner Councils already have experience of both successfully establishing and operating Ubico Ltd. as a 'Teckal' company.
- 7.12 The Teckal exemption (named after the EU case that established the principle) provides for an exemption to EU procurement rules in certain circumstances.
- 7.13 The exemption applies where the Council(s) exercise a similar degree of control as they exercised over their own departments (this test is satisfied where the Council(s) has a controlling interest in the Company) and where the essential part of the Company's activities is performed for those controlling Councils.
- 7.14 In order that the Councils can rely on the Teckal exemption, the 'control' test (as explained above) will need to be satisfied. Each Council will have a shared ownership and votes, which will be set out in the companies' constitutional documents. The Councils as owners will have control over the Company through a governance structure of directors sitting on the Company Board, which will form the operational management and decision making body for the company.
- 7.15 A contract or service level agreement will be in place between each Council and the Company, setting out the required service specification and standards. The Company and its directors are not able to alter the service and standards set by the Council.

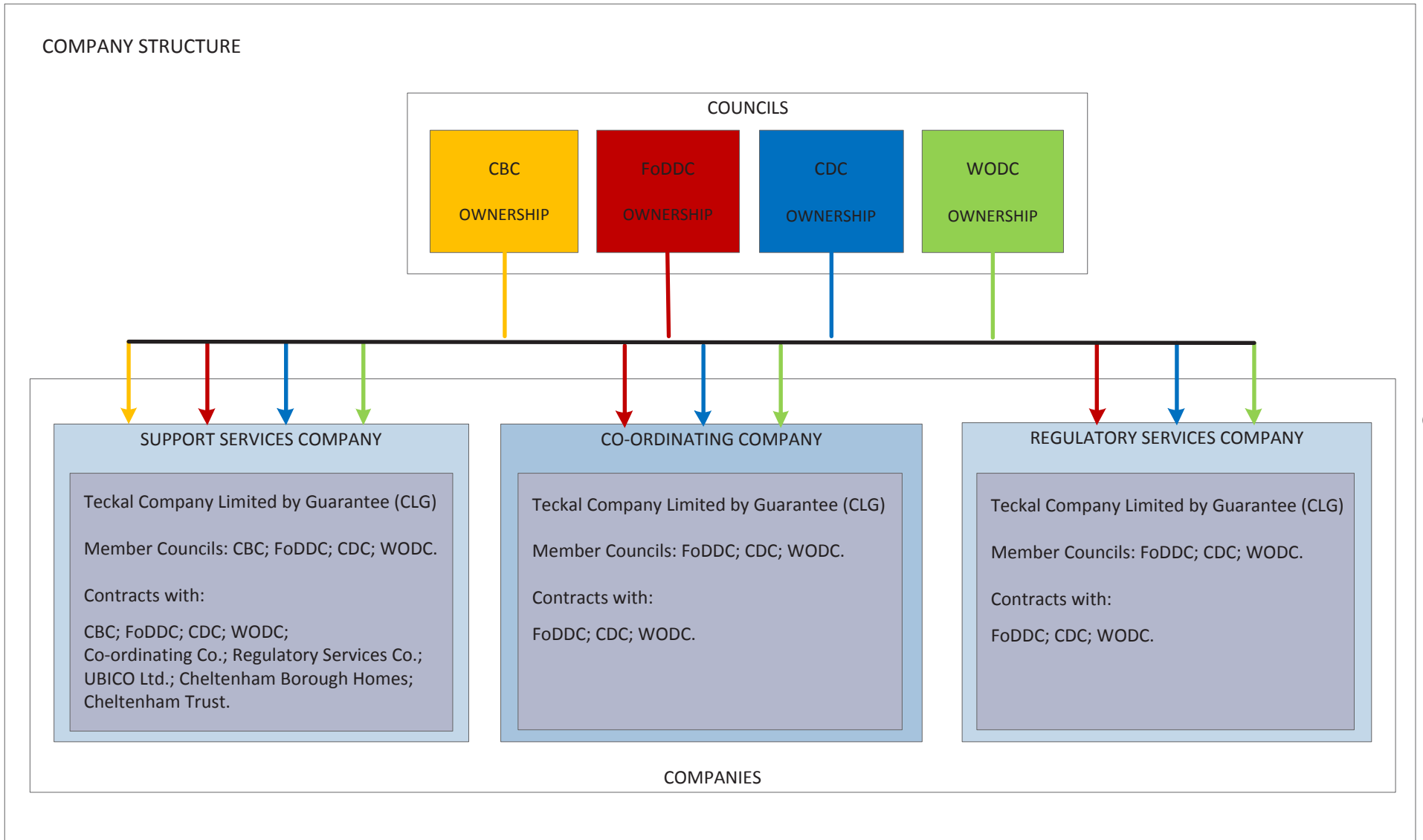
8. Proposed Initial Companies Set Up

- 8.1 In terms of the company structure's financial efficiency it is assumed that the greater the number of staff that are transferred into a company and the greater number of staff that are shared, the greater the potential financial benefits.
- 8.2 Consequently, the Partnership Managing Director proposed an initial company set up that groups services and staff based on the advice received and taking into account the new Commissioning Framework and the potential for

commercialisation. This initial company set up has been used as the basis for the refresh of the business case.

- 8.3 For the purposes of the updated business case the financial benefits have been modelled for the expected scenario described in paragraph 9.11 and illustrated in Figure 8.1.
- 8.4 The business case shows that based on the current shared services there is sufficient critical mass and benefits to enable the company structure to be adopted and the first companies established. However, it will be for each Council to determine the level of benefit they would wish to deliver by taking advantage of the company structure by becoming shareholders in the companies.
- 8.5 Once this company structure has been agreed more detailed work would be carried out as part of the implementation stage on establishing appropriate governance and management structures for the companies although it is expected that these would be largely based on the current partnership structures.

Figure 8.1: Companies Structure



9. Updated Business Case Page 68

- 9.1 As set out in the background to this report the “2020 Vision for Joint Working Business Case” approved in 2015 has been updated.
- 9.2 The 2015 business case based on the original proposition, forecast to return cumulative savings totalling £38m over a 10 year period with annual revenue savings of £5.7m in return for a proposed total investment of £10.1m over the same period.
- 9.3 In comparison the refreshed 2016 business case approved by the Joint Committee in June 2016 showed increased cumulative savings totalling between £40m and £41m over a 10 year period with annual revenue savings of between £5.95m and £6.2m after 5 years, depending on which Scenario is adopted, in return for a proposed total investment of £10.1m over the same period.
- 9.4 This update of the June 2016 business case reflects the financial implications as a result of the proposal by Cheltenham Borough Council to limit involvement to the single shared services company for GOSS and ICT services. This new scenario results in revised cumulative savings totalling £41m over a 10 year period with annual revenue savings of £5.57m after 5 years in return for a proposed total investment of £10.1m over the same period.

Finance update for refresh of the financial case

- 9.5 The financial business case has been updated for the following:
 - The salary baseline position has been moved to 2016/17;
 - Savings delivered in 2015/16 and 2016/17 have been incorporated;
 - Shared services have been reviewed to reflect current political views;
 - Savings assumptions have been reviewed to ensure they remain valid (i.e. any shared services savings already delivered are appropriately reflected in future targets);
 - Assumptions regarding pension exit valuations and crystallisation of liabilities have been discussed with actuarial specialists and are not considered to be a barrier to progress (see separate section below);
 - While the outcome of detailed actuarial modelling is still pending, the existing pension savings assumptions have been maintained. The only exception to this is that the level of savings for Cheltenham Borough Council have been reviewed in proportion to the reduced number of employees that may transfer to the company model;
 - The overall programme costs have been refreshed to reflect current anticipated costs. Some budgets, especially expert advice, are expected to exceed the current provision. However, the increased costs are expected to be funded through savings elsewhere in the programme budget and the overall cost envelop for the programme is expected to remain within £10.1m;

- The operational costs with the proposed company models have been reviewed and are still found to be in line with the previous business case. The share of costs has been updated to reflect the number of shareholders in each company;
- Initial VAT and Corporation Tax advice from KPMG has been reviewed; there are no VAT or Corporation Tax implications to include in the financial case at this stage.

Assumptions used with the business case

9.6 The following assumptions have been used within the business case:

- Shared service savings of between 0% - 15% have been applied to each service. The % saving varies according to the degree of sharing which is already taking place within the service;
- The costs and savings from the Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council shared Public Protection service remain in line with the business case for the shared service. The costs and savings will be updated once the project is complete;
- Savings already delivered reflect actual budget adjustments incorporated into 2015/16 and 2016/17 budgets;
- Employee savings from a more commercial approach have been incorporated at 3% of back office service budgets (although delivery of the savings should arise across all service areas) and 10% of development control budgets;
- An allowance has been made for employee salary increases of 5% reflecting additional responsibilities associated with joint working;
- An allowance of 3% has been made to reduce savings from holding vacant posts empty;
- Pension's savings assumptions are as per the previous business case with employee turnover of 10% assumed and employer contributions to a new stakeholder pension scheme of 5%. Some of the pension potential savings have been excluded from the business case to fund potential cost increases from the review of employee Terms and Conditions and the reward package.

- 9.7 The original business case included a programme cost of £8.7m. The update, in the autumn of 2015, indicated that the programme budget would need to increase to £10.1m. However, as there was great deal of uncertainty over provisions for redundancy costs and ICT costs, it was decided that the increased programme costs would be recognised as a risk by the (then) Member Governance Board and the Councils would not be asked to formally agree an increase in contributions to the programme at that point in time.
- 9.8 The programme budget assumptions have been reviewed with the Group Managers, Section 151 Officers, and the Programme Team and reflect the proposed limited involvement by Cheltenham Borough Council. The budget for external expert advice needs to be increased. However, at this point in time these costs can be met within the £10.1m programme cost.
- 9.9 The split of the partner council funding has been reviewed to take account of the expected involvement of each Council reflecting the proposed change by Cheltenham Borough Council. The cost of creating the companies has been reflected in the contributions for the respective councils.
- 9.10 Table 9.1 below shows the breakdown of programme costs.

Financial Benefits

- 9.11 The financial benefits have been updated for the expected scenario of the creation of a co-ordinating/commissioning company owned by CDC, FoDDC and WODC. A shared regulatory services company would also be created for these same shareholders with a view to trading the services being provided. A third shared-services company would be created to provide shared services to all four partner councils and limiting the involvement of Cheltenham Borough Council to ICT and GO Shared Services.
- 9.12 Table 9.2 below shows the expected financial position and the comparison between the original 2015 business case, the updated 2016 business case approved by the Joint Committee in June 2016, and the current anticipated financial implications based on Cheltenham Borough Council's anticipated decision to limit their involvement to ICT and GO Shared Services.
- 9.13 Table 9.3 below shows the split between savings deliverable under a Joint Committee arrangement and the additional savings deliverable under the companies' scenario.

Table 9.1: Programme cost breakdown

2020 Programme Costs									
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL	TCA Grant	Net Council Contribution to Programme
Expert Advice	130,000	102,000	521,000	20,000	0	0	773,000		
Programme Management / Project Support	98,000	865,000	775,000	1,017,000	724,000	310,000	3,789,000		
ICT	106,000	477,000	1,080,000	1,050,000	400,000	0	3,113,000		
Cost of Transformational Change	45,000	945,000	182,000	638,000	501,000	154,000	2,465,000		
	379,000	2,389,000	2,558,000	2,725,000	1,625,000	464,000	10,140,000	(3,800,000)	6,340,000
Cheltenham Borough Council	75,000	473,000	685,000	390,000	158,000	20,000	1,801,000	(950,000)	851,000
Forest of Dean District Council	122,000	671,000	691,000	778,000	489,000	148,000	2,899,000	(950,000)	1,949,000
West Oxfordshire District Council	96,000	568,000	591,000	778,000	489,000	148,000	2,670,000	(950,000)	1,720,000
Cotswold District Council	86,000	678,000	591,000	778,000	489,000	148,000	2,770,000	(950,000)	1,820,000
	379,000	2,390,000	2,558,000	2,724,000	1,625,000	464,000	10,140,000	(3,800,000)	6,340,000

Table 9.2: Savings coPage 72 ven business case revisions

	Business Case Aug 15 £m	Business Case June 16 Approved by Joint Committee £m	Business Case Sept 16 Revised for Cheltenham BC proposed involvement
Estimated Costs	10.14	10.14	10.14
Transformation Challenge Award Grant	3.8	3.8	3.8
Estimated Net Cost	6.34	6.34	6.341
Savings	5.743	5.953 – 6.195	5.571
Payback Period (gross costs)	1.8 years	1.6 – 1.7 years	1.8 years
Payback Period (net costs)	1.1 years	0.9 – 1 years	1.1 years

Table 9.3: Savings comparison - Joint Committee v Companies

	CBC £000	CDC £000	FofDDC £000	WODC £000	Total £000
Joint Committee					
Shared Services	200	844	747	1,100	2,891
Other Efficiency Savings	299	550	431	182	1,462
Total Joint Committee Savings	499	1,394	1,178	1,282	4,353
Company					
Pensions	0	250	240	210	700
Commercial Approach	91	282	201	245	819
Company Overhead	(25)	(92)	(92)	(92)	(301)
Total Company Savings	66	440	349	363	1,218
Total Savings	565	1,834	1,527	1,645	5,571

- 9.14 The financial savings reflect cashable savings to each authority. In addition to the cashable savings, the 2020 Partnership will also lead to savings from cost avoidance. This has already been demonstrated in the procurement of a revised waste and recycling collection contract at Forest of Dean District Council. The AON Hewitt report in May 2014 identified a potential doubling of future benefit contributions into the LGPS over the next 20 years. By moving employees into a company model, these cost increases will be mitigated for new joiners.

Pensions Benefits update

- 9.15 The pension assumptions within the approved business case for 2020 Joint Working were based on an actuarial report from AON Hewitt “2020 Vision Actuarial Advice to Support the Joint Working Team” dated 30 May 2014. These assumptions are based on the proposition that the Councils would create local authority owned companies that would enable new staff to be employed without access to the Local Government Pension Scheme with an alternative stakeholder pension provided.
- 9.16 This report estimated through AON Hewitt’s pension modelling that annual pension contribution rates could reduce by around £1.5m in 10 years’ time rising to £3.5 m in 20 years’ time.
- 9.17 The report also identified the risks of triggering an exit valuation by the pension body if a Council transferred all of their employees and a re-valuation of the fund. The business case assumed that exit valuation would be avoided and made an allowance for the cost of re-valuation.
- 9.18 AON Hewitt suggested a number of ways of avoiding triggering an exit valuation by either avoiding crystallisation of the pension deficit by continuing to employ one or more members in each Local Government Pension Scheme (LGPS), or applying for a Direction Order under Schedule 3 of the LGPS Regulations.
- 9.19 Since the original report discussions have been held with both the Gloucestershire and Oxfordshire pension providers to understand the implications of the company proposals. The feedback has been that provided each council continues to employ its statutory officers through dual employment contracts then an exit valuation will not be applicable and therefore a crystallisation of outstanding liabilities is unlikely to occur.
- 9.20 The actuaries are in the process of modelling the detailed financial implications of the move to the company model, therefore some level of risk remains. However, the risks highlighted in the AON Hewitt report are significantly reduced and are considered low and manageable.
- 9.21 The risks of triggering an exit valuation can be mitigated by ensuring that each Council continues to employ some members of the LGPS; these employees may have dual employment contracts with both the Council and the local authority owned company.

10. Next Steps

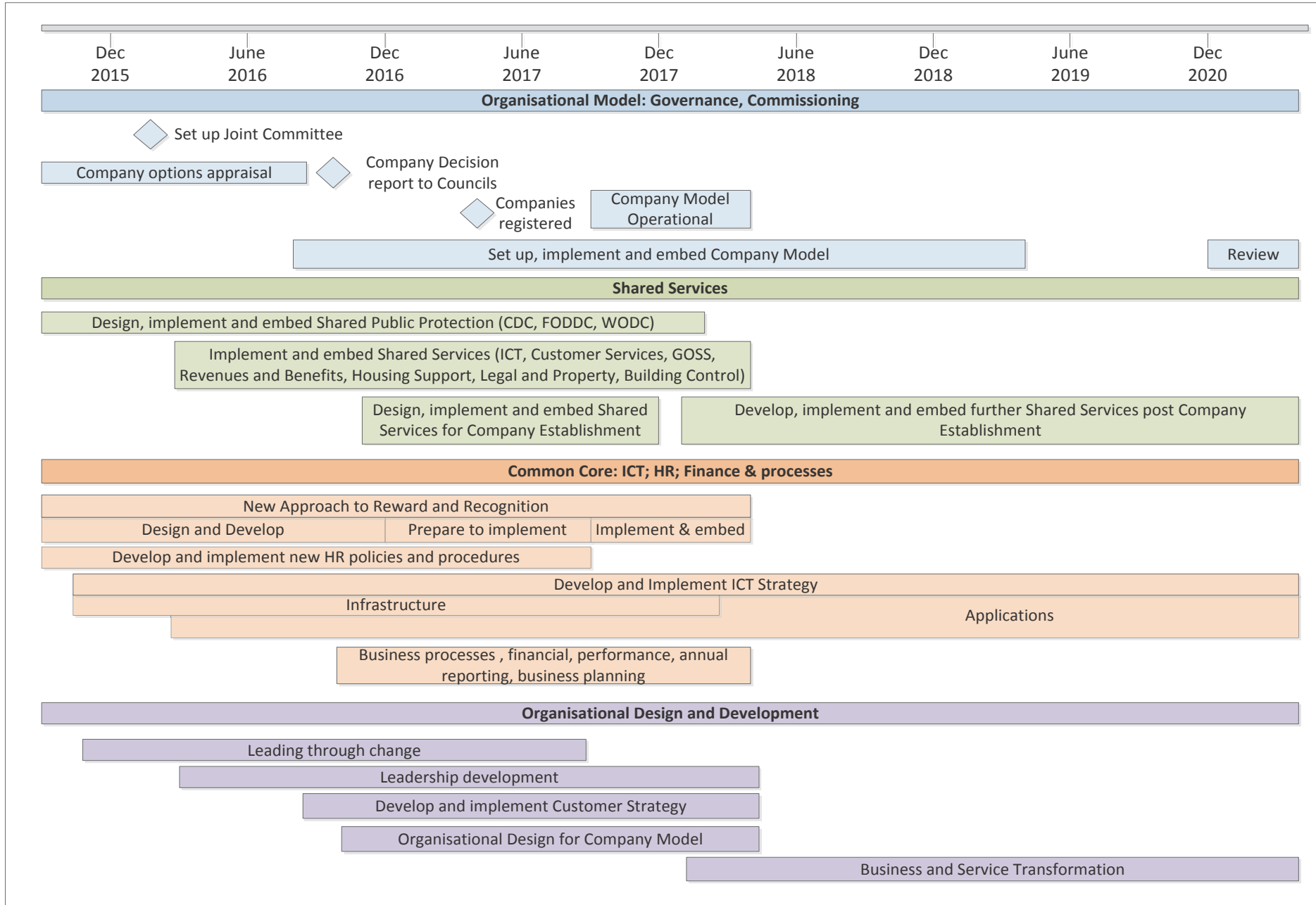
Timescales & Implementation

- 10.1 A detailed implementation plan for the establishment of the companies would be developed based on the feedback from each Council on the timing of transfer of services and staff into a company model.
- 10.2 Following approval of this business case to develop the next stage of the partnership, all of the actions necessary within the Programme to deliver the next stage of the partnership would be planned and agreed. These would include plans for the implementation of the new Commissioning Framework, the necessary governance and management structures for the Company, process redesign work, ICT and People Strategies.
- 10.3 The implementation would continue to use the current programme management approach and resources as set out in the programme plan and the revised business case.
- 10.4 The indicative timetable for implementing the 2020 Vision is provided in Figure 10.1 below. The approach to delivering the 2020 Vision is evolutionary and subject to a series of decision points. The plan will be regularly reviewed and updated as decisions are taken.

Engagement & Communication

- 10.5 A comprehensive communication and engagement plan will be produced to reflect the decisions made as a result of this report. It will cover staff, elected members, Trade Unions, staff representatives and all other major stakeholders, both internal and external.

Figure10.1: Indicative timetable for delivering Vision 2020



Future Development

- 10.6 Further work will be undertaken to design the future approach to Customer Services under the company model. This will need to take account of the new service delivery model whilst providing a seamless transition for customers. Customer contact will remain via existing channels and a local presence will be maintained to deal with local contact. The proposal would be to maximise the use of technology in allowing 24-hour self-service wherever possible. This 'channel- shift' will help to reduce customer demand and increase our capacity to resolve remaining face to face customer contact 'right first time'.
- 10.7 It will also be necessary to undertake work on branding and identity. Both to protect the identity of the Councils but also to establish an appropriate brand for the new companies.
- 10.8 There is great potential to improve the customer experience through the customer-focussed redesign of services. The re-design of services is also an essential component of the efficiency savings. Consequently a programme of targeted service redesign will be developed and resourced as part of the next phase development of the partnership.
- 10.9 Once the company structure has been finalised and agreed, work will be completed on the governance and management of the partnership. This will ensure that a strategic approach is taken to the delivery of each Council's objectives with clear accountabilities and responsibilities.
- 10.10 Work will also be undertaken to consider how property assets can be managed more effectively across the partnership with a view to developing a Property and Assets Action Plan to drive future property benefits.

Annex B - Company Structure and Governance Proposals**Leaders Statement**

We have a strong track record of over three years of being committed to working collaboratively in pursuit of our agreed shared vision as approved by all four councils in 2014:

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

In October 2014, we all agreed a further set of desired outcomes that would govern our work going forward. These are:

- **Financial** - respond to current and future pressure
- **Efficiency** - value for money
- **Resilience** – increase pool of expertise, add capacity
- **Impact** - better outcomes for our communities
- **Democracy** – champion local needs

As the partnership continues to develop there have already been some notable early benefits. Cashable savings to date are on profile with savings already delivered during 2015/16 and 2016/17 approaching £2.5 million. There have also been some significant non-cashable benefits including:

- **Improved knowledge sharing and learning**
- **Increased resilience**
- **More stable and improved technology**
- **Smarter working practices introduced**
- **Reduced office space resulting in some spaces being re-let**
- **More consistent approach to HR with policies and procedures aligned**
- **Future costs avoided**

During that time we have worked together under different governance arrangements and despite some differences in approach and views on how best to achieve the vision and outcomes we have proceeded through a process of engagement, open discussion and debate to find solutions that meet individual requirements.

Following expert legal, tax and pension advice we are proposing to establish a group of three local authority owned Companies Limited by Guarantee (Appendix A) which are Public Bodies. We believe that this structure provides the appropriate balance between, delivering a consistent approach across the “common core” organisational functions such as HR policy, Finance policy, Audit, ICT strategy and Customer Services Strategy; delivering the benefits of operating under a company model; and recognising the commercial trading opportunities and management of risks in the future.

Whilst we have developed a model that is designed to be flexible for the future, we are not planning for, or considering any circumstances at this moment in time that might result in changes to this structure. Neither can we predict what external factors or new opportunities might cause us to re-consider this in the future. Should something change in the future that might cause us to collectively consider changes to the company structures it will be necessary to go through a thorough process, building upon our trusting relationships between partners, prior to shareholders being asked to approve any such proposals.

It is expected that any such process would involve discussions with the Shareholder Representative Board who would be extensively briefed by the Board of Directors on the reasons for any proposed changes and the benefits (measured against the outcomes) of any such changes. As a fundamental principle no changes will be made that would be detrimental to one or more of the partners even if of benefit to

others. Furthermore, we will, as we have in **Page 78** continue to work collaboratively to seek the agreement of all of the Partner Councils.

The Partnership has a demonstrable track record of being open and transparent and will continue to do so. As Public Bodies, the Companies will be required to meet their legal transparency requirements (such as responding to Freedom of Information requests). We would further anticipate that as appropriate, the company will make relevant information available to member Councillors to assist them in undertaking their democratic roles.

Company Governance

It is proposed to initially establish “Teckal” Companies Limited by Guarantee.

It is proposed that the Leader of the Council (or their named Council nominated substitute) will be the shareholder representative for their Council responsible for taking shareholder decisions on behalf of their Council.

It is proposed that each Company is established with an equal shareholding and equal voting rights.

It is proposed that the matters reserved to Shareholders shown below is adopted for the new companies.

1	Permitting the registration of any additional Members of the Company.	By not less than 75%
2	Adopting or amending the Business Plan in respect of each Financial Year.	By not less than 75%
3	Forming any subsidiary or acquiring shares in any other company or participating in any partnership or joint venture (incorporated or not).	By not less than 75%
4	Amalgamating or merging with any other company or business undertaking.	By not less than 75%
5	Entering into any arrangement, contract or transaction with either a capital or revenue value over £500,000 which is not included in the current approved Business Plan.	By not less than 75%
6	Agreeing the appointment and the appointment terms (including any remuneration terms) of all directors of the Company other than Shareholder Appointed Non-Executive Directors.	By not less than 75%
7	Agreeing any remuneration terms for Shareholder Appointed Non-Executive Directors.	By not less than 75%
8	Increasing, reducing, sub-dividing, consolidating, re-denominating, cancelling, purchasing or redeeming any of the capital of, or allotting or issuing any share of the ownership or other securities in the capital of, the Company.	By not less than 75%
9	Altering any rights attaching to any class of ownership in the capital of the Company, or creating any option, warrant or any other right to acquire or subscribe for any share of ownership or other securities in the capital of the Company.	By not less than 75%

It is proposed that a Shareholders Representatives Board is established.

It is proposed that to be eligible to take up **Page 79** the Company, Councils contract to take significant services from the Company.

Board of Directors

It is proposed that candidates for the role of Non-Executive Directors are subject to a rigorous process to ensure that they meet the minimum levels of skills and experience required to undertake the roles

It is proposed that formal terms of Appointment for Non-Executive Directors be applied to the new companies and that candidates meet the minimum skills and experience levels.

It is proposed that each Shareholder will have the right to appoint a suitable Non-Executive Director of the company. This right can be exercised individually or collectively (i.e. two or more shareholders may agree to the appointment of the same Non-Executive Director).

It is proposed that all Shareholders jointly appoint a minimum of one independent Non-Executive Director to the company

It is proposed that the appointment of any Executive Directors of the company will be a reserved matter for Shareholder agreement.

It is proposed that initial appointments to the Companies at establishment will be from existing Council resources where possible.

It is expected that when a future vacancy occurs the appointment of the Executive Director(s) would be through open external competition

It is proposed that the Partnership Managing Director brings forward draft proposals for the number of directors to be appointed to the boards of the companies.

Commissioning Arrangements for FoDDC, CDC and WODC

It is proposed that the Shareholding Councils will commit to transfer all functions and services that can be delegated to be provided by that Company(ies).

It is proposed that the Statutory Officers will be either employed by the Council(s) and be seconded to the Company (ies) or employed by the Council(s) and Company (ies) under joint employment contracts.

It is proposed that the non-delegable decision making officers will be employed by the Council(s) and Company (ies) under joint employment contracts.

It is proposed to establish clear Standards of Behaviour, an Ethical Walls Policy and an Escalation Procedure to deal with potential conflicts of interest.

Contract duration

It is proposed that the initial contact durations are as follows;

- Co-ordinating Company – 10 years + opportunity to extend for 10 years
- Regulatory Services Company – 7 years + opportunity to extend for 7 years
- Support Services Company – 5 years + opportunity to extend for two further periods each of 4 years

Service Performance

It is proposed that the current service plans and service levels are used for the service specifications for the companies.

It is proposed to establish core service specifications and standards. Additional services and standards can be specified at additional cost.

It is proposed that Partnership Board meetings are held between the Companies and relevant Service Portfolio Holder(s).

It is proposed that each Council has the right to summon a Company Director (or an appropriate substitute) to account to Overview & Scrutiny Committee.

Advice, Decisions and Timescales

It is proposed that the external legal and tax advice already received is sufficient to enable the Councils to make the decision to establish the companies

It is proposed that any subsequent decisions necessary to implement the company model should be delegated to each Council's Head of Paid Service in consultation with the Leader of the Council, S151 Officer, Monitoring Officer and the Partnership Managing Director.

It is proposed that the company model is implemented without delay based on a majority decision.

It is proposed that commitment is given for the transfer of the agreed services to the companies by Autumn 2017.

Staffing Matters

It is expected that when the company(ies) are established they will agree to Trade Union recognition.

It is proposed that the company(ies) apply to be an admitted body of the appropriate local government pension schemes with a closed scheme for existing shareholder council employees and also to provide a stakeholder pension scheme for new employees.

It is proposed that the company (ies) will operate a total reward approach to reward and recognition for company employees

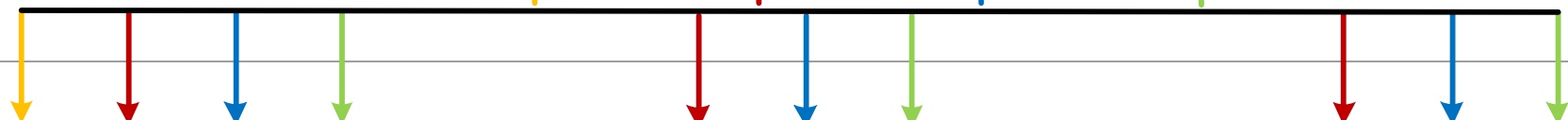
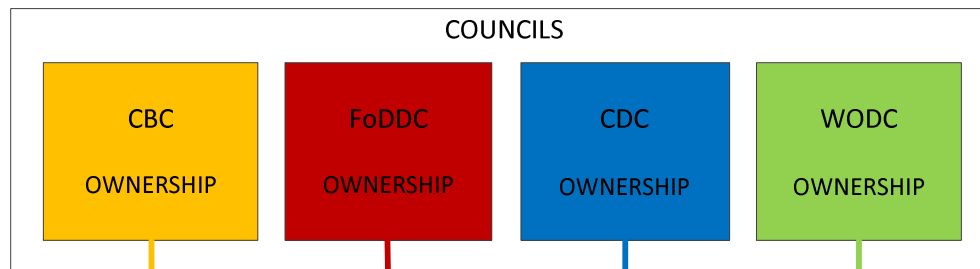
Exit arrangements

It is proposed that the principle of withdrawal with suitable notice at the cost of the exiting party is adopted.

It is proposed that the service contracts will specify the notice period to end a contract and any conditions.

It is proposed that the shareholders' agreement will specify the notice for any conditions concerning the withdrawal from the company and any disposal or handing back of shares.

COMPANY STRUCTURE



SUPPORT SERVICES COMPANY

Teckal Company Limited by Guarantee (CLG)
Member Councils: CBC; FoDDC; CDC; WODC.
Contracts with:
CBC; FoDDC; CDC; WODC;
Co-ordinating Co.; Regulatory Services Co.;
UBICO Ltd.; Cheltenham Borough Homes;
Cheltenham Trust.

CO-ORDINATING COMPANY

Teckal Company Limited by Guarantee (CLG)
Member Councils: FoDDC; CDC; WODC.
Contracts with:
FoDDC; CDC; WODC.

REGULATORY SERVICES COMPANY

Teckal Company Limited by Guarantee (CLG)
Member Councils: FoDDC; CDC; WODC.
Contracts with:
FoDDC; CDC; WODC.

COMPANIES

Cheltenham Borough Council
Overview and Scrutiny – 12 September 2016
Council – 17 October 2016
Annual Report on Overview and Scrutiny

Accountable member	Chair of Overview and Scrutiny Committee, Councillor Tim Harman
Accountable officers	Democratic Services Manager, Rosalind Reeves
Accountable scrutiny committee	Overview and Scrutiny Committee
Ward(s) affected	All indirectly
Significant Decision	No
Executive summary	<p>The Overview and Scrutiny Committee manages and coordinates scrutiny at the council, with scrutiny task groups carrying out the detailed work and reporting back to the main committee.</p> <p>Under these arrangements the Overview and Scrutiny Committee produce an annual report for Council and this is contained in appendix 2. This report sets out the achievements of scrutiny over the last 12 months and in particular highlights the outcomes of a range of scrutiny task groups.</p> <p>Scrutiny welcomes the opportunity for Council to debate this report and give its views on the success or otherwise of the scrutiny arrangements.</p>
Recommendations	<p>The Overview and Scrutiny Committee is asked to endorse the Annual Report of Overview and Scrutiny 2015-16 and forward it to Council to be noted.</p> <p>Council is asked to note the Annual Report of Overview and Scrutiny 2015-16.</p>

Financial implications	<p>There are no financial implications arising from this report.</p> <p>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>There are no legal implications arising from the recommendation within this report.</p> <p>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</p>

<p>HR implications (including learning and organisational development)</p>	<p>There are no direct HR implications arising from this report.</p> <p>Contact officer: Julie McCarthy, Julie.McCarthy@cheltenham.gov.uk 01242 26 4355</p>
<p>Key risks</p>	<p>The original risk assessment which accompanied the report to Council in December 2011 has been updated with an assessment of the current risks affecting the effectiveness of the O&S arrangements and is attached as Appendix 1.</p>
<p>Corporate and community plan Implications</p>	<p>An effective overview and scrutiny process can contribute to positive outcomes on any of the objectives in the Corporate Strategy.</p> <p>Increased public involvement in Overview and Scrutiny will support the corporate objective 'Our residents enjoy a strong sense of community and are involved in resolving local issues'.</p>
<p>Environmental and climate change implications</p>	<p>None</p>

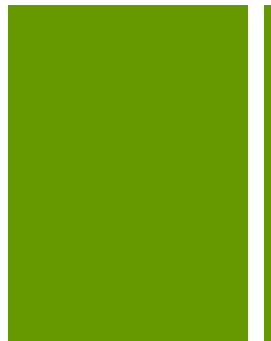
<p>Report author</p>	<p>Contact officer: Saira Malin, Democracy Officer, Saira.Malin@cheltenham.gov.uk, 01242 77 5153</p>
<p>Appendices</p>	<ol style="list-style-type: none"> 1. Risk Assessment 2. Annual Report
<p>Background information</p>	<p>Minutes of Overview and Scrutiny 12 September 2016 where the annual report was considered (not available until the 26 September 2016 at the latest)</p>

The risk				Original risk score (impact x likelihood)			Managing risk		
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-4	Likelihood 1-6	Score	Control	Action	Comments as at August 2016
	If O&S does not take an active role in the major change programmes it may lose its opportunity to influence the scrutiny arrangements in any new proposed ways of working	Chair of O&S	21/09/2015	3	3	9	Reduce	O&S to include scrutiny of change programmes in its workplan and ensure it is consulted on any future scrutiny arrangements	Member seminars have been held at appropriate times and the committee are due to undertake a Q&A on 2020 with the Cabinet Member Corporate Services in September 2016, before the business case for a Local Authority Company is considered by Cabinet and Council in October 2016.
	If any new arrangements are not supported by a change in culture across members and officers they may not be successful in delivering the outcomes required.	Rosalind Reeves	27/9/11	3	3	9	Reduce	Get members and officers buy in during the review by seeking their views and ideas. Seek advice on cultural change during the next phase.	There is now a much better understanding of the new scrutiny arrangements by officers and members who have been involved in scrutiny task groups and the relationship between Cabinet and scrutiny has been developed. Training was held for new members following the May 2016 elections and further Officer training will be organised in due course.
	If the council cannot dedicate resources to support the scrutiny process	Rosalind Reeves	1/12/11	3	2	6	Accept	Optimise the use of existing resources in the new arrangements	The importance of facilitation support from Democratic Services for scrutiny task groups has been highlighted by members as a success factor. Democratic Services resources are

	then the O&S process will not be fully effective.									limited so members will need to carefully prioritise all scrutiny task group reviews to ensure they make optimum use of the resources available. This was reinforced by the LGA peer review team in 2015 who suggested that the scrutiny work plan should focus on high priority areas given the limited resources available.
	If the task groups operate outside of the democratic process, then scrutiny could become disjointed and progress difficult to control and track.	Rosalind Reeves	1/12/11	3	2	6	Accept	Guidance to officers supporting task groups on keeping documentation and reporting back to Democratic services.		See note above. Task groups facilitated by officers outside democratic services have sometimes been less well documented and more difficult to track progress but officers have been encouraged to adopt standard procedures and good practice. This has been assisted by the production of a scrutiny guide available on the intranet.
	If members do not put themselves forward for task groups the workload could be unevenly shared across members and be a source of potential conflict or result in task groups not having the right skill mix.	Groups Leaders	1/12/11	3	3	9	Reduce	Utilise the skills audit Group Leaders to manage, monitor and encourage participation Task groups to maintain records of attendance		Members have been putting themselves forward for task groups but this still tends to be a similar set of members and in some cases the Members' Skills audit has been useful in identifying topics which individual members may be interested in or have specialist knowledge about. Still though, not all members respond and we need to understand why.
	If scrutiny does not have any dedicated budget it will be difficult to promote public involvement and	Council	1/12/11	2	3	6	Accept	Utilise relevant project budgets Consider allocating small budget to O&S as		Scrutiny does not have a dedicated budget but this has not been a significant issue to date. It could become more of an issue if O&S wanted to buy in some outside

	engagement							part of budget round	expertise at any point.
Explanatory notes Impact – an assessment of the impact if the risk occurs on a scale of 1-4 (4 being the greatest impact) Likelihood – how likely is it that the risk will occur on a scale of 1-6 (6 being most likely) Control - Either: Reduce / Accept / Transfer to 3rd party / Close									

Scrutiny Annual Report 2015 – 2016 (a summary of highlights)



Contents

- 1 Foreword from the Chair of O&S
- 2 Pat Pratley – Head of Paid Service
- 3 Scrutiny Structure
- 4 Scrutiny Task Groups 2015-16
- 5 Other scrutiny successes
- 6 Overview and Scrutiny– what’s next?
- 7 Contacts
- 8 Scrutiny Registration Form for new topics

1. Foreword**Chair of Overview and Scrutiny Committee:
Councillor Tim Harman**

I am pleased to present the Overview and Scrutiny annual report 2015-16.

The committee co-ordinates the Overview and Scrutiny function of the Council; which it does by maintaining an overview of performance and commissioning scrutiny task groups to carry out detailed work. It is also responsible for receiving call-ins of Cabinet decisions and determining how they should be dealt with, though there have been no call-ins in the last year.

Over the last year, the committee has taken a keen interest in engaging with external bodies and organisations on issues that are important to the Town and residents, including; meeting with the Police and Crime Commissioner, receiving a presentation from the Lido Trust, reviewing lessons learnt by Severn Trent following a programme of work carried out across the Town and discussing future plans for sites at Cheltenham and Gloucester with the Gloucestershire Hospitals Foundation Trust. The Railway Station and Cycling & Walking scrutiny task groups reported their findings to Cabinet in Autumn 2015 and work is ongoing by the Devolution and Broadband (joint scrutiny with Gloucester City Council) task groups, which will make recommendations in due course.

I would like to take this opportunity to thank, both, members of the committee and those that have taken part in scrutiny task groups, as well as officers, for their hard work and commitment throughout the last year.

Looking ahead, the committee will continue to focus on adding value to delivery of the Council's priorities and to shining a light on issues of concern to the Town and its residents, in the most effective and appropriate way it can.

2. Pat Pratley Head of Paid Service

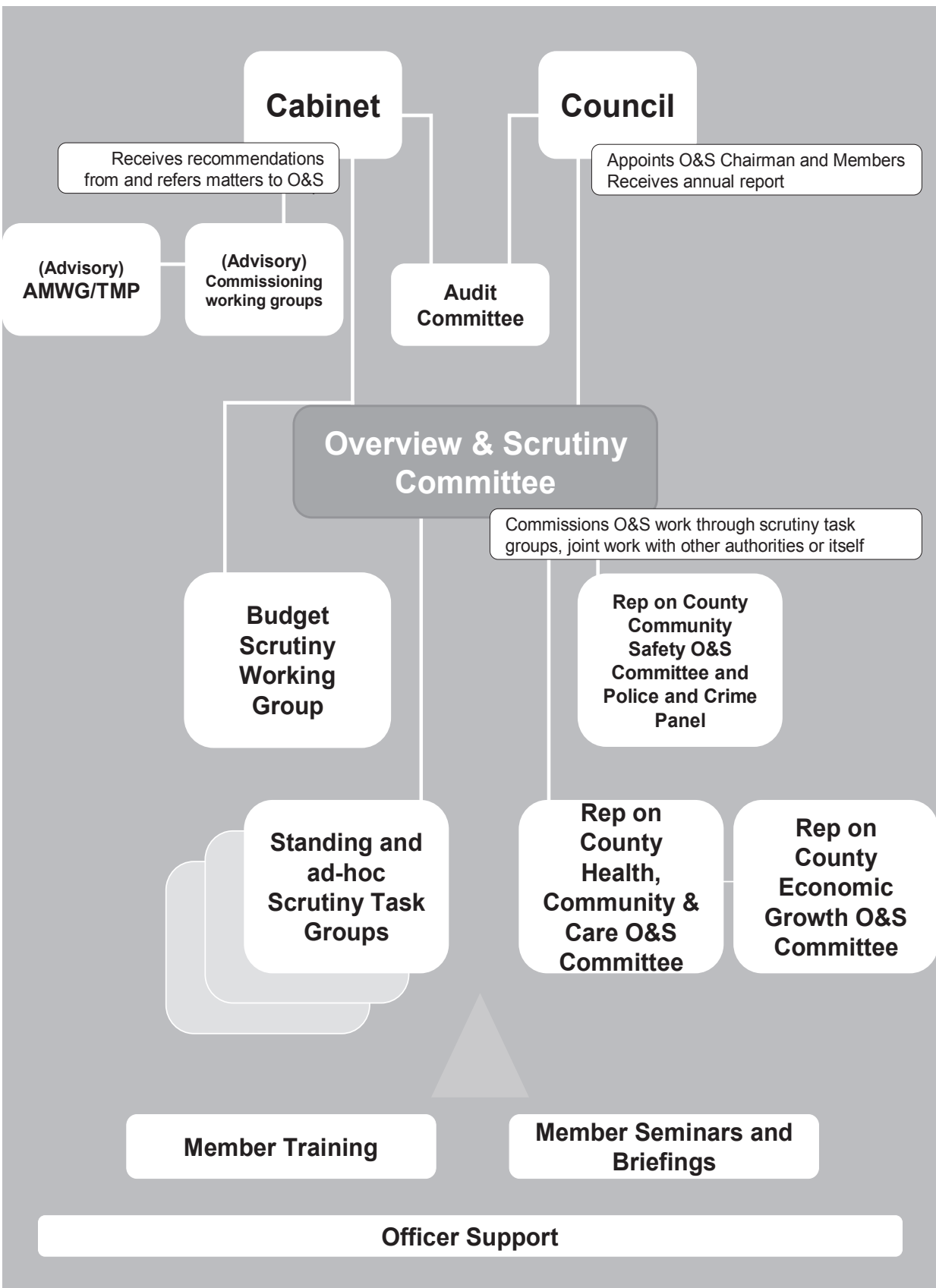


The overview and scrutiny committee has continued, through a number of scrutiny task groups, to fulfil its role in local democracy by holding the Cabinet, officers and the wider council to account. Members will be aware, as was mentioned in last year's introduction, that the council continues to go through a period of major change, organisationally, at the same time as, for example, responding to the outcome of the EU referendum and continuing to work with the other Gloucestershire authorities on proposals for devolution.

The financial pressures facing the council are no less demanding than last year and therefore the role that the budget scrutiny working group continues to play will be as important as ever. Furthermore, the implications for 100% retention of business rates and the fair funding review will have implications for the future shape of local government finance and service delivery for many years to come.

This year's report shows the breadth of the work undertaken by scrutiny and an active and keen interest to engage more widely with those who have a role to play in shaping Cheltenham as a place. The work with regard to broadband and the railway station are examples of members of scrutiny being actively engaged in things that matter to the economic prosperity of the town, as were the receipt of representations from Severn Trent and the Gloucestershire Hospitals Trust on their work and plans.

Looking forward the continued focus on improving the prosperity of Cheltenham as a place, economically, socially and culturally is going to be even more important. The challenge for scrutiny members, as was the case last year, is to ensure they actively participate, and through the scrutiny process continue to question, challenge and add value to the council's decision making processes during what is likely to be another period of change, challenge but also exciting opportunities.



4.0 Budget scrutiny working group

Chairman: Councillor Chris Nelson

The budget scrutiny working group forms a permanent part of the scrutiny arrangements at Cheltenham Borough Council. The rationale being that the budget is a complex area that cannot be scrutinised effectively as a one-off exercise. Members of this working group have built up their expertise and understanding of financial matters so that they can review the budget strategy, the bridging the gap programme and be in a position to respond to the budget proposals as well as scrutinising the business cases of major projects within the commissioning framework.

Chair of the working group, Councillor Chris Nelson said that "The Budget Scrutiny Working Group continues to do good work, examining key Council budgetary proposals and asking searching questions on a whole range of issues, including: our car parking strategy, or lack of one; long term investment to find new sources of income; energy supply; recycling budgetary under performance; capital works planning and associated delays; business rates; planning fees; new homes bonus; whether we should apply for a 4 year funding settlement; and much, much more. We have a good working relationship with officers and the working group plays an important part in the Council's financial programming."

The working group considered the budget proposals at their meeting in January 2016 and as a result made a number of recommendations to O&S which were forwarded to Cabinet. These recommendations covered their views on investment assets, the council tax freeze, pooled business rates and the use of the reserves to support the medium term financial strategy. They were all taken account of in the final budget proposals to Council in February and the Cabinet Member Finance thanked the group for their valuable input.

During the year the budget scrutiny working group have been responsive to urgent requests and have scrutinised the accommodation strategy in some detail and the financial aspects of the REST project before that went to Council. They have now been given an important action by Council to ensure that the financial benefits of the REST project are delivered.

The Director of Corporate Resources and Projects also commented that " this has been a very valuable process which has given members an opportunity to input into the development of the budget proposals and key initiatives which has added value to the process. The financial position remains very challenging and it is very both helpful and important to have a forum for deeper consideration of the issues facing the council and wider member influence over the strategy for dealing with it."

4.1 Cheltenham Spa Railway Station Scrutiny Task Group

Chair: Councillor Roger Whyborn

Task group members: Councillors Flo Clucas, Chris Mason, Dan Murch, John Payne and Max Wilkinson

Officer support: Jeremy Williamson (Cheltenham Development Task Force) and Saira Malin

Initiated in September 2014, the task group were asked to better understand the franchise renewal process. The group were also tasked with developing a wish-list of improvements to the station, transport links and rail service itself and establish if and how they were being progressed. In April 2015 the DfT extended the London train service franchise with the existing franchisee, First Great Western, by a period of three and a half years and therefore the task group did not undertake to understand the franchise renewal process further and instead focussed on the other objectives.

Having met with a variety of experts, including representatives from Network Rail, First Great Western and Stagecoach West; the group agreed a number of recommendations which were tabled with Cabinet in November 2015.

Cabinet have yet to formally respond to the recommendations of the task group but in June 2016 the Leader updated the Overview and Scrutiny Committee that;

- Collectively (ie via rail industry and Task Force) we now have secured all 5 separate funding streams
- GWR/Network Rail are progressing designs and programmes
- A positive meeting held on 27/05/16 between rail industry, CBC, Stagecoach, GCC, cycle lobby over some draft concepts, notably the forecourt changes – feedback from this will inform next iteration of proposals
- Unsure of a timeline as action/lead rests with rail industry but hope to have a revised design for wider consultation later this summer

4.2 Cycling and Walking Scrutiny Task Group

Chair: Councillor Max Wilkinson

Task group members: Councillors Tim Harman, Adam Lillywhite, Max Wilkinson and Suzanne Williams

Co-opted members: John Mallows (Cheltenham and Tewkesbury Cycling campaign), Bronwen Thornton (Walk21) and John Newbury (Living Streets)

Officer support: Rhonda Tauman, Wilf Tomaney and Tess Beck

Set up in September 2014 following the submission of a 'scrutiny topic registration form', the task group were tasked with identifying opportunities for improving provision for cycling and walking in Cheltenham and making recommendations which would facilitate these improvements.

The group met with a variety of officers from the borough and county, as well as seeking advice from experts and they even undertook a field trip to Bristol to see what could be achieved through implementing a cycling and walking strategy supported by a team of dedicated cycling officers at Bristol City Council.

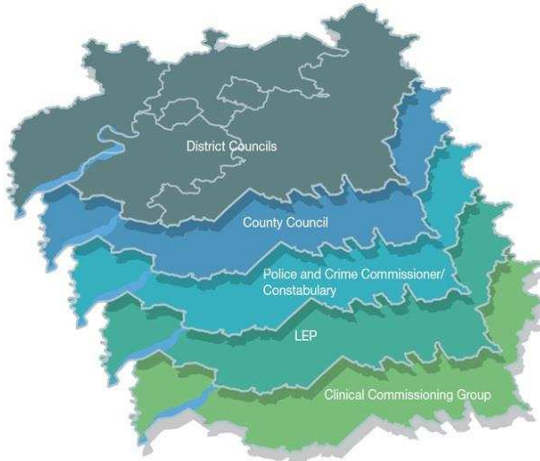
The task group devised a number of recommendations and tabled these with Cabinet in November 2015.

Cabinet provided a formal response to the recommendation, which it accepted in full in January 2016.

4.3 Devolution Scrutiny Task Group Chair: Councillor Chris Mason

Task group members: Councillors Flo Clucas (now Cabinet Member), Chris Mason, Tim Harman, Colin Hay, John Payne, Roger Whyborn (now Cabinet Member) and Parish Councillor Mike Palmer. Following the elections in May – Councillors Suzanne Williams and Paul McCloskey have joined the group

Officer support: Rosalind Reeves



The scrutiny task group devolution was set up following a suggestion by the Leader of the Council at the 21 September 2015 meeting of the Overview and Scrutiny Committee to identify the opportunities for Cheltenham that Members would want explored in any devolution arrangements for Gloucestershire. The group could also act as a sounding board for Members as the devolution bid develops and review any governance and scrutiny arrangements being proposed.

The group has met four times since last October. Their first meetings were concerned with getting up to speed on the bid that had been worked up over the summer and both the Leader and the Chief Executive were in attendance to answer any questions and give them the latest updates.

Overall the scrutiny task group were supportive of the initiative of working with our partners to explore the opportunities offered by devolution with the potential for more local decision making and local spending power. They were keen to engage as a critical friend and in particular assert what was good for Cheltenham in any negotiations taking place particularly with regard to local decision making on transport issues.

The task group last met in January 2016. On the 25 February Leadership Gloucestershire were advised of the Cotswold Unitary bid and then the government delayed any announcements on the Gloucestershire Bid in the Chancellor's budget statement in March. These events together with local election and referendum meant that work was put on hold for a while. The task group understand that devolution discussions are now underway again and the chair will call a meeting of the task group once there are any firm proposals for the group to discuss.

4.5 Broadband Scrutiny Task Group (joint with Gloucester City Council)

Chair: (formerly) Councillor Roger Whyborn

Task group members: Councillors Matt Babbage, Nigel Britter, Neil Hampson (Gloucester City Council), Gordon Taylor (Gloucester City Council) and Roger Whyborn

Officer support: Annette Wight and Rosalind Reeves

The task group met for the first time in October 2015, after the Overview and Scrutiny Committee set it up to undertake joint scrutiny with Gloucester City Council. Their terms of reference were as follows:

- To establish what areas in Cheltenham and Gloucester require improved broadband service
- To understand the reasons why this service has not already been improved in those areas
- To lobby the relevant organisations to see what can be done

Fastershire, who are tasked with improving broadband delivery to Gloucestershire and Herefordshire using government funding, were able to provide a map which identified problem areas in Cheltenham and Gloucester. The group then invited BT to their next meeting who gave a presentation and then answered their detailed questions. The group requested officer support in clarifying the responsibilities of Fastershire and BT for resolving some of the problem areas and to then report back to the task group.

Following the elections in May 2016, the Chairman of the task group was subsequently elected to the Cabinet. Scrutiny Members were invited to join the group and the vacancy was filled by Councillor Adam Lillywhite in June 2016. The county council advised in August that they could no longer provide officer resources to support the scrutiny task group and instead they would be reporting to the Gloucestershire Economic Growth O&S Committee. The former Chairman and Officers have drafted an interim report for the O&S committee to consider at their meeting in September which sets out a number of options on the way forward for addressing this important issue for Cheltenham.

Other scrutiny successes

5.0 Severn Trent

Representatives of Severn Trent were invited to present 'Lessons Learnt' to the committee following a 12 month programme of work across multiple locations throughout Cheltenham.

Members shared examples of some of the positive feedback that had been received from residents and businesses across the Town and congratulated Severn Trent on what members considered to have been a 'job very well done'.

5.1 Gloucestershire Hospitals NHS Foundation Trust

Members were pleased to be able to welcome Professor Clair Chilvers and Dr Sally Pearson, Chair and Vice-Chair of the Gloucestershire Hospitals NHS Foundation Trust.

Whilst responsibility for scrutiny of this body officially lies with the Health and Care Overview and Scrutiny Committee at County level, the Trust accepted an invitation to meet with the committee.

They provided a short presentation and answered member questions on the future plans for the estates at Cheltenham and Gloucester.

5.2 The Cheltenham Trust

Julie Finch, Chief Executive of the Cheltenham Trust gave a presentation which set out the Trusts aims and objectives and outlined some performance highlights from their first year of operation.

5.3 Overview and Scrutiny Training

8 new councillors were elected in the May 2016 borough elections and Overview and Scrutiny training formed part of the Induction Programme offered to new members.

Whilst only 1 of the newly elected members was appointed to the Overview and Scrutiny Committee, 9 members in total, including some existing members who simply wanted a better understanding of the scrutiny process, attended the training.

5.4 Q&A with Cabinet Members

The committee receives Cabinet briefings at each meeting; outlining anything Cabinet feel would be of particular interest to the Overview and Scrutiny Committee.

In addition to this, the committee recently invited the Cabinet Member Clean and Green Environment to a Q&A session on the recycling review.

Members felt that this was a really useful exercise and decided to undertake to do this on a more regular basis; inviting a Cabinet Member to a Q&A session on a particular topic.

6. Overview and Scrutiny – what's next?

- The September meeting of the committee will be held at St Vincent's and St Georges Association on Winchcombe Street. The committee will be given a tour of the facilities before the meeting and a presentation on disabled access in the Town will form part of the meeting.
- Cabinet Member Corporate Services has been invited to attend the September meeting of the committee and answer questions about 2020.
- A review of the prevalence of begging and rough sleeping in the Town centre has been initiated.

- Cheltenham Festivals have been invited to attend the October meeting of the committee to discuss current performance and future plans.
- The October meeting will focus on 'Place' with the committee reviewing the strategies (as they stand) for Tourism, Car Parking and Economic Development.
- Further Overview and Scrutiny training to develop officer's skills and understanding of the scrutiny process will be arranged for later in the year.
- We would welcome any suggestions or thoughts on how we can make the overview and scrutiny process better. Please contact one of the Democratic Services team.

7. Contacts

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SCRUTINY TOPIC REGISTRATION



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

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