



# CHELTENHAM

## BOROUGH COUNCIL

### Notice of a meeting of Cabinet

**Tuesday, 8 November 2016**  
**6.00 pm**  
**Pittville Room - Municipal Offices**

<b>Membership</b>	
<b>Councillors:</b>	Steve Jordan, Flo Clucas, Chris Coleman, Rowena Hay, Peter Jeffries, Andrew McKinlay and Roger Whyborn

### Agenda

	<b>SECTION 1 : PROCEDURAL MATTERS</b>	
<b>1.</b>	<b>APOLOGIES</b>	
<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>	
<b>3.</b>	<b>MINUTES OF THE LAST MEETING</b> Minutes of the meeting held on 11 October 2016.	(Pages 3 - 12)
<b>4.</b>	<b>PUBLIC AND MEMBER QUESTIONS AND PETITIONS</b> These must be received no later than 12 noon on the fourth working day before the date of the meeting	
	<b>SECTION 2 :THE COUNCIL</b> <i>There are no matters referred to the Cabinet by the Council on this occasion</i>	
	<b>SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE</b> <i>There are no matters referred to the Cabinet by the Overview and Scrutiny Committee on this occasion</i>	
	<b>SECTION 4 : OTHER COMMITTEES</b> <i>There are no matters referred to the Cabinet by other Committees on this occasion</i>	
	<b>SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS</b>	
<b>5.</b>	<b>TOWNSCAPE - CAPITAL AND LARGE SCALE WORKS PROGRAMME</b>	(Pages 13 - 20)

		Report of the Cabinet Member Development and Safety	
6.		<b>SOCIAL SUSTAINABILITY - A LOCAL APPROACH TO BUILDING NEW COMMUNITIES</b> Report of the Leader	(Pages 21 - 46)
7.		<b>BUDGET MONITORING REPORT TO 30 SEPTEMBER 2016</b> Report of the Cabinet Member Finance	(Pages 47 - 66)
8.		<b>HOUSING REVENUE ACCOUNT NEW BUILD- GARAGE SITE REDEVELOPMENTS AND THE USE OF RIGHT TO BUY RECEIPTS</b> Report of the Cabinet Member Housing	(Pages 67 - 132)
9.		<b>FUTURE PROVISION OF INTERNAL AUDIT SERVICES</b> Report of the Cabinet Member Corporate Services	(Pages 133 - 142)
10.		<b>TOURISM DEVELOPMENT PROJECT UPDATE</b> Report of the Leader	(Pages 143 - 156)
		<b>SECTION 6 : BRIEFING SESSION</b> • Leader and Cabinet Members	
11.		<b>BRIEFING FROM CABINET MEMBERS</b>	
		<b>SECTION 7 : DECISIONS OF CABINET MEMBERS</b> Member decisions taken since the last Cabinet meeting	
		<b>SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION</b>	

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### Cabinet

**Tuesday, 11th October, 2016**

**6.00 - 6.55 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Steve Jordan (Leader of the Council), Flo Clucas (Cabinet Member Healthy Lifestyles), Chris Coleman (Cabinet Member Clean and Green Environment), Rowena Hay (Cabinet Member Finance), Peter Jeffries (Cabinet Member Housing), Andrew McKinlay (Cabinet Member Development and Safety) and Roger Whyborn (Cabinet Member Corporate Services)

### Minutes

**1. APOLOGIES**

There were none.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest

**3. MINUTES OF THE LAST MEETING**

The minutes of the meeting held on 13 September 2016 were approved and signed as a correct record.

**4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS**

There were none.

**5. ADVICE & INCLUSION CONTRACT**

The Cabinet Member Housing introduced the report and explained that the council's Advice and Inclusion Contract with County Community Projects (CCP) expired on 31 March 2017. This therefore provided the council with an opportunity to review the outcomes and service specification to ensure that it was best placed to meet the needs of Cheltenham residents most affected by the ongoing changes being brought about by the welfare reforms, particularly with regard to the implementation of Universal Credit.

The new Advice and Inclusion Contract would seek to mitigate against the risk of households falling into debt, thereby preventing homelessness. The Cabinet Member emphasised that the contract was not a statutory requirement but it was intrinsically important to the council's housing and homelessness strategy overall. The key changes being proposed reflected the introduction of Universal Credit, as this will present significant changes to the way those on benefits would be able to claim their benefit and manage their financial affairs. The key outcomes identified included maximising incomes. The welfare reform timetable was attached as appendix 2 to the report and it was worth noting that there were still 2-3 years of changes. The Cabinet Member strongly believed that residents significantly benefited from the advice provided.

In concluding the Leader believed that the impact of the contract was considerable and reiterated the fact that this was a discretionary service that the council was providing in difficult financial circumstances.

**RESOLVED THAT**

- 1. The Advice and Inclusion Contract be retendered for a term of 3 years from April 1<sup>st</sup> 2017, with the option of extending the term for a further 2 years, subject to satisfactory performance and available finance.**
- 2. The Managing Director of Place and Economic Development be authorised, in consultation with Cabinet Member Housing, to award the contract to the successful tenderer, following evaluation of bids.**
- 3. the Managing Director of Place and Economic Development be authorised, in consultation with Cabinet Member Housing, to extend the contract for a further 2 years following the end of the first 3 years of the service contract, subject to satisfactory performance and available finance.**

**6. CHELTENHAM BOROUGH COUNCIL TRAVEL PLAN**

The Cabinet Member Corporate Services introduced the report which presented a Travel Plan for the Municipal Offices. He explained that it had been developed in discussion with the Joint Liaison Forum. The Staff Parking Levy reserve stood at £33k. It was intended to be used to encourage modal shift in favour of sustainable and active travel and to reduce the need to travel associated with the Council's operations, in order to reduce environmental impacts and encourage healthy lifestyles.

He explained that various initiatives were being explored highlighting the contract with Stagecoach to offer discount bus tickets to staff and over time reducing the need to travel by promoting home working and exploring the potential for staff to work some of the time at an office local to them.

The Leader welcomed the positive initiatives in the report and stated that via the Business Improvement District (BID) in which the Municipal Offices was located, staff would be offered a 20% discount on bus travel.

A question was raised as to whether electric cars and electric bikes had been considered. The Cabinet Member Corporate Services invited the Townscape Manager to address Cabinet. He explained that electric vehicle charging points had been installed in Town Centre East car park funded by the LSTF and the staff levy. This was available to the public outside of the normal working day. He emphasised that the list of initiatives was not exhaustive. The Cabinet Member Corporate Services highlighted his intention to investigate the car pool system and undertook to look into electric bicycles. One Member suggested that the council look into seeing whether there could be a requirement within planning permissions for new properties/developments to be equipped with electric car charging points.

The Townscape Manager undertook to look at the suggestions in more detail.

**RESOLVED THAT**

- 1. the Travel Plan at appendix 2 be approved as a statement of strategic intent up to September 2019; and the Action Plan appended to it as a series of projects to be investigated and implemented where appropriate; and**
- 2. authority be delegated to the Managing Director Place and Economic Development, in consultation with the Cabinet Member Corporate Services and the Joint Liaison Forum, to deliver the strategy and consider additional actions in support of the strategy where appropriate.**

**7. PLACE STRATEGY-SCOPING**

The Leader introduced the report and explained that the Place Strategy would deliver against the identified priority action of the Cheltenham Corporate Strategy (2016-17).

This was a new document picking up the economic issues which were important to the town and area and as identified in the Athey report. He gave the example of the identification within the JCS of an area in the West of Cheltenham to be developed as a Cyberzone which would be very important going forward.

Cabinet's approval was sought on asking officers to engage in consultation with key stakeholders and communities of the Borough to inform the preparation of the draft Place Strategy and supporting action plan to be considered by Council in March 2017.

**RESOLVED THAT**

- 1. the scope and purpose of the Place Strategy as set out at section 2 be agreed, and**
- 2. the officer team be actioned to engage with key stakeholders and communities of the Borough to inform the preparation of the draft Place Strategy and supporting Action plan, to be considered by Council March 2017.**

**8. CHELTENHAM DEVELOPMENT TASK FORCE BUSINESS PLAN**

The Cabinet Member Development and Safety introduced the report and explained how the Cheltenham Development Task Force Business Plan had been approved by the Task Force in July 2016. He referred to section 6 of the report which outlined the specific projects, targets and activities for the next three years which included :

- maintaining liaison and co-ordination with developers and active sites**
- concluding Brewery II**
- Beechwood Shopping Centre conversion to JLP store**

- **delivering a revised solution for North Place and Portland Street**
- **Royal Well/Municipal Offices**
- **Chapel Walk and Synagogue Lane**
- **Lower High Street**
- **St Marys**
- **Bath Square transformation project**
- **Transport changes**
- **Walking**
- **Car/highway projects**
- **Public realm works**
- **Taking a pro-active role with employers in the locality including cyber/innovation hub potential**
- **Future ambitions to include Tewkesbury Road and the Quadrangle**

The Cabinet Member highlighted that the business plan encompassed a great amount of the economic drive in the town at this time with every major scheme being included in the list. A whole range of people were brought together via the Task Force such as the County Council and the Local Economic Partnership. He made reference to the appendix which provided a list of actions and outputs achieved over the last six years and as a result of which economic investment in Cheltenham amounted to more than £200 million.

Members welcomed the business plan. A Member commented that the CDTF, whilst independent, should talk about its achievements in its own right.

The Leader praised the work of the CDTF saying that its key components collectively represented contributions to the economy of the town. Its work related to the draft Place Strategy which had been considered earlier on in the agenda. He said that the CDTF had an important role going forward and it must continue to ensure that it appointed people who were leading in each area.

#### **RESOLVED THAT**

- 1. the Task Force Business Plan 2016-2019 be endorsed, and**
- 2. it be noted that a review of governance and direction of the Task Force has been initiated by the MD Place & Economic Development and that a report on that review be received later in 2016 and the Task Force Business Plan be updated as necessary**

#### **9. 2020 PARTNERSHIP LOCAL AUTHORITY COMPANY**

The Cabinet Member Corporate Services introduced the report and reminded Members that in October 2015 Council approved the creation of the 2020 Partnership Joint Committee, the delegation of GO Shared Service and ICT from the date of its creation and, following Cabinet decisions on 9 February, the

subsequent delegation to the joint committee, of revenues, benefits and customer services. In October 2015 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. Along with other partner councils CBC requested a further report during 2016 on the business case for a local authority company. A company structure and governance proposals was approved by the joint committee on 30 September 2016 which included proposals for CBC to become a member of a support services company from which it would receive GOSS and ICT.

Cabinet had reviewed the position regarding the inclusion of revenues, benefits and customer services and had determined to withdraw those services and to return them to the direct management of CBC rather than commit them to the company.

The Cabinet Member stated that Cheltenham Borough Council had positive experience with shared services. It was now a question of tailoring an all embracing project in its initial concept to something what would be appropriate for Cheltenham. Transferring the existing partly shared services to a company would provide resilience and the Cabinet Member gave the example of the positive experience with UBICO.

The following comments were made by Members :

- Austerity had driven the council to pursue shared services. However it was important to protect those front line services which Cheltenham were providing uniquely.
- There was a fear among some Members that as the partnership model moved towards a company model openness and transparency could be compromised. Decision-making would move further away from each authority and therefore individual Members. It was essential for Members to be able to scrutinise decisions of the company and that they had all the necessary and relevant information available to them in order that they could uphold their duty to residents.
- The decision to keep customer services and revenues and benefits in house should be kept under strict review but it provided CBC with the opportunity to shape these front facing services with a different view in conjunction with other partners. There was a strong belief among some Members that keeping these services in house was in the very best interests of the council and its residents.
- A Member made particular reference to the £159k savings target identified in the Medium Term Financial strategy from including customer services and revenues and benefits in the proposals. He highlighted that CBC's current collection rate was 98 % compared to the national average of 97% and questioned whether this rate could be maintained within a company model. Based on £45 million received by the council a year, a 1% decrease represented £450k which in his view illustrated the scale of the risk of potential loss. He strongly believed that it was in the best interests of Cheltenham to keep those services in house as it provided the council with more flexibility compared to other potential joint arrangements. It also protected the unique provision of service in Cheltenham compared to other rural authorities within the joint partnership.

The Leader emphasised that the driver for pursuing joint arrangements was to ensure that services in Cheltenham were not cut which was particularly challenging faced with the dramatic reduction in Government funding over recent years. He highlighted CBC's conscious ability to provide discretionary

services and gave the example of the new advice contract which Cabinet had approved earlier on the agenda. It was vital that the company was transparent and accessible to all members on a cross party basis. Scrutiny of the company was important and how the company was operating should be kept under constant review.

The Cabinet Member Corporate Services reiterated that the rationale behind withdrawing revenues and benefits and customer services from the company model was in order to have "local services locally managed". He recognised the role of scrutiny which had been built into the model.

**RESOLVED THAT**

- 1. the updated 2020 Partnership Business Case at Appendix 2 be approved in so far as it relates to Cheltenham Borough Council for the delivery of GOSS and ICT functions.**
- 2. 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 be approved.**
- 3. it be agreed that this authority's revenues (including council tax), benefits and customer services be withdrawn from the 2020 Partnership Joint Committee with effect from 14 November 2016.**
- 4. the Head of Paid Service be authorised, 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. the Democratic Services Manager, in consultation with the Borough Solicitor, be authorised to make such changes to the Constitution as are necessary to reflect and facilitate the implementation of the recommendations in this report.**

**10. BUDGET STRATEGY AND PROCESS 2017/18**



The Cabinet Member Finance, introduced the report on the budget process, which proposed a broad strategy and outlined a process for setting the budget and council tax for 2017/18.

She referred to the fact that between 2009 and the present Government core funding had been reduced from £8.8 million to £3.1 million a year. The proposed settlement for 17/18 was indicating a further reduction of 17.5 % or £0.677 million in cash terms. She explained that radical changes in the way services were organised had already been embraced to cope with these reductions. 2017/18 thus represented a further challenge.

The Cabinet Member explained that in February the Government had announced proposals for councils including retaining 100% business rates, permission to spend capital receipts on cost saving reforms, increasing council tax and the offer of a guaranteed 4 year budget. Details were awaited however as to how the 100% business rates would be divided up, or the full implications of the proposed changes to New Homes Bonus.

She informed that the new budget strategy focussed on two major areas of work :

- Driving business growth in order to increase the income received from business rates. The Government's decision to allow councils to retain a share of the business rates they collect has given the council a direct financial interest in promoting business growth and development. The Cabinet Member explained that the longer term approach to finding growth and efficiencies to close the funding gap was fundamentally through economic growth and investment. She informed Members that a report would be brought to Council in December to consider approving a substantial sum for the purchase of a property investment portfolio in December 2016. In addition, resources would be geared towards supporting and delivering the growth agenda including major developments in North West and West Cheltenham. She explained that promoting economic growth was a key function of the Cheltenham Development Taskforce, and she gave the example of the Brewery development and proposed new John Lewis store at the Beechwood Arcade. She added that working with the business community, local employers and other public bodies in the town, the focus should be on encouraging the growth of existing businesses and the establishment of new ones. This would not only support the council's finances but, even more importantly, jobs and career opportunities in the town.
- Closing the financial gap as set out in the Medium Term Financial Strategy (MTFS) (Appendix 3 of the report) which includes savings targets, the accommodation strategy, sharing management and staff costs, asset rationalisation which includes the depot, future waste initiatives and savings targets for commissioning reviews.

The Cabinet Member concluded by saying that Cabinet would ensure that Government funding cuts did not feed through into big council tax increases and rises in charges. It represented a huge challenge, but was one to be embraced if Cheltenham was to be a town with good services and a strong economy.

The Leader recognised the significant amount of work which had been involved in developing the MTFS and paid tribute to all involved.

**RESOLVED THAT**

- 1. the budget setting timetable at Appendix 2 be approved.**
- 2. the budget strategy and MTFS outlined in section 5 and Appendix 3 be approved.**
- 3. the reserve realignments outlined in section 8 and the level of reserves projected at Appendix 4 be approved.**
- 4. the expected cut in government baseline funding of £677k for 2017/18, the estimated funding gap of £1.721m and the large amount of work done so far to close this gap be noted.**
- 5. the Section 151 Officer be authorised to submit a Four Year Efficiency Plan to the DCLG using the approved MTFS as the basis for that submission as outlined in section 6.**
- 6. the intention for this Council to remain in the Gloucestershire Business Rates Pool in 2017/18 as outlined in section 7 be noted.**
- 7. the Section 151 Officer and the Cabinet Member for Finance be requested to consider suggestions from the Budget Scrutiny Working Group in preparing the interim budget proposals for 2017/18 as outlined in section 9.**

**11. BRIEFING FROM CABINET MEMBERS**

The Cabinet Member Healthy Lifestyles reported the following :

- the Heads Up campaign had been recently launched. The focus was on removing the stigma of mental illness and to provide those suffering from mental illness with the opportunity to make friends, talk and combat isolation. 60 organisations had attended the launch comprising partnerships and the voluntary and community sector.
- Interviews for the writer of the Public Art Strategy had taken place that morning
- the Culture Board had now met. Each organisation would be submitting their own ideas regarding place marking. The purpose was to come together to mutually support what was common among the relevant parties.
- She had met with the Strategy and Engagement Manager and the Director Resources to discuss the potential for the Trust in terms of capital investment.

The Leader informed that a press briefing would be issued the following week with regard to the domestic homicide review.

The Leader also informed Members that there was likely to be a special Cabinet meeting convened shortly on a property matter.

**12. CABINET MEMBER DECISIONS TAKEN SINCE THE LAST MEETING**

The following decisions were reported to Cabinet :

<b>Cabinet Member Finance</b>	Disposal of 455 High Street
<b>Cabinet Member Housing</b>	Joint Commissioning of a County-wide Assertive Outreach Service
<b>Cabinet Member Housing</b>	Older people's housing related support service provision under Cheltenham Borough Homes

**Chairman**



**Cheltenham Borough Council  
Cabinet – 8<sup>th</sup> November 2016**

**Townscape – Capital and Large Scale Works Programme**

<b>Accountable member</b>	<b>Andrew McKinlay – Cabinet Member Development and Safety</b>
<b>Accountable officer</b>	<b>Wilf Tomaney- Townscape Manager</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>Yes</b>
<b>Executive summary</b>	The purpose of this report is to present to Cabinet the programme of capital and large scale works for functions which are the responsibility of the Townscape team. These cover public realm, flood alleviation and public art. The purpose of the report is to clarify the programme and regularise authority for all areas of the programme. Capital sums have been previously approved and allocated for this use at budget setting.
<b>Recommendations</b>	<b>1. Cabinet approve for implementation the programme of Townscape work at Appendix 2.</b>

<b>Financial implications</b>	The budgets outlined in the appendix to the report have been approved through the budget setting process. Other financial implications are noted throughout the body of the report.  <b>Contact officer: Nina Philippidis, nina.philippidis@cheltenham.gov.uk, 01242 264121</b>
<b>Legal implications</b>	When implementing individual elements of the programme, officers will need to comply with the contract rules and financial rules as appropriate.  <b>Contact officer: Peter Lewis, <a href="mailto:peter.lewis@tewkesbury.gov.uk">peter.lewis@tewkesbury.gov.uk</a> , 01684 272012</b>
<b>HR implications (including learning and organisational development)</b>	None as a direct result of the content of this report. However, officers need to ensure that they have capacity/resource to complete the projects/planned works.  <b>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355</b>
<b>Key risks</b>	<b>See Appendix 1</b>

<p><b>Corporate and community plan Implications</b></p>	<p>The projects identified meet the following corporate objectives</p> <ol style="list-style-type: none"> <li>1. Cheltenham’s environmental quality and heritage is protected, maintained and enhanced</li> <li>2. Sustain and grow Cheltenham’s economic and cultural vitality</li> <li>3. People live in strong, safe and healthy communities</li> </ol>
<p><b>Environmental and climate change implications</b></p>	<p>Public realm and flood relief projects will have positive impacts – managing the increased flood events which might result from climate change; introducing planting which will positively contribute to carbon capture; creating pleasant streets, spaces and conditions which encourage active travel.</p>
<p><b>Property/Asset Implications</b></p>	<p>The proposals will have very little impact on assets managed by property services. However consideration does need to be given to maintenance funding of existing and any new street furniture within the public realm.</p> <p><b>Contact officer: David Roberts@cheltenham.gov.uk</b></p>

## 1. Background

- 1.1** The Townscape Team is responsible for the design and implementation of projects which create attractive streets and spaces in the town; the provision of public art; and the implementation of flood management projects. Often these are in partnership with the County Council (GCC), the Environment Agency, community groups or other organisations.
- 1.2** Funding for these various projects come from a variety of sources including
- the Borough Council’s capital and revenue budgets
  - contributions through Section 106 agreements
  - contributions from other bodies
  - grant funding and
  - others.
- Community Infrastructure Levy is a likely additional funding source in the future.
- 1.3** In some cases where externally funded projects meet the council corporate priorities and the team acts purely as an “in-kind” project management resource in order to secure delivery. Projects delivering the Flood Relief Management Plan are a good example – any Borough funding is generally used to assist in project development and is often reclaimed against external funding. As the work progresses to implementation the Borough’s contribution is generally project management “in-kind”. However the project will be commissioned through the council’s contract rules and the funding managed by the Borough.
- 1.4** Often, CBC funding will be used to draw-down other organisations’ funding. Within the broader profiled budget head, it will be used flexibly to attract funding from other bodies. CAP205 (High Street Public Realm Improvements) is an example. Here the existence of CBC’s funding has both encouraged private investors and focussed GCC investment in three High Street locations, with little expenditure by CBC itself; leaving the Borough’s funding available for investment in other High Street areas – generally as part of partnership funding. Appendix 2 shows the anticipated spending profile for CAP205 as currently anticipated, but external funding opportunities may emerge that enable an alternative distribution of funding which is more beneficial in terms of meeting regeneration objectives. In such cases, a virement may be required. Any changes are, of course, subject to the Council’s Financial Rules.

- 1.5 The Planning Division is currently exploring a number of funding bid opportunities in order to source additional funds to support and enhance a number of other projects. These opportunities may lead to new projects or adaptations of existing projects – a number are related to the High Street project.
- 1.6 An emerging project area is a Public Art project themed around Women in Cheltenham; here, some funding is likely to come from existing Public Art budgets or the implementation of agreements and conditions related to planning consents. Again, any shifts in spending profile will be subject to the Council's Financial Rules.
- 1.7 Because of the many ways in which the Townscape team's projects develop and are funded, it was considered that this summary report, outlining all significant and capital projects would be helpful to understand the extent of projects and how these are managed by the team.
- 1.8 The purpose of this report is to review Appendix 2 – Townscape Capital and Major Projects and agree it for implementation.

## **2. Reasons for recommendations**

- 2.1 To gain Cabinet agreement to the proposed scheme of works.

## **3. Alternative options considered**

- 3.1 None for this report. Individual projects are normally subject to options appraisal.

## **4. Consultation and feedback**

- 4.1 None for this report. Consultation with takes place with relevant portfolio-holder. Individual projects are normally subject to consultation with communities and partners using a range of techniques; often partners will undertake their own consultation; some work requires planning permission and is subject to an appropriate consultation. Schemes will normally be subject to an equality impact assessment. In addition,

- Highway works are often subject to Traffic Regulation Orders – undertaken by GCC.
- Flood management projects are subject to annual scrutiny by Overview and Scrutiny Committee.
- Public Art projects are considered by the Public Art Panel.

## **5. Performance management –monitoring and review**

- 5.1 Monitoring of expenditure is via the appropriate budgets and balances in the council's financial management system (Agresso) and is reported to Cabinet quarterly through the council's budget monitoring report. Planning derived funds and expenditure details are additionally monitored separately by the planning team. Cheltenham Development Task Force (CDTF) sponsored projects are monitored through reports to the CDTF Board and its Business Plan. Public art is monitored by Public Art Panel, which receives a report at each meeting; there is a regular summary published in the Member Briefing note.
- 5.2 The works programme will be subject to a regular review in consultation with the Cabinet Member Development and Safety and Cabinet Member Healthy Lifestyles. Occasionally, shifting priorities and emerging external funding opportunities will require, or enable, a shift in the anticipated spending focus; changes will be subject to the Council's Financial Regulations.

<p><b>Report author</b></p>	<p><b>Contact officer: Wilf Tomaney, wilf.tomaney@cheltenham.gov.uk, 01242 264145</b></p>
<p><b>Appendices</b></p>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Townscape Team – Capital and Major Projects</li> </ol>
<p><b>Background information</b></p>	<ol style="list-style-type: none"> <li>1. CBC Financial Rules  <a href="https://democracy.cheltenham.gov.uk/documents/s19220/PART%204H%20Financial%20Rules.pdf">https://democracy.cheltenham.gov.uk/documents/s19220/PART%204H%20Financial%20Rules.pdf</a> </li> <li>2. CBC Contract Rules  <a href="https://democracy.cheltenham.gov.uk/documents/s19122/PART%204I%20Contract%20Rules.pdf">https://democracy.cheltenham.gov.uk/documents/s19122/PART%204I%20Contract%20Rules.pdf</a> </li> </ol>



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 equality impact assessment are not undertaken on public realm schemes, then the Council may be vulnerable to challenge	Wilf Tomaney	Oct 2016	5	2	10	Reduce	Undertake equality impact assessment on appropriate schemes. Engage with Access Forum	March 2018	WT	
	If S106 derived funds are not utilised within the time limit, they may be returned to the relevant developer	Wilf Tomaney	Oct 2016	3	1	3	Reduce	Approve programme of works and implement within time scale	March 2018	WT	
	If S106 returned to developer, there is a risk to the good reputation of the council	Wilf Tomaney	Oct 2016	2	1	2	Reduce	Approve programme of works and implement within time scale	March 2018	WT	
	If staff contracts are not addressed within the Planning Division, then there will be insufficient suitable staff resource available to deliver the Townscape project programme to quality or to timetable.	Tm Atkins	Oct 2016	5	3	15	Reduce	Review current staffing arrangements within the Planning Division as part of the review of the Townscape Team	Dec 2016	TA	05/10/2016
<p><b>Explanatory notes</b></p> <p><b>Impact</b> – 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><b>Likelihood</b> – 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><b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

## Townscape Team – Capital and Major Projects

## Appendix 2

Cost Code	Budget Total	Scheme Description/ Detail Code	Source	16-17	17-18	18-19	Sponsor/ Partner	Comment		
<b>CAPITAL SCHEMES</b>										
CAP152	<b>£75,400</b>	Civic Pride- Promenade Upgrade	CBC  PAP - s106	£53,400  £22,000	£28,500	£46,900		CDTF; PAP.  Spend to date related to phone box refurbishment. Additional funding needed to complete surface reinstatement and seating improvements.		
CAP154	<b>£59,600</b>	Civic Pride - Creative Hub	CBC  PAP - s106	£39,600  £20,000	£20,000	£39,600		CDTF; Town Centre Partnership; Minster; PAP. Project based around Minster and The Wilson. Current spend entirely on Minster Alleyways art project.		
CAP155	<b>£48,000</b>	Pedestrian Wayfinding Ph2	GCC (LSTF)  s106 - Pittville Campus	£25,700  £22,300	£48,000			CDTF. LSTF funding residual from Wayfinding Ph1 project. Phase 2 extends Ph1 beyond the town centre; includes signing of routes to the railway station and routes between University sites.		
CAP156	<b>£11,800</b>	Hatherley Art Project	PAP s106	£11,800	£11,800			PAP Project stalled due to community objection to siting. Siting under review.		
CAP205	<b>£491,000</b>	High Street Public Realm	CBC	£491,000	£16,600			CDTF	Lower High Street Regen	
					£68,400					Capitalised salaries to deliver schemes
						£195,000			CDTF	Winchcombe St - Rodney Rd
						£195,000			CDTF	Rodney Rd to Cambray Place
				£16,000			CDTF	Pittville St - Winchcombe St		

Budget	Total	Cost Code/ Detail	Source	16-17	17-18	18-19	Sponsor/ Partner	Comment
<b>REVENUE SCHEMES</b>								
Flood Risk Management – FRM101								
FRM101 EMER01	<b>£131,300</b>	CBC	CBC	£33,000	£33,000		EA	Hearne Brook FAS
		Partnership	CBC	£22,000	£22,000		CBC	Pilley Individual Property Protection
		Funding	CBC	£50,000		£50,000	EA	Whaddon FAS
FRM101 EMER06	<b>£138,100</b>	3 <sup>rd</sup> Party	GCC	£100,000	£138,100		GCC	Southfield Brook FAS.
		Partnership	EA	£38,100			EA	Any additional cost will come from EA's Flood Defence Grant In Aid fund
Public Art – PUB101								
PUB101	<b>£7,000</b>	DEV101 Dunalley St	PAP s106	£7,000	£7,000		PAP; St Paul's Res Association	St Pauls Road planter as public art. Project delivery via SPRA
PUB101	<b>£27,000</b>	DEV107 Devon Ave	PAP s106	£27,000	£2,700	£24,300	PAP; Hester's Way Neighbourhood Partnership	King George V public art project. Project delivery led by HWNP. Currently stalled, awaiting resolution of S106 receipt from developer
PUB001	<b>£65,000</b>	DEV110 Spirax Sarco	PAP s106	£15,000	£1,250	£30,000	PAP; West End Partnership; Friends of Honeybourne Line; Others	Honeybourne Line public art project – using S106 from along the line. Strategy document delivered. Projects now being developed.
		DEV111 Midwinter	PAP s106	£50,000				
PUB001	<b>£22,000</b>	DEV106 B&Q	PAP s106	£22,000	£6,000		PAP	Public Art Strategy
					£5,000		PAP	Public Art maintenance fund
					£11,000		PAP	Uncommitted



### Cheltenham Borough Council

#### Cabinet – 8 November 2016

### Social Sustainability – A local approach to building new communities

<b>Accountable member</b>	<b>Leader, Councillor Steve Jordan</b>
<b>Accountable officer</b>	<b>Director of Planning</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key/Significant Decision</b>	<b>Yes</b>
<b>Executive summary</b>	<p>This report seeks endorsement of ‘<i>a local model for building socially sustainable communities</i>’. This is an approach developed through the partnership of Cheltenham Borough Homes, Bromford, Sovereign and Barnwood Trust to influence community outcomes and governance arising from new development.</p> <p>If endorsed officers will use the model in the negotiation of master planning, community infrastructure and approaches to governance on appropriate development sites and with development partners and affordable housing providers.</p>
<b>Recommendations</b>	<b>Cabinet endorse the model for social sustainability as an approach in master planning key sites across the Borough.</b>

<b>Financial implications</b>	<p>None arising from this report. Application of the model could support the Council in gaining a higher level of investment in social infrastructure.</p> <p><b>Contact officer: Accountant</b>  <b><a href="mailto:nina.philippidis@cheltenham.gcsx.gov.uk">nina.philippidis@cheltenham.gcsx.gov.uk</a>, 01242 264121</b></p>
<b>Legal implications</b>	<p>No legal implications arising from this report.</p> <p><b>Contact officer: Planning Solicitor, <a href="mailto:tessa.yates@tewkesbury.gov.uk">tessa.yates@tewkesbury.gov.uk</a> , 01684 272690</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>None arising from this report.</p> <p><b>Contact officer: HR Manager <a href="mailto:julie.mccarthy@cheltenham.gcsx.gov.uk">julie.mccarthy@cheltenham.gcsx.gov.uk</a> , 01242 264355</b></p>
<b>Key risks</b>	<p>There are no direct risks arising in respect of the endorsement of this report, controlled risk is around using relevant tools in the negotiation of community based infrastructure.</p>

<b>Corporate and community plan Implications</b>	Should the model for social sustainability be endorsed by Cabinet it may influence a range of corporate outcomes, in particular supporting people to live in strong, safe and healthy communities.
<b>Environmental and climate change implications</b>	Developing the social and cultural life of a community also supports environmental sustainability. For example, the provision of community infrastructure and flexible employment spaces and encouraging resident-led activities and initiatives such as community gardening and opportunities for social interaction, reduces the need for people to seek these opportunities further afield, delivering direct environmental benefits.
<b>Property/Asset Implications</b>	None arising from this report.  <b>Contact officer: Head Of Property Services</b> <a href="mailto:david.roberts@cheltenham.gov.uk">david.roberts@cheltenham.gov.uk</a> ,01242 264151

## 1. Background

- 1.1** Cheltenham is undergoing a period of significant change as we plan for meeting our long term development needs, being planned for through the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy and the emerging Cheltenham Plan. The outcomes from this plan making will be the creation of new communities and expansion of existing communities, but on their own planning policies cannot create the foundations for successful communities.
- 1.2** We know from experience, both locally, nationally and from further afield, that for communities to be successful we need to carefully look beyond the physical building of new homes and associated infrastructure and carefully consider how, through effective master planning supported by early community intervention measures we can build in social infrastructure. Evidence demonstrates that building in social infrastructure and support capacity in the early phases of development helps to;
- establish strong social networks through investing in and developing partnerships from within communities
  - develop and strengthen relationships with statutory stakeholders,
  - support an environment where new and existing residents can influence and help shape their own community.
- 1.3** In recognition of the challenges arising from the growth of Cheltenham, over the past few months officers (Director of Planning, Lead Commissioner – Housing Services and Strategy and Engagement Manager) have been supporting Cheltenham Borough Homes, Bromford, Sovereign and Barnwood Trust in the drafting of an approach which could be applied locally providing tools to aid the creation and integration of new and existing communities arising from the build out of new homes. The output of this work is attached at appendix 1 – A local model for building socially sustainable communities.
- 1.4** The emphasis of this engagement has been on the outcomes of the model, which if endorsed by Cabinet could be promoted in engagement with all relevant development partners, both private developers and Registered Providers.
- 1.5** Discussion has taken place with officers of Tewkesbury Borough Council who recognise the value of the model in building in key values of sustainable communities in the context of cross boundary strategic sites identified through the Gloucester, Cheltenham and Tewkesbury Joint Core

Strategy. The emerging model has been supported by the JCS Strategic Issues Board. From a Cheltenham perspective, officers consider the approach set out in appendix 1 is scaleable and could be applied to other non-strategic sites across the borough.

## 2. Reasons for recommendations

- 2.1 Endorsing the model for building socially sustainable communities provides officers and wider stakeholders with a tool to use with the development industry, helping to further influence emerging master planning for key sites and in negotiation on Section 106 agreements/use of future Community Infrastructure Levy that will support the effective delivery and integration of new homes.
- 2.2 The model will also be used to inform policy development of the emerging Cheltenham Plan.

## 3. Consultation and feedback

- 3.1 Feedback on the development of the local model for socially sustainable communities has taken place with the following;
  - Cheltenham Development Task Force 15 April 2016 – general support expressed for the approach. Early draft focussed on examples from further afield and a request was made to include more local examples. This has been actioned. Concern was expressed that model should be developed from a grass roots perspective. Whilst comment is valid, the model is a strategic approach and a starting point for engagement with relevant development partners. Grass roots engagement is more appropriate once progress has been made on individual sites and community stakeholders can help inform and guide possible interventions, projects and programmes.
  - Tewkesbury Borough Council 28 April 2016 – support for the approach and agreement by Tewkesbury to include relevant best practice and wider Tewkesbury context and seek endorsement of the model by Planning Performance reference Panel and Executive Committee. Agreement that the model is a positive way of influencing development of JCS strategic sites.
  - Positive Participation Partnership (PPP) 12 May 2016
    - PPP felt that building social sustainability should be considered equally alongside the more traditional infrastructure requests made to developers.
    - PPP recommended that building social sustainability should be considered at the start of any development process.
    - PPP were happy that the document works as an over-arching idea, but CBC / TBC should consider how best the document can have teeth and be enforceable.
    - PPP went onto suggest that it should sit within the Cheltenham Plan, as it wouldn't work as a standalone document
    - PPP also felt that the document should be clear from the outset what the requests to developers are.
  - JCS Strategic Issues Board (SIB) 18 May 2016 - Proposals were largely welcomed by SIB. Several aspects were however challenged, particularly regarding the linkages between the health agenda and any future large scale residential development, together with the future strategic alignment of the concept to the JCS and the emerging local plan making process. Members of SIB felt that any formal policy development regarding Social

Sustainability at this time in the JCS process was perhaps too onerous. It was agreed that further work should however be undertaken with both Gloucestershire Clinical Commissioning Group and planning colleagues to address these concerns with further development through local plan preparation.

- Gloucestershire Enabling Active Communities Commissioning Board 9 June 2016 - The Enabling Active Communities Commissioning Board brings together key health and social care commissioners across the county. The board was extremely supportive of the draft document, particularly in how new housing developments can be shaped and developed to enable strong communities and promote healthy lifestyles, as many agencies understand how the built environment influences people’s behaviours, particularly in how we promote physical activity to reduce obesity and promote good mental health.
- Gloucestershire Affordable Housing Partnership 13 July 2016 – Presentation of the model. Discussion around the importance of place-shaping and starting the conversation with developers about community provision at an early stage. There was support that the approach would help engage them in discussion.
- Circulation of this report in draft to all members.

**4. Performance management –monitoring and review**

**4.1** Built into the model for socially sustainable communities is the recognition of the need to invest resources and time in measuring the quality of life and social value of new communities, particularly in the early phases of a new development. If the model is developed and embedded successfully in new developments, then this monitoring and review would be owned by the local community and supporting stakeholders.

<b>Report author</b>	<b>Contact officer: Tracey Crews 01242 774405 , <a href="mailto:tracey.crews@cheltenham.qcsx.gov.uk">tracey.crews@cheltenham.qcsx.gov.uk</a> ,</b>
<b>Appendices</b>	1. A local model for building socially sustainable communities 2. Risk Assessment
<b>Background information</b>	None



The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
BE.44	If the Council does not use tools that will assist in negotiation for community infrastructure then it may miss opportunities to build upon existing capacity within neighbourhoods or bring new interventions/buildings/capacity on the back of new development.	TC	Oct 2016	3	3	9	Reduce	Seek to endorse sustainability model through Cabinet process and incorporate within Cheltenham Plan.	May 2017	PS	Divisional

**Explanatory notes**

**Impact** – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

**Likelihood** – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

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



# Welcome to the future

A local model for building socially sustainable communities



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# Introduction

Over the next twenty years Gloucestershire will see a significant increase in new housing, with projections indicating that over 49,000 new homes will be required by 2031, to meet demand\*.

We know from experience that creating successful and sustainable communities requires more than just building houses and hard infrastructure. Using best practice from the county and beyond, we have created this introductory paper, which sets out a number of ways in which we can work together to create sustainable new communities. Many of the principles apply to existing communities too.

The paper is intended to be an introductory resource for all those involved in planning, designing, developing or managing housing. There is of course much knowledge and good practice already embedded in planning processes and established guidance. That material is not duplicated here – the focus instead is on understanding the essential building blocks of communities that are vibrant, inclusive and *socially sustainable*.

\*Gloucestershire Strategic Housing Market Assessment Update (2014)

## What is 'Social Sustainability'?

*“A process for creating sustainable, successful places that promote wellbeing, by understanding what people need from the places they live and work. Social sustainability combines design of the physical realm with design of the social world – infrastructure to support social and cultural life, social amenities, systems for citizen engagement and space for people and places to evolve.”* Social Life (2012)

BARNWOOD TRUST

Bromford.



Cheltenham Borough Homes  
Putting our customers at the heart of what we do

## New housing or new communities?

The largest new single development in the County, Elms Park in north west Cheltenham, will see the creation of 4285 new homes alongside new schools, health facilities, parks and 500 hectares of new employment land. This dramatic increase in population will bring with it new challenges and opportunities for community cohesion and sustainability.

Before a brick has been laid, at Elms Park and elsewhere, we have a unique opportunity to think differently about how we develop new communities and how we tackle those challenges. Learning from the past, what can we do differently to ensure these new communities thrive long into the future? The Social Sustainability Framework outlined later in this paper highlights the need to invest resources and time in building amenities and *social infrastructure*, particularly in the early phases of a new development. It also highlights the importance of giving communities voice and influence, allowing space for growth and developing the social and cultural life of the community.



This paper provides examples from Cheltenham, Tewkesbury and elsewhere, which demonstrate a range of successful approaches to the creation of socially sustainable communities. By planting the right seeds, and with the right support, it is possible to build communities that thrive and flourish, enhancing the wellbeing of those who live there.

## Learning from the past

We all want to live somewhere that has a strong sense of 'community'. Equally we can all think of examples of places, neighbourhoods or estates where the community has failed to thrive. Sometimes this is due to wider social problems such as anti-social behaviour or long term unemployment, and sometimes it's down to poor design. Research in the UK and overseas has also identified the need for good quality social infrastructure and the provision of structured support for community development: opportunities to meet neighbours, build local networks and share social experiences. Without these social supports, new settlements struggle to become cohesive, vibrant communities with a sense of place, belonging and identity.

The St Pauls area of Cheltenham has seen extensive physical redevelopment and regeneration. Cheltenham Borough Homes, the Borough Council's social housing provider, fully embraced the concept of social sustainability throughout the life of the re-development process. A full range of support mechanisms were put in place to lead existing residents through the physical and social changes. Local people were also fully engaged in the design process of both the new homes and the wider site layout and as a result had greater personal ownership of the area.



# Towards **social sustainability**

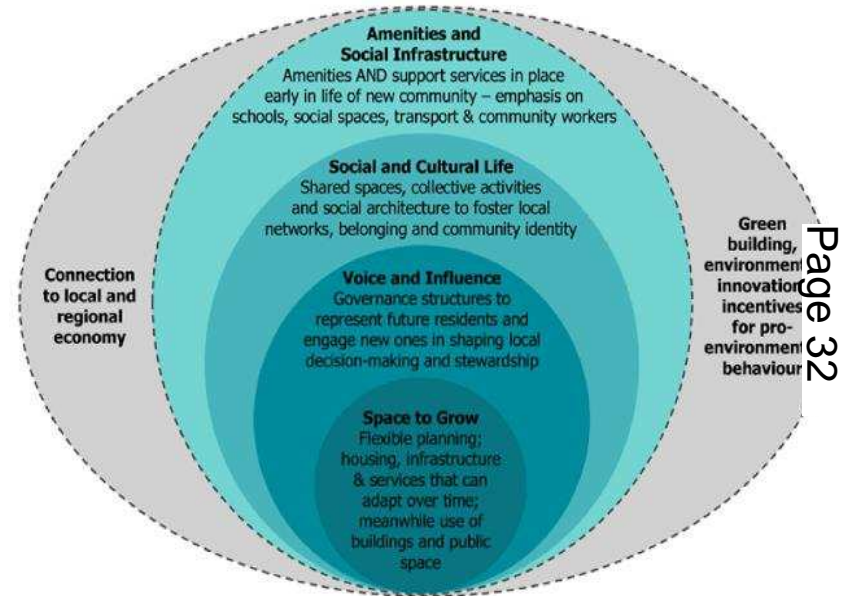
**“Planning for hard infrastructure alone would never build a community... it would only be done by a matrix of formal and informal opportunities or supported activities.”** Cambridgeshire PCT (2007)

Whilst we traditionally recognise the importance of physical factors such as good housing and transport connections, non-physical factors like strong social networks and personal wellbeing make the real difference between a community flourishing or not. Although economic and environmental sustainability are recognised in mainstream planning and development practice, the concept of ‘*social sustainability*’ is less understood.

The urban research consultancy ‘Social Life’ has designed a framework to help developers and planners understand what makes a community ‘*socially sustainable*’. The private developer Berkeley Group have adopted this framework in measuring the ‘*social sustainability*’ of their new developments. The framework, developed by Social Life and University of Reading from a wide evidence base, consists of 13 indicators proven to support the growth of successful new communities.

## Social Sustainability Framework:

*“A process for creating sustainable, successful places that promote wellbeing, by understanding what people need from the places they live and work.”*



Page 32

Source: Social Life, Design for Social Sustainability: A practical framework for building new communities



## Wellbeing: the importance of belonging

The links that bind and connect people within communities (sometimes described as 'social capital') provide a source of resilience that is critical to physical and mental wellbeing. A key finding in the Marmot Review\* of public health was the need "to develop healthy and sustainable places and communities" by improving "community capital" and reducing social isolation.

Research in Gloucestershire\*\* confirmed that amongst the main drivers of personal wellbeing were 'social contact and interaction' and 'having something worthwhile to do'. People who felt a sense of belonging in the places where they lived had higher levels of overall life satisfaction and higher levels of mental wellbeing. The key characteristics of 'a good place to live' were identified as: community and social networks; amenities, transport and green space; and feeling safe and secure.

The message is clear: giving attention to building communities to which people have a sense of belonging pays dividends in individuals' health and wellbeing.

\* Fair Society, Health Lives: The Marmot Review (2010)

\*\* Wellbeing in Gloucestershire: Barnwood Trust (2015)



## An approach to place making

What role can local stakeholders, community partners and the voluntary sector play in laying down the foundations for successful, socially sustainable communities?

Approaches to new development are changing and one of the keys to success is a shift from a passive relationship, where communities have things imposed upon them to one where they have greater control over the design and management of their own neighbourhoods. This relationship is central to the concepts of 'voice and influence' and 'space to grow' identified in the Social Life framework .

There is a range of practical examples within Cheltenham, Tewkesbury and beyond of how to build and support new communities to become socially sustainable. They are often small in scale and require limited investment, but have the potential to make a significant difference. They nurture the strengths and capacities inherent within communities, and build social infrastructure. We believe that this approach can apply irrespective of tenure and socio-economic status.



# Growing new communities

Based on experience, we have identified examples of approaches we know can help to grow and sustain new communities:



**Community space and space to grow:** Places for the community to meet and interact, including small scale spaces at an early stage, ('meanwhile spaces') and space to allow for later growth



**Community Chest:** A neighbourhood-based small grant scheme that can be accessed by residents and community groups to improve their area and bring people together: from parent - toddler groups to community gardening projects.



**A community builder** to welcome people to the new neighbourhood, build connections and empower people to use their skills to build the community. Costs could be covered through s106 payments



**People driven neighbourhoods:** Supporting residents to take greater control and influence their physical and social environment. A housing management approach that builds strong relationships with new customers, building their community networks and empowering them to shape their own community.



**Connecting the partners:** Creating an 'accountable body' of community and statutory stakeholders to support and assist new communities to flourish, by providing oversight and support to the community building process.



# What does a thriving community look like?



This illustration gives examples of resident-led activities and initiatives, which could be encouraged and supported by community-building input.

## Case Study

# St Paul's Community Hub

Cheltenham has an ageing population that is set to increase by 56% by 2030. If not properly planned for this will inevitably create significant pressure on local health care services and residential care places. Two of the key challenges facing older people are loneliness and social isolation; yet at the same time older people have strengths, skills and experience to contribute. In addressing these issues Cheltenham Borough Homes decided to establish two 'community hubs' within the Borough, which act as focal points for all age groups within the local community. They provide a welcoming environment where older and younger generations engage and connect.

The community hub concept promotes cohesion, enables social networking and reduces isolation. Residents have access to support and signposting to other services when needed. These shared community spaces are welcoming places where residents of any tenure can access social or health and wellbeing activities, training, information and support. They have provided significant social value and the lessons learnt in their establishment will, we believe, be valuable in supporting the formation of other new communities.



# Case Study

## Stoke Orchard Village

Tewkesbury Borough Council worked with Stoke Orchard & Tredington Parish Council using the Section 106 process to identify the needs of both the existing population and the new population arising from a development of 124 homes in Stoke Orchard, near Tewkesbury.

As a result of the parish council engaging with the community it was recognised that there was a need for a community hall, village shop and play area, to enable the community to have places to interact and grow. These facilities were not available in the village and residents had to travel to Tewkesbury or Bishop's Cleeve, several miles away.

Working with the developer, a carbon neutral community facility was designed and built in 2014, incorporating a village shop, 'Orchard Stores', within the community centre. The community centre is managed by the parish council and includes activities ranging from Pilates to toddler groups. The hall is now at capacity during peak times and the village shop is successfully run by a manager and team of volunteers. The community centre, shop and play area offer excellent opportunities for the local community to meet, be active, stay healthy and form bonds.



## Case Study

# Community building in Cranbrook

Cranbrook is Devon's first new town for over a 100 years. Over 6,000 homes are to be built in the next 10 years. Recognising the scale and ambition of the new town, developers and local partners including Sovereign Housing Association employed a local community builder to grow and nurture the embryonic community.

Partly funded through section 106 agreements, the community builder was based in a local 'grass-roots' organisation that was skilled and experienced in community development. The role includes:

- working with the community and local agencies and to ensure that community infrastructure has the residents at its core.
- identifying and addressing new needs and contributions that have not previously been considered; and
- building community capacity to ensure that the new community is sustained appropriately.

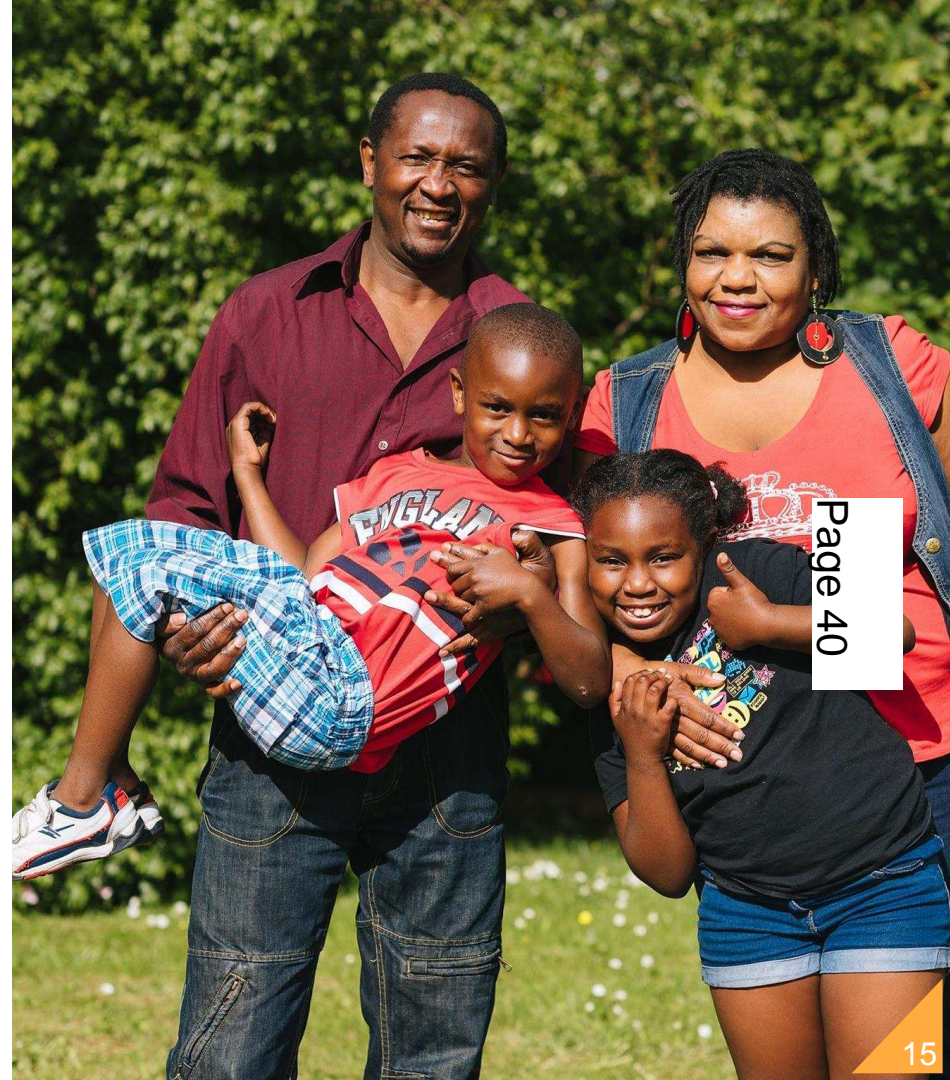


## Case Study

# A strengths based approach to neighbourhood management

Being a Bromford customer is about far more than having a home and paying rent; the Bromford community is all about helping customers to help themselves and each other. Bromford starts its relationship with its customers by focusing more on what they can do – their skills and talents – than on what they can't do. The aim is to support customers in achieving their goals and aspirations.

Bromford believes that a sound tenancy acts as a springboard to enable customers to realise their goals and achieve more. This could be living independently, getting into training, volunteering or employment, or owning their own home. Customers are supported to access new jobs and training, develop their own community enterprises and improve their neighbourhoods. This new approach has now been in place for three years and the benefits are becoming tangible and measurable.





## Case Study

### Barnwood Trust: You're Welcome

Barnwood Trust has invested in inclusive community building and provides Small Sparks Grants, to support people to do things together, in communities across Gloucestershire. This has led to a host of examples of people benefitting from new social networks and enhanced wellbeing. These have arisen not through new services or the involvement of agencies, but through the development of community connections and individuals engaging with community activity.

You're Welcome is about enabling communities to do things themselves, including everyone and making use of everyone's strengths and skills, with low levels of financial input or external resources. There is also a website which people can use to share information, exchange ideas and find out what's happening in their area.

A socially sustainable community is one where everyone is valued for the part they can play; and "everyone" includes disabled people and those who find life difficult. Experience shows that building inclusive communities requires initial coordination and individuals may need encouragement and support to get involved, but it pays huge dividends in the longer term.



# Case Study

## Governance structures

An important element in developing social sustainability is the involvement of local residents in the ongoing stewardship: giving people greater control over where they live, through helping them establish their own governance and land management structures. An 'accountable body' will also be needed to hold funds and be responsible for overseeing agreed outcomes, which needs to be resident-led and have no financial interests in the development. However it could use the services of an existing organisation to avoid re-creating costly governance and administrative structures.

'Thrift for Soham', in Cambridgeshire, is a Community Land Trust, a legal mechanism that can be used to ensure ownership remains in community control, for the benefit of future generations. The Trust acts as a steward for any assets developed, which means that any income will be reinvested directly back into the community. It has an independent Board which represents local residents, a critical factor in long term viability.

At Caterham Barracks in Surrey, a Community Development Trust was established following a series of working groups with local people. It now manages assets on the site, including green space, a skatepark and an arts and recreation centre, on behalf of the community.



# Building a thriving local economy

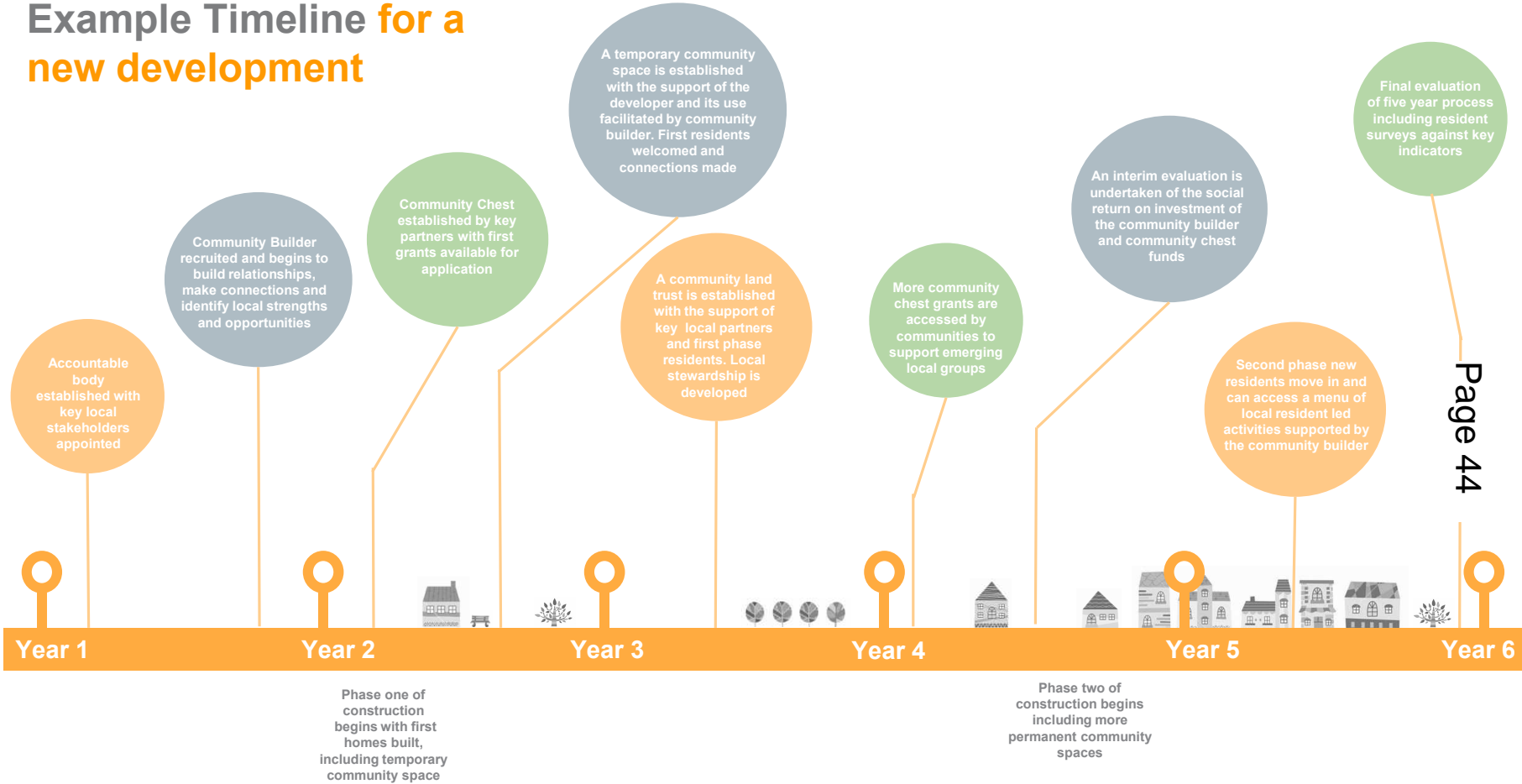
A critical part of a socially sustainable new community is a thriving local economy that can provide the financial security that communities and families need in order to prosper.

New settlements provide a unique opportunity to nurture employment and enterprise initiatives, using existing and planned resources in innovative and smart ways. A strategic alliance with the Gloucestershire Local Enterprise Partnership and the proposed accountable body will be the first step in developing a shared vision and outcomes, as well as providing resources and helping to maintain momentum.

New developments could make spaces available for new employment initiatives to develop, along with houses specifically designed for home working. Enterprise hubs, digital spaces and even a designated “Tech City” zone to promote digital and internet start-ups could also be considered. Additionally links could be forged with the proposed new secondary school and with the further education sector to create skills, training and enterprise opportunities for children and young people.



# Example Timeline for a new development



## Summary:

# Taking a long term approach

It is possible to build communities that thrive, by taking the right steps at the beginning of the process. This report highlights the need to invest resources and time in building amenities and social infrastructure, giving communities voice and influence, allowing space for growth and developing the social and cultural life of the community.

The **key actions** we suggest, to support the development of a socially sustainable community include:



A Community Builder at an early stage to welcome and connect individuals and facilitate the formation of new local groups.



A 'Community Chest' - seed funding to support new resident-led activity.



Community spaces and 'meanwhile spaces' where people and informal groups can meet and interact informally



Bringing partners together to ensure stewardship of the approach



Support to establish resident-led stewardship and governance



## Partners

The partners that have contributed to the development of this paper include:

### BARNWOOD TRUST

Barnwood Trust is a charitable foundation dedicated to creating the potential in Gloucestershire for people with disabilities and mental health challenges to make the most of their lives.

### Bromford.

For 50 years Bromford have been building and developing communities, unlocking potential and helping them to be the best they can be.



**Cheltenham Borough Homes**  
Putting our customers at the heart of what we do

An esteemed local housing association that builds and develops new communities in Cheltenham.

#### Contacts:

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Tel: 01242 775310

Trevor Rowe: Bromford  
e-mail: [Trevor.Rowe@bromford.co.uk](mailto:Trevor.Rowe@bromford.co.uk)  
Tel: 01285 885010

## Cheltenham Borough Council

### Cabinet – 8 November 2016

#### Budget Monitoring Report 2016/17 – position as at September 2016

<b>Accountable member</b>	Councillor Rowena Hay, Cabinet Member for Finance
<b>Accountable officer</b>	Paul Jones, GOSS Head of Finance (S151 Officer)
<b>Accountable scrutiny committee</b>	All
<b>Ward(s) affected</b>	All
<b>Key Decision</b>	Yes
<b>Executive summary</b>	To update Members on the Council's current financial position for 2016/17 based on the monitoring exercise at the end of September 2016. The report covers the Council's revenue, capital and treasury management position. The report identifies any known significant variations (minimum £50,000) to the 2016/17 original budget and areas with volatile income trends.
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. <b>Cabinet note the contents of this report including the key projected variances to the 2016/17 budget and the expected delivery of services within budget.</b></li>   <li>2. <b>Cabinet note the reduction in the use of the Car Parking Equalisation Reserve, approved in accordance with B11.4 of Financial Rules where the Section 151 Officer has delegated authority to approve in year transfers to and from earmarked reserves to support the activities of the council.</b></li> </ol>

<b>Financial implications</b>	<p>As detailed throughout this report.</p> <p><b>Contact officer: Nina Philippidis <a href="mailto:nina.philippidis@cheltenham.gov.uk">nina.philippidis@cheltenham.gov.uk</a>, Business Partner Accountant 01242 264121</b></p>
<b>Legal implications</b>	<p>None specific directly arising from the recommendations.</p> <p><b>Contact officer: Peter Lewis, <a href="mailto:Peter.Lewis@tewkesbury.gov.uk">Peter.Lewis@tewkesbury.gov.uk</a>, 01684 272695</b></p>

<b>HR implications (including learning and organisational development)</b>	The Council continues to monitor vacancies and recruitment. All recruitment activity decisions are based on a business case outlining the impact on the service delivery and/or loss of income generation if the post were to remain unoccupied. In addition, the Council also continues to monitor its capacity to deliver on key projects with regular updates being provided to the Operational Programme Board on a quarterly basis.  <b>Contact officer: Julie McCarthy , julie.mccarthy@cheltenham.gov.uk, 01242 264355</b>
<b>Key risks</b>	As outlined in Appendix 1.
<b>Corporate and community plan Implications</b>	Key elements of the budget are aimed at delivering the corporate objectives within the Corporate Business Plan.
<b>Environmental and climate change implications</b>	None.

## 1. Background

- 1.1** This report provides the second monitoring position statement for the financial year 2016/17. The purpose of this report is to notify members of any known significant variations to budgets for 2016/17 and highlight any key issues, allowing Members to take action if required.
- 1.2** GO Shared Services carry out a regular budget monitoring exercise for services in liaison with Directors and cost centre managers. This identifies any major variations from the current approved budget that are anticipated to occur in the financial year. The current approved budget is the original budget for 2016/17 agreed by Council on 12<sup>th</sup> February 2016, subject to any amendments made under delegated powers (for example supplementary estimates, virement, etc). Possible significant variations to revenue budgets are outlined in this report.

## 2. Net revenue position

- 2.1** The table below summarises the net impact of the variances identified at this stage in the financial year, projecting the position to the end of the financial year for all budget variances in excess of £50,000 and areas with volatile income trends, details of which are provided in paragraphs 2.2 to 3.1.

<b>Significant budget variances</b>	<b>Overspend / (Underspend)£</b>	<b>para. ref:</b>
<b>Commissioning Directorate</b>		
Ubico Limited – additional costs	50,000	2.11-2.12
<b>Total Commissioning Directorate</b>	<b>50,000</b>	
<b>Environment &amp; Regulatory Services</b>		



Off Street Car Parking – surplus on income	(200,000)	2.4 – 2.9
Car Parking Equalisation Reserve – contribution to	200,000	2.10
<b>Total Environment &amp; Regulatory Services</b>	-	
<b>Resources Directorate</b>		
Investment Property – overachievement on income	(99,000)	2.14
Audit Cotswolds – Internal & Corporate Fraud Unit	(50,700)	2.15
<b>Total Resources Directorate</b>	<b>(149,700)</b>	
<b>Treasury</b>		
Interest – net surplus General Fund	(6,800)	3.1
<b>Total projected under spend for year</b>	<b>(106,500)</b>	

### Savings from employee costs

- 2.2** A target of £350,000 from employee related savings to be made throughout the Council during the year is embedded within individual service budgets, allocated in proportion to existing service salary budgets to improve accountability and budget monitoring within council services. An assessment of vacant posts (i.e. staff turnover) and restructures in the first six months of the year indicate that this target is achievable for the financial year.
- 2.3** However, it is worth noting that during 2016/17 £124k from existing salary vacancies was approved for virement to support the Regulatory & Environmental Services Transformation Programme. As a result the delivery of the target has become more pressured. Its delivery will continue to be monitored and will be further reviewed in the budget monitoring report to 31<sup>st</sup> December 2016.

### Off-street Car Parking Income

- 2.4** The income position for off-street car parking to the end of September is overachieving by around £118k, which equates to around 3% of target. This is broken down to a £127k net overachievement budget on parking fees and permits, less £9k under achievement on parking fine income.
- 2.5** The £118k over achievement the first 6 months takes account of in-year budgetary increases totalling £110k. These budgetary increases have been approved to firstly provide funding to cover the costs of a car parking strategy (£60k) and secondly to provide external legal support with regards to a property matter (£50k).
- 2.6** Further costs to be incurred in the year are likely to reduce the final overachievement position. These mainly arise due to essential maintenance on parking machines in advance of the new £1 coin being introduced in March 2017 and as a result of increasing credit card charges arising from the ongoing trend towards pay-by-phone / online. It is estimated that the parking machine maintenance will cost around £10k and credit card charges are estimated to be overspent by up to £15k by year end. An in-depth review of car parking provision is being undertaken which will incorporate consideration of ongoing revenue costs.
- 2.7** Following the changes in car park provision over the last few years with the closure of North Place

and Beechwood Arcade, and redevelopment of Synagogue Lane, it is difficult to forecast with accuracy how car park usage will continue for the next six months. However, based on last year's October to March trends and the actuals achieved to date, it is likely that car parking income will be around £200k over budget, after allowing for the additional costs discussed under 2.6..

- 2.8 The MTFs submitted for approval in October 2016 includes an uplift to budget on car parking income for 2017/18 of £200k, as it is considered that this forms a consistently achievable increase in income.
- 2.9 The council is supporting £200,000 of car parking income in 2016/17 from its Car Parking Equalisation Reserve which was set up to cover the shortfall in car parking income arising from the delay between North Place Car Park closing for redevelopment and the developers, Augur Buchler, returning a 300 space public car park to the Council. As members are already aware, the site development has been delayed following the outcome of Augur Buchler's legal dispute with Morrisons.
- 2.10 It is therefore recommended that the forecast over achievement be offset against the contribution to the reserve as it is no longer considered necessary in light of current estimations. Should these estimations not come to fruition in the current year should, for example, the town suffer a bad winter, the car parking equalisation reserve will still be available to drawdown upon.

### **Ubico Limited – additional costs**

- 2.11 Current charges from Ubico are in line with the budgeted contract value. However an additional vehicle is currently being employed as a result of a growth in property numbers, inefficient round arrangements and the separate collection of food waste. Service redesign in 2017 will include optimisation of rounds and take account of the forecast increase in property numbers over the next 3 to 5 years.
- 2.12 The additional vehicle referred to above coupled with the use of older vehicles which are becoming less efficient and incurring higher operating and maintenance costs has the potential to give rise to an additional contract charge from Ubico of approximately £50k. Work on options for replacing these vehicles (for which a capital budget has been allocated) is in hand. It may be possible to contain these costs within the overall service contract, particularly through mitigating running costs once the vehicles are replaced, and this matter will be kept under review throughout the second half of the financial year.

### **Waste & Recycling Income**

- 2.13 Income from waste and recycling continues to be monitored on a regular basis in conjunction with the Joint Waste Committee. A further update on the current year position will be brought forward as part of the budget monitoring report to the end of December 2016.

### **Investment Property**

- 2.14 The rental income generated by the council's investment property portfolio is anticipated to exceed budget by £99k in 2016/17 as a result of backdated billing arising from a review of lease arrangements at the Enterprise Centre. Whilst this sum is considered one-off at this time further work is being undertaken to establish if the base budget for investment income can be increased to accommodate an increased anticipated annual rent roll.

### **Audit Cotswolds – Internal Audit and Corporate Fraud Unit**

- 2.15 Following a review of the council's audit requirements for 2016/17, Audit Cotswolds have delivered an in year saving of £20,700. Further to this, the Corporate Fraud Unit has supported an under

spend of £30,000 in the current year pending the decision to agree the formal business case for the future of the service. This has resulted in a total one-off underspend of £50,700.

### **3. Treasury Management**

- 3.1** Investment interest is likely to be around £6,800 in surplus against the expected budget of £123,200 for the financial year. In the first half of the financial year the council has held an average balance of £23.7m investments achieving an average rate of 0.54%. However due to the Bank of England cutting the Base Rate to 0.25% in August 2016, the second half of the financial year is expected to fall slightly.
- 3.2** No new borrowing has taken place this year and borrowing costs are expected to remain on target.

### **4. Capital**

- 4.1** A detailed exercise has been carried out to ensure that capital schemes, approved by Council on 12th February 2016, are being delivered as planned within allocated capital budgets. The monitoring position at 30th September is included as Appendix 2 to this report.

### **5. Developer Contributions**

- 5.1** Detailed work is in progress to ensure that all developer contributions are being properly utilised and that members are informed of expenditure. An update on developer contributions is included in this report at Appendix 3. This information is presented at summary level apart from any areas where spend has occurred in the first half of this year.

### **6. Programme maintenance expenditure**

- 6.1** A detailed exercise has been carried out to ensure that programme maintenance work, approved by Council on 12<sup>th</sup> February 2016, is being delivered as planned within the allocated budgets. The monitoring position at 30<sup>th</sup> September is included as Appendix 4 to this report. Any slippages in schemes or underspend against budget will be transferred to the Programme Maintenance reserve at the year end to fund future programme maintenance expenditure.

### **7. Housing Revenue Account (HRA)**

- 7.1** The HRA budget for 2016/17, approved in February 2016, showed a surplus of £330,500 for the year which would result in a balance of £6,187,400 to be carried forward in revenue reserves at 31<sup>st</sup> March 2017.
- 7.2** Variations to the budget for the current year following completion of the final accounts for 2015/16 were reported to Cabinet in July 2016:
- The outturn position for 2015/16 showed an increased level of reserve at 31<sup>st</sup> March 2016 of £6,041,100 (previously estimated at £5,856,900).
  - Capital expenditure totalling £143,000, originally programmed for 2015/16, was delayed into 2016/17 increasing the budget for current year to £8,362,000 (excluding new build). Funding for that expenditure was carried forward in reserves.

Further significant variations to revenue and capital budgets identified to 30<sup>th</sup> September 2016 are detailed below:

**Housing Revenue Account (HRA) - Revenue**

- 7.3 Expenditure on repairs and maintenance for the year is currently forecast at £3,839,000 a reduction of £300,000 in comparison to budget. This reduction is due to a number of factors including lower demand following mild weather, improvements in working processes and procurement and investment in new technology.
- 7.4 Provision for bad debts can be reduced by £50,000 to £150,000 – rent arrears are lower than anticipated reflecting delays in the implementation of welfare reform and the allocation of additional resources to mitigate the impact.
- 7.5 Rent income is now anticipated to increase by a further £55,000 on the budget of £18,922,000 following the completion of two new build schemes within the year.

**Housing Revenue Account (HRA) – Capital**

- 7.6 There is no significant variance to the overall capital expenditure budget on the existing stock (£8,362,000). Within that figure there have been the following project variations:

External Works (Budget increased from £725,000 to £1,035,000)

- 7.6.1 Additional roofing works have been brought forward to complement the window replacement contract and make best use of scaffolding. This is being financed by a virement of £137,000 from the internal works budget and a further £173,000 allocated from the contingency contained in the programme.

Internal Works (Budget reduced from £352,000 to £215,000)

- 7.6.2 Works have been rescheduled to provide a virement of £137,000 for the additional roofing works detailed above. There is no detriment to the decent homes target for the year.
- 7.6.3 Expenditure on HRA new build and acquisitions for the year is now forecast at £3,850,000, a reduction of £181,000 against the budget of £4,031,000. Planned schemes are progressing satisfactorily and within budget.

**HRA General Reserve**

- 7.7 The impact of the variations detailed above is to increase the forecast surplus for the year by £405,000 to £735,000 leaving a balance of £6,776,600 in reserves at 31<sup>st</sup> March 2017.

**8. Council tax and Business rates collection**

- 8.1 The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 5. This shows the position at the end of September 2016 and the projected outturn for 2016/17.

**9. Sundry debt collection**

- 9.1 The monitoring of the aged sundry debts and recovery is shown at Appendix 6.

**10. Conclusion**

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

**10.2** The next detailed budget monitoring report in January 2017 may result in the identification of further projected net variances. It will be for Cabinet and Council to decide in July 2017, when outturn is finalised, how to apply any potential savings. However it is recommended that any such underspend is transferred firstly to the Budget Deficit (Support) Reserve and secondly to support general balances, bearing in mind the need to keep the level of reserves robust and the uncertainty surrounding possible future budget funding gaps as outlined in the Council's Medium Term Financial Strategy.

**10.3** The continued impact of the changes in government funding arrangements and the economic climate present particular concerns for the Council's budgets. It is clearly important to ensure that budgets continue to be closely monitored over the coming months with a view to taking action at a future date, if necessary, in order to ensure that the Council delivers services within budget.

## 11. Consultation

**11.1** The work undertaken to produce this report has involved consultation with services and cost centre managers.

<b>Report author</b>	<b>Contact officer: Nina Philippidis</b> <b>nina.philippidis@cheltenham.gov.uk, 01242 264121</b>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Capital Budget Monitoring to 30<sup>th</sup> September 2016</li> <li>3. Developer Contributions and Expenditure at 30<sup>th</sup> September 2016.</li> <li>4. Programme Maintenance Budget Monitoring to 30<sup>th</sup> September 2016</li> <li>5. Council Tax and NNDR collection to 30<sup>th</sup> September 2016</li> <li>6. Aged Debt Report as at 30<sup>th</sup> September 2016</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. Section 25 Report – Council 12<sup>th</sup> February 2016</li> <li>2. Final Budget Proposals for 2016/17 – Council 12<sup>th</sup> February 2016</li> </ol>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	If we are unable to take corrective action in respect of reduced income streams then there is a risk that Council will not be able to deliver its budget	Cabinet	June 2010	3	3	9	Reduce	In preparing the budget for 2017/18, SLT to consider the options for offsetting reduced income streams by analysing and reducing the level of expenditure across the Council.	March 2017	SLT	Corporate Risk Register
2.	If the Budget Deficit (Support) Reserve is not suitably resourced insufficient reserves will be available to cover anticipated future deficits resulting in the use of General Balances which will consequently fall below the minimum required level as recommended by the Chief Finance Officer in the Council's Medium Term Financial Strategy.	Cabinet	October 2015	3	3	9	Reduce	In preparing the budget for 2017/18 and in ongoing budget monitoring, consideration will be given to the use of fortuitous windfalls and potential future under spends with a view of strengthening reserves whenever possible.	March 2017	Chief Finance Officer	Corporate Risk Register

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**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 4 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.





## GENERAL FUND CAPITAL PROGRAMME 2016/17 - Monitoring to 30th September 2016

Code	Fund	Scheme	Scheme Description	Budget 2016/17	Revised Budget 2016/17	Expenditure to 30/09/16	Forecast Spend 2016/17	Projected Variance	Budget 2017/18	Budget 2018/19	Narrative
				£	£	£	£	£	£	£	
		<b>RESOURCES</b>									
		<b>Property Services</b>									
CAP601	PB/C/PPMR	Crematorium Scheme: New Build	New cremators	5,823,600	316,200	51,732	264,468	0	6,000,000	-	Initial procurement work is in progress. Majority of project cost likely to fall in 2017/18
CAP602	PB	Crematorium: Contingencies	New cremators	882,900	-	-	-	-	882,900		
CAP603	PB	Crematorium Scheme: Resourcing	New cremators	236,600	118,300	6,188	112,112	0	118,300		
CAP505	PB/GCR	Town Centre acquisitions	Acquisition of Shopfitters	-	389,400	147,626	241,774	-			Works on site in progress two payments of £194,700 to be made
CAP503	GCR	Bus Station	Demolition of existing concrete bus shelter and waiting room and provision of services to supply new café facility	-	50,000	-	-	50,000			Budget held back pending discussions around external partners developing facilities at the site.
		<b>Financial Services</b>									
CAP010	C	GO ERP	Development of ERP system within the GO Partnership	-	14,700	-	-	14,700			Upgrade works still pending
		<b>ICT</b>									
CAP026	HCR/GCR	IT Infrastructure	5 year ICT infrastructure strategy	-	226,400	189,452	36,948	-			Majority of expenditure incurred in first half of financial year.
		<b>WELL BEING &amp; CULTURE</b>									
		<b>Parks &amp; Gardens</b>									
CAP101	S106	S.106 Play area refurbishment	Developer Contributions	50,000	50,000	16,508	33,492	0	50,000	50,000	To be spent in 2016-17
CAP102	GCR	Play Area Enhancement	Ongoing programme of maintenance and refurbishment of play areas to ensure they improve and meet safety standards	63,900	105,300	-	105,300	-	80,000	80,000	Most work to complete in 16-17. Humpty Dumpty scheme may slip into 17-18 to allow time for consultation.
CAP125	GCR	Pittville Park play area	Investment in the play area	16,100	246,500	223,921	22,579	(0)			Retention of 2.5% payable Jun 2017.
CAP501	GCR	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infra-structure.	-	579,600	11,703	8,297	559,600			£20k due to be spent 16-17 further expenditure pending outcome of Allotment Strategy and understanding of allotment provision requirements.
		<b>Cultural Services</b>									
CAP126	GCR	Town Hall redevelopment scheme	Preliminary work, subject to Council approving a detailed scheme and a business case	-	400,000	-	-	400,000			CBC contribution to a larger scheme, preliminary work on scoping out the development brief for consultancy support has been made.
CAP124	GCR	Town Hall Chairs	Replacement of Town Hall chairs on a like for like basis	-	5,300	5,895	-	(595)			Completed May 16
		<b>REGULATORY &amp; ENVIRONMENTAL SERVICES</b>									
CAP152	CPR	Civic Pride	Upgrade of Promenade pedestrianised area including remodelling of tree pits, providing seating, re-pointing existing Yorkstone.	-	75,400	28,544		46,856			Partially complete. Further works to be completed in 2017-18.
CAP154	CPR/S106	Civic Pride	St.Mary's churchyard - Public Art Scheme	-	59,600	2,652	56,948	-			Works committed for completion this year.
CAP155	P	Pedestrian Wayfinding	GCC Pedestrian Wayfinding	-	48,000	(920)	48,920	(0)			Design complete, ready for tender. Planned completion Q4 2016-17.
CAP156	S106	Hatherley Art Project	Public Art - Hatherley	-	11,800	-	11,800	-			Completion in 16-17 depends on agreement of suitable site.
CAP204	CPR	Civic Pride	Improvements to Grosvenor Terrace Car Park (Town Centre East), improving linkages to the High Street, signage and decoration.	-	115,500	481	-	115,019			Expenditure is to be linked with forthcoming Car Parking Strategy.
CAP201	GCR	CCTV in Car Parks	Additional CCTV in order to improve shopping areas and reduce fear of crime	50,000	315,000	6,430	-	308,570	50,000	50,000	Covers camera upgrade from analogue to digital. Scheme currently 'on hold' pending potential impact of outcome of negotiations with the Police and Crime Commissioner regarding police office move between buildings in Lansdown Road and the partnership agreement relating to Public Realm CCTV.
CAP202	GCR	Car park management technology	The upgrade of the car park management technology at selected sites such as Regent Arcade is essential as the existing management systems and hardware have now reached the end of their life cycle.	-	37,100	-	-	37,100			Work on Car Parking Strategy document is being commissioned. Major capital works on hold pending outcome. See CAP206 below.
CAP205	GCR	Public Realm Improvements	High Street & Town Centre public realm improvement including repaving work in the High Street and town centre	-	491,000	39,453	-	451,547			A range of schemes is being planned but phasing yet to be determined with dependency on timings of developer schemes in town centre.
CAP206	GCR	Car Park Investment	New car park machines to allow additional functionality to be introduced for the benefit of customers	-	250,000	-	-	250,000			Work on Car Parking Strategy document is being commissioned. Major capital works on hold pending outcome.
		<b>Housing</b>									

Code	Fund	Scheme	Scheme Description	Budget 2016/17	Revised Budget 2016/17	Expenditure to 30/09/16	Forecast Spend 2016/17	Projected Variance	Budget 2017/18	Budget 2018/19	Narrative
CAP221	SCG	Disabled Facilities Grants	Mandatory Grant for the provision of building work, equipment or modifying a dwelling to restore or enable independent living, privacy, confidence and dignity for individuals and their families.	600,000	600,000	123,076	326,924	150,000	600,000	600,000	Likely spend in 2016-17 c. £450k on current referral rates.
CAP222	GCR	Adaptation Support Grant	Used mostly where essential repairs (health and safety) are identified to enable the DFG work to proceed (e.g. electrical works).	26,000	26,000	-	-	26,000	26,000	26,000	Currently no grants are being offered as owners have access to loan funding.
CAP223	PSDH	Health & Safety Grant / Loans	A new form of assistance available under the council's Housing Renewal Policy 2003-06	-	-	-	-	-	-	-	£305k to be used for compulsory purchase of properties in poor condition - offset by income generated through property charges on change of ownership of properties.
	PSDH	Vacant Property Grant	A new form of assistance available under the council's Housing Renewal Policy 2003-06	-	275,200	(32,827)	305,000	3,027	-	-	
	PSDH	Renovation Grants	Grants provided under the Housing Grants, Construction and Regeneration Act 1996	-	-	-	-	-	-	-	
CAP224	LAA	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems	-	68,400	5,000	-	63,400	-	-	Likely to be an element of carry forward to 2016-17.
CAP225	PB/HCR	Housing Enabling - St Paul's Phase 2	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Housing Corporation	-	807,800	-	-	807,800	-	-	Scheme complete and delivered under budget.
CAP228	S	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Housing Corporation	500,000	1,000,000	-	1,000,000	-	500,000	-	YMCA development scheme - due to complete in second half of 2016-17
		<b>OPERATIONS</b>									
CAP301	GCR	Vehicles and recycling caddies	Replacement vehicles and recycling equipment	905,000	2,348,700	-	2,348,700	-	-	-	Orders are pending following a review of rounds
CAP301	PB/GCR	10 Year vehicle Replacement	CBC & Ubico vehicle & plant replacement programme	-	-	-	-	-	905,000	143,000	
CAP302	GCR	Material Bulking Plant	Maximum Project Budget for acquisition cost of creating the materials' bulking plant at the central Depot, required to deliver annual revenue savings of £92k	-	98,200	-	-	98,200	-	-	Budget retained for further works if required by Ubico
		<b>TOTAL CAPITAL PROGRAMME</b>		<b>9,154,100</b>	<b>9,129,400</b>	<b>824,913</b>		<b>3,381,224</b>	<b>9,212,200</b>	<b>949,000</b>	
		<b>Funded by:</b>									
		SCG Specified Capital Grant (DFG)		306,000	383,000				306,000	306,000	
		LAA LAA Performance Reward Grant			68,400						
		P Partnership Funding			143,500						
		PSDH Private Sector Decent Homes Grant			275,200						
		PPMR Property Planned Maintenance Reserve			-				474,500		
		S106 Developer Contributions S106		50,000	1,103,800				550,000	50,000	
		HCR HRA Capital Receipts		50,000					50,000	50,000	
		GCR GF Capital Receipts		113,900	4,763,500				688,100	130,000	
		PB Prudential Borrowing		8,634,200	2,392,000				5,968,600		
		C GF Capital Reserve		-	-				1,175,000	413,000	
				<b>9,154,100</b>	<b>9,129,400</b>				<b>9,212,200</b>	<b>949,000</b>	

## PLANNED MAINTENANCE PROGRAMME 2016/17 - Monitoring to 30th September 2016

Code	Scheme	Description	Agreed Budget	C/fwd from	Virement during	Revised Budget	Actual 6 months	Committed to date	Not required	Current Uncommitted Budgets	Comments
			2016/17 £	2015/16 £	2016/17 £	2016/17 £	2016/17 £	2016/17 £	2016/17 £	2016/17 £	
ADB101	Municipal Offices	Upgrade of internal fire doors and replacement of door access control, other general remedial repairs	72,300	14,500	(9,500)	77,300	5,658	19,448	22,000	30,194	£22k of the budget for door access controls on hold due to uncertainty over future plans for Municipal Offices.
ADB103	Central Depot	CAD building survey, general remedial repairs	8,000	22,000	4,500	34,500	19,646	50		14,804	
ADB103	Central Depot	Civic Amenity Site Steel Doors replacement			12,000	12,000				12,000	Order placed in October
CCM111	Cemetery & Crematorium	Equipment upgrade, service & maintenance	54,500	29,000		83,500	3,160	23,000		57,340	
CCM111	Cemetery & Crematorium	Redecoration of public areas, access road widening	0	27,000		27,000	701	0		26,299	Currently at tender/specification stage
CPK101	Car Parks - Off Street	General maintenance & refurbishment of Town Centre East	34,000	130,000		164,000	4,042	11,805		148,153	Order ready to place, pending input from Car Parking Strategy.
CUL112	Town Hall	Roof repairs and lights, fire protection works to underside of ballroom floor	151,500	29,500		181,000	19,432	11,342		150,226	Currently at tender/specification stage
CUL113	Pittville Pump Room	Upgrade of internal fire doors, stonework and annual timber floor treatment	39,000	0	(20,000)	19,000	0	7,456		11,544	Currently at tender/specification stage
CUL117	Art Gallery & Museum	Energy reduction schemes, work to rear wall joint and downpipes	23,000	4,000		27,000	320	200		26,480	Currently at tender/specification stage
ECD101	Xmas in Cheltenham	General remedial repairs	5,000	0		5,000	0			5,000	Order placed in October
FIE040	Income & Expenditure on Investment Properties	Fire/Legionella/Asbestos consequential works, EIC certification	90,000	45,000		135,000	17,413	20,676		96,911	Further works being tendered
FIE040	Income & Expenditure on Investment Properties	12 St James St, provision of rear extension		35,000		35,000	7,503	0		27,497	Works in progress
OPS111	Arle Nursery	Irrigation pump upgrade, pipework replacements, EIC certification	10,000	8,300		18,300	5,466	0		12,834	Further works being tendered
OPS121	Parks & Gardens	Pittville aviaries		50,000		50,000	50,000	0		0	Works completed in 16/17.
OPS121	Parks & Gardens	Remedial repairs to Pittville bridge, boathouse, Long Gardens lighting	6,000	6,900		12,900	8,299	0		4,601	Currently at tender/specification stage for stonework repairs
OPS122	Sports & Open Spaces	Kingham Line Footbridge, Priors Farm Pavilion, QEII playing field, Beeches Pavilion	10,000	3,800		13,800	6,243	2,300		5,257	Further works being tendered
OPS122	Sports & Open Spaces	Naunton Park Pavilion		85,000		85,000		75,518		9,482	Committed amount is interim invoice - final invoice to be received once complete
PUT101	Royal Well Bus Node	Removal & replacement of waiting room	8,000	51,600		59,600	49,183	0	8,000	2,417	Retention of 2.5% required.
REC111	Recreation Centre	General repairs & remedial works, fire alarm system	54,700	26,700		81,400	325	17,271		63,804	Currently at tender/specification stage
REC111	Recreation Centre	New air conditioning system to Gym & Dance Hall		56,700	25,000	81,700		0		81,700	May need to re-tender depending on building regulations
REC112	Prince of Wales Stadium	General repairs & remedial works	18,000	3,500		21,500	13,481	1,120		6,899	
REC112	Prince of Wales Stadium	Replacement of defective grasscrete car park panels		80,000	31,400	111,400	1,500	0		109,900	Works in progress
REG119	Public Convenience	Remedial repairs Montpellier and Pittville Park WC's	16,000			16,000	-8,995	0		24,995	Retentions from prior year (-£9k) £16k of budget currently at tender stage
RYC004	Recycling centres	Replacement of compactors		90,000		90,000		0		90,000	Further discussions around procurement and costs
RYC004	Recycling centres	Replacement of storage containers & bins		10,000		10,000	0	0		10,000	Further discussions around procurement and costs
	<b>TOTAL PROGRAMMED MAINTENANCE</b>		<b>600,000</b>	<b>808,500</b>	<b>43,400</b>	<b>1,451,900</b>	<b>203,378</b>	<b>190,186</b>	<b>30,000</b>	<b>1,028,336</b>	



S106 Contributions and Expenditure 2016-17 as at 30 September 2016								Notes
Detail	Developer Contributions (S106)	Balance @ 31/3/16 £	Receipts/ Refunds in year £	Amounts Applied to fund fixed assets £	Applied to fund REFCUS £	Amounts transferred to revenue £	Usable Developer Contributions @ 30/09/16 £	
	<b>Bonds</b>	82,800	-	-	-	-	82,800	
	<b>Commuted Sums</b>	221,836	-	-	-	-	221,836	
	<b>Affordable Housing</b>	1,502,247	-	-	-	-	1,502,247	
	<b>Public Art Contributions</b>	208,671	-	-	-	-	208,671	
	<b>Play Spaces</b>							
DEV201	S106 Playspace-Adult/Youth	33,738		(18,488)			15,250	Various small projects progressed. Most significant items - Sandford petanque court £10k and Gardening Assistance Scheme £5k.
DEV233	S106 Playarea - Beeches	471		(471)			-	Project completed
DEV252	S106 Playarea - Lansdown Crescent	1,519		(914)			605	
DEV262	S106 Playarea - Priors Farm	7,221		(6,875)			346	Project completed
DEV269	S106 Playarea - Springfield Park	495		(495)			-	Project completed
	Other Play Space Contributions	17,513	-	-	-	-	17,513	
	<b>Play Spaces</b>	<b>60,956</b>	-	<b>(27,242)</b>	-	-	<b>33,713</b>	
	<b>Total Developers Contributions</b>	<b>2,076,509</b>	-	<b>(27,242)</b>	-	-	<b>2,049,267</b>	



**Council Tax and Business Rates  
Collection Rates 2016-2017**

**Business Rates 2016/2017**

Current Year Charges - 2016/2017			
Monitoring Period	% Collected at 30.09.2016	Target 30.09.2016	2016/2017 Target
	60.32%	58.10%	98.50%
Comparison with 2014/2015	30.09.2015		% Collected 31.03.2016
	57.72%		98.47%

The collection rate for the end of September is above the target. We are monitoring the position closely but at this stage we are optimistic that we can achieve the year end target.

Previous Years Charges Outstanding in 2016/2017			
Monitoring Period	Amount outstanding at 30.09.2016	Target 30.09.2016	2016/2017 Target
	£703,005	£810,000	£590,000
Comparison with 2014/2015	Amount outstanding at 30.09.2015		Amount outstanding at 31.03.2016
	£1,461,930		£640,394

The arrears outstanding at the end of September are below the target. We are monitoring the position closely but at this stage we are optimistic that we can achieve the year end target.

**Council Tax 2016/2017**

Current Year Charges - 2016/2017			
Monitoring Period	% Collected at 30.09.2016	Target 30.09.2016	2016/2017 Target
	57.76%	57.65%	98.18%
Comparison with 2014/2015	As at 30.09.2015		% Collected 31.03.2016
	57.62%		98.17%

The collection rate for the end of September is above the target. At this stage we are optimistic that we can achieve the year end target.

Previous Years Charges Outstanding in 2016/2017			
Monitoring Period	Amount outstanding at 30.09.2016	Target 30.09.2016	2016/2017 Target
	£1,534,638	£1,520,000	£1,190,000
Comparison with 2014/2015	As at 30.09.2015		Amount o/s 31.03.2016
	£1,548,541		£1,144,562

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





Aged Debt Report - as at 30th September 2016

CostC	CostC (T)	No. Outstanding Invoices	Value of Invoices in Payment Plans	Value of Invoices with Halted Recovery *	Value of Invoices with Legal	Value of Invoices awaiting Credit Notes **	Value of Invoices for Write Off ****	Customer Credits ***	Not Due	0-30	1-3 Mths	3-6 Mths	6 mth - 1 Yr	1 - 2 Yrs	2 Yrs+	Total
ADB103	Cheltenham Depot	15	£0.00	£3,600.00	£5,861.57	£0.00	£0.00	£0.00	£67,232.00	£8,750.00	£23,000.00	£0.00	£0.00	£12.48	£0.00	£108,456.05
BAL100	General Fund Balance Sheet	44	£1,690.13	£4,868.75	£0.00	£0.00	£0.00	£-19,409.99	£0.00	£120.00	£326.34	£360.00	£0.00	£0.00	£0.00	£-12,044.77
BUC001	Building Control - Fee Earning Work	3	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£2,254.10	£0.00	£0.00	£360.00	£0.00	£0.00	£0.00	£2,254.10
CCM001	Cemetery, Crematorium and Churchyards	192	£0.00	£15.00	£0.00	£0.00	£0.00	£0.00	£37,741.00	£44,063.00	£12,699.00	£10,192.00	£3,843.00	£16,874.00	£8,761.00	£134,188.00
CCT001	CCTV	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£51,600.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£51,600.00
CPK001	Car Parks - Off Street Operations	2	£81.78	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1,200.00	£0.00	£0.00	£0.00	£0.00	£1,281.78
CUL117	Art Gallery & Museum Repairs & Maintenance	1	£1,313.48	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1,313.48
DEV001	Development Control - Applications	2	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£93,750.00	£0.00	£3,543.60	£0.00	£0.00	£0.00	£0.00	£97,293.60
ELE008	Police & Crime Commissioner Elections	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1,403.20	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1,403.20
ENF101	Cheltenham Environmental Fund- Townscape	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£360.00	£0.00	£0.00	£360.00
FIE040	Income and Expenditure on Investment Properties and Changes in Their Fair Value	71	£24,681.26	£1,081.56	£11,260.20	£6,455.15	£0.00	£-1,081.56	£9,575.38	£187,663.58	£943.48	£110.99	£110.00	£10.00	£250.00	£241,060.04
GBD001	Community Welfare Grants	3	£0.00	£0.00	£0.00	£250.00	£0.00	£0.00	£0.00	£0.00	£342.00	£0.00	£0.00	£0.00	£0.00	£592.00
HOS004	Housing Standards	7	£0.00	£1,145.35	£945.30	£0.00	£0.00	£0.00	£0.00	£316.03	£0.00	£0.00	£0.00	£0.00	£0.00	£2,406.68
OPS001	Parks & Gardens Operations	5	£853.33	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£263.60	£0.00	£0.00	£0.00	£2,399.76	£3,516.69
OPS002	Sports & Open Spaces Operations	15	£1,430.73	£0.00	£0.00	£0.00	£0.00	£0.00	£13,573.26	£3,836.28	£0.00	£3,445.15	£147.89	£0.00	£0.00	£22,433.31
OPS004	Allotments	36	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£247.00	£22.89	£1,428.19	£0.00	£0.00	£1,698.08
OPS101	Arlle Road Nursery Operations	10	£0.00	£18,283.94	£0.00	£0.00	£0.00	£0.00	£0.00	£34,367.36	£16,065.60	£0.00	£0.00	£0.00	£0.00	£68,716.90
PLP006	Trees	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£744.00	£0.00	£0.00	£0.00	£0.00	£0.00	£744.00
PLP101	Joint Core Strategy	2	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£6,634.00	£0.00	£0.00	£6,634.00
PUB101	Public Art	2	£0.00	£0.00	£0.00	£0.00	£0.00	£-450.00	£0.00	£0.00	£24,300.00	£0.00	£0.00	£0.00	£0.00	£23,850.00
PUT101	Royal Well Bus Node	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£49.92	£49.92
REC101	Recreation Centre Operations	2	£0.00	£181.30	£339.20	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£520.50
REG001	Environmental Health General	5	£3,955.00	£109.56	£0.00	£0.00	£0.00	£0.00	£1,554.00	£2,255.31	£440.00	£0.00	£0.00	£0.00	£0.00	£8,313.87
REG002	Licensing	16	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£1,623.71	£919.49	£0.00	£0.00	£1,128.00	£0.00	£0.00	£3,671.20
REG003	Animal Control	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£80.00	£0.00	£0.00	£0.00	£0.00	£0.00	£80.00
REG012	Air Quality	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£6,000.00	£0.00	£0.00	£6,000.00
REG018	Pest Control	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£60.00	£0.00	£0.00	£0.00	£60.00
REG020	Water Sampling	1	£0.00	£0.00	£0.00	£0.00	£0.00	£259.38	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£259.38
RYC004	Recycling Centres	10	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£57,113.41	£5,663.52	£493.20	£0.00	£0.00	£0.00	£0.00	£63,270.13
RYC006	Recycling Collection Schemes	2	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£13,449.02	£14,182.02	£0.00	£0.00	£0.00	£0.00	£0.00	£27,631.04
SPP002	Community Alarms	1003	£71,317.06	£1,015.32	£0.00	£86.30	£0.00	£-28.74	£212.60	£0.00	£0.00	£54.10	£74.62	£0.00	£0.00	£72,784.60
STC011	Abandoned Vehicles	6	£180.00	£96.00	£800.00	£0.00	£0.00	£0.00	£1,820.00	£0.00	£96.00	£0.00	£0.00	£0.00	£0.00	£2,842.00
TOU002	Tourist/Visitor Information Centre	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£25,000.00	£0.00	£0.00	£0.00	£0.00	£0.00	£25,000.00
TRW001	Trade Waste	481	£74,716.61	£2,656.32	£876.57	£42.70	£0.00	£-45.00	£117.90	£43,952.90	£0.00	£537.03	£410.02	£0.00	£0.00	£119,772.22
<b>General Fund Total</b>		<b>1945</b>	<b>£180,219.38</b>	<b>£33,053.10</b>	<b>£20,082.84</b>	<b>£6,834.15</b>	<b>£259.38</b>	<b>£-21,015.29</b>	<b>£301,419.58</b>	<b>£423,513.49</b>	<b>£84,019.82</b>	<b>£14,722.16</b>	<b>£20,135.72</b>	<b>£16,896.48</b>	<b>£11,460.68</b>	<b>£1,173,599.72</b>
HRA100	Repairs and Maintenance	969	£60,564.38	£51,881.51	£15,100.70	£1,622.65	£1,978.31	£-5.00	£7,730.63	£600.14	£13,497.71	£14,138.71	£22,756.81	£40,685.76	£54,276.85	£284,829.16
HRA110	Supervision and Management	1	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£461.61	£0.00	£0.00	£0.00	£0.00	£0.00	£461.61
HRA210	Non-dwelling Rents	153	£7,663.59	£113.84	£1,897.35	£10.00	£0.00	£-10.00	£3,000.00	£12,053.75	£0.00	£514.43	£0.00	£1,247.43	£193.69	£26,684.08
HRA221	Service Charges to Leaseholders	528	£86,188.35	£82,588.11	£8,874.40	£0.00	£0.00	£-974.96	£2,110.54	£67,342.42	£0.00	£159.69	£32,760.14	£32,753.51	£19,541.18	£331,343.38
HRA235	HRA Other Income	9	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£20.00	£160.00	£180.00
<b>HRA Total</b>		<b>1660</b>	<b>£154,416.32</b>	<b>£134,583.46</b>	<b>£25,872.45</b>	<b>£1,632.65</b>	<b>£1,978.31</b>	<b>£-989.96</b>	<b>£12,841.17</b>	<b>£80,457.92</b>	<b>£13,497.71</b>	<b>£14,812.83</b>	<b>£55,516.95</b>	<b>£74,706.70</b>	<b>£74,171.72</b>	<b>£643,498.23</b>
<b>Grand Total</b>		<b>3605</b>	<b>£334,635.70</b>	<b>£167,636.56</b>	<b>£45,955.29</b>	<b>£8,466.80</b>	<b>£2,237.69</b>	<b>£-22,005.25</b>	<b>£314,260.75</b>	<b>£503,971.41</b>	<b>£97,517.53</b>	<b>£29,534.99</b>	<b>£75,652.67</b>	<b>£91,603.18</b>	<b>£85,632.40</b>	<b>£1,735,099.72</b>
<b>Previous month's position</b>		<b>3374</b>	<b>£299,653.84</b>	<b>£166,221.11</b>	<b>£44,057.03</b>	<b>£7,433.55</b>	<b>£0.00</b>	<b>£-6,348.08</b>	<b>£125,970.08</b>	<b>£332,956.66</b>	<b>£108,908.08</b>	<b>£20,262.50</b>	<b>£70,954.32</b>	<b>£77,660.02</b>	<b>£81,475.27</b>	<b>£1,329,204.38</b>

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

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

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

\*\*\*\* No write offs to date.



### Housing Revenue Account New Build- Garage site redevelopments and the use of Right to Buy Receipts

<b>Accountable member</b>	<b>Councillor Peter Jeffries, Cabinet Member Housing</b>
<b>Accountable officer</b>	<b>Martin Stacy, Lead Commissioner – Housing Services</b>
<b>Ward(s) affected</b>	<b>Hester’s Way, Battledown, Springbank (and potentially any ward should Right to Buy Receipts be also used to purchase dwellings)</b>
<b>Key Decision / Significant</b>	<b>Yes</b>
<b>Executive summary</b>	<p>In March 2015 Cabinet resolved that the Authority seek bids from contractors to build new homes across Cheltenham on a number of garage sites. Following a recent procurement exercise this report seeks approval to enter into a JCT Design and Build Contract with J Harper and Sons with Total Scheme Costs not to exceed £1,772,000. The scheme will deliver up to twelve new homes on three HRA garage sites.</p> <p>Whilst the Authority’s preferred option is to build affordable homes on council-owned land, the complex nature of some of these sites means that it may not always be possible to spend Right to Buy Receipts in this way due to the government imposed time limits on the use of these Receipts. (Right to Buy Receipts must be used within 3 years; otherwise they have to be returned to the government with interest.)</p> <p>It is therefore proposed that any Right to Buy Receipts that cannot be used for building new affordable homes on council-owned land be used instead for purchasing dwellings, subject to appropriate parameters, as detailed in the recommendation below and at Section 5.4 of this report.</p> <p>To date three homes have been purchased in this way, with a further four homes in the pipeline, following Cabinet approvals in November 2015 and again in September 2016 to use Right to Buy Receipts for this purpose.</p>
<b>Recommendations</b>	<p><b>That Cabinet:-</b></p> <ol style="list-style-type: none"> <li><b>1. Subject to subsequent Council approval, authorise the Authority to accept the tender received from J Harper and Sons enter into a JCT Design and Build Contract for the construction of up to twelve new dwellings with Total Scheme Costs not to exceed £1,772,000.</b></li> <li><b>2. Delegate authority to the Head of Property and Asset Management, in consultation with the Borough Solicitor to:</b> <ol style="list-style-type: none"> <li><b>2.1 Conclude the JCT Design and Build contract with J Harper and Sons.</b></li> </ol> </li> </ol>

**2.2 Take all necessary steps and undertake all necessary procedures, including entering into any legal agreements or other documentation as may be required to implement or facilitate the developments.**

**2.3 Agree the final number of dwellings that will be built, in the event that the council is unable to proceed with the development of all twelve new dwellings because of site complications (such as unresolved rights of way issues).**

- 3. Delegate authority to the Head of Property and Asset Management, in consultation with the Section 151 Officer and Cabinet Member for Housing, to use the Right to Buy Receipts to purchase dwellings that are considered suitable for use as affordable housing (in accordance with the parameters set out within paragraph 5.4 of this report) PROVIDED THAT the Head of Property Services is satisfied it would not be possible to use these receipts to support the approved delivery of new affordable housing on council owned sites due to time restrictions on the use of these receipts and PROVIDED FURTHER that the expenditure remains within Council approved budgets for the use of delivering new affordable housing.**
- 4. Authorise the Borough Solicitor to negotiate and complete such documents as she deems necessary or desirable to conclude the transactions negotiated by the Head of Property and Asset Management.**
- 5. Authorise the Authority to charge Affordable Rents to all dwellings.**

**Cabinet recommends that Council:**

- 6. Authorise the allocation of up to £1,772,000 for the construction of up to twelve new dwellings.**
- 7. Note that the Total Scheme Costs of £1,772,000(broken down in further detail in exempt Appendix 3) will be funded by circa £531,000 of RTB receipts with the balance funded by the most appropriate combination of the other funding streams noted within the report – this decision being delegated to the Section 151 Officer in accordance with Financial Rules B7 and B8.**
- 8. Approves the Authority sourcing loan finance of up to £1,200,000 from the Public Works Loan Board to be used for the construction of twelve new dwellings.**

<p><b>Financial implications</b></p>	<p>As outlined in the report and exempt appendix.</p> <p>The development of an HRA new build programme will require an ongoing review of resource availability to ensure the most effective and timely use of each funding stream. The choice of funding streams is delegated to the Section 151 Officer.</p> <p>The use of Right to Buy Receipts for the purchase of dwellings is not the Authority's preferred option, but if utilised, these purchases would be within agreed budgets for the delivery of new affordable homes, as approved by Council.</p> <p><b>Contact officer: Paul Jones, Head of Finance</b></p> <p><b><i><a href="mailto:Paul.Jones@cheltenham.gov.uk">Paul.Jones@cheltenham.gov.uk</a></i> / 01242 775154</b></p>
<p><b>Legal implications</b></p>	<p>The Authority has the power under Section 9 of the Housing Act 1985 to build new housing accommodation on land it owns for that purpose. All of these sites are held for housing purposes.</p> <p>Due to the value of the JCT contract, the Authority's constitution requires Cabinet approval to the Authority awarding the contract.</p> <p>As the Authority owns the land on which the dwellings are to be constructed, it will be the Authority entering into the contract. CBH will monitor the contract and the progress of the build on the Authority's behalf with assistance from the Employer's Agent engaged by the Authority.</p> <p>The sites at Newton Road and Kingsmead Avenue are affected by third party rights. These will need to be addressed and resolved prior to commencement of works on site.</p> <p>The Council also has the power under Section 9 of the Housing Act 1985 to acquire houses for the purpose of providing housing accommodation. The houses so acquired must then be dealt with in accordance with the provisions of the Act, and may become subject to the Right to Buy.</p> <p>Cabinet is delegating authority to the Head of Property Services to purchase properties within the parameters set out in paragraph 5.4 of this report, which includes being able to purchase properties above £250,000. The purchase of land above £250,000 is a key decision. Any key decisions made by the Head of Property Services will need to be made in accordance with the procedure contained in part 4E of the Constitution (Access to Information Rules). The procedure for acquiring a house can be time consuming, especially if the property is part of a conveyancing chain. A transaction can prove abortive if one link in the chain fails for any reason.</p> <p>Some properties have a restriction in the title that prevents them from being used for social housing. If the option to acquire properties in this way is utilised, it would be advisable for title to be obtained at the earliest opportunity to prevent wasted time and costs.</p> <p><b>Contact officer: Donna Ruck, Solicitor</b></p> <p><b><i><a href="mailto:donna.ruck@tewkesbury.gov.uk">donna.ruck@tewkesbury.gov.uk</a></i> / 01684 272696</b></p>

<p><b>HR implications (including learning and organisational development)</b></p>	<p>There are no direct HR implications arising from this report.</p>
<p><b>Key risks</b></p>	<p>Please see Risk Assessment at Appendix 1 of this report.</p>
<p><b>Corporate and community plan Implications</b></p>	<p>By increasing the provision of new affordable housing we will be supporting our key strategic objective of strengthening our communities.</p>
<p><b>Environmental and climate change implications</b></p>	<p>The redevelopment of the sites will improve the area as they currently consist predominantly of void and poorly maintained garages.</p> <p>The quality of the proposed housing will have an impact on climate change. All of the dwellings will achieve a minimum of Code for Sustainable Homes level 3 adopting a 'fabric first' approach to energy efficiency.</p>
<p><b>Property/Asset Implications</b></p>	<p>The redevelopment of the sites is a positive proposal that will bring back into use current underutilised land (former garage sites) and add to the affordable housing stock, providing much needed affordable homes.</p> <p>Various 'rights of way' require formal legal amendments altering their current course to facilitate the unhindered ability to deliver the proposed schemes. Negotiations are progressing and these risks have been captured on the risk register. Works should not start on site until these 'rights of way' issues have been formally resolved. The costs of negotiating the various rights of access to include legal fees have been built into the Total Scheme Costs at £1,772,000 along with potential Party Wall Awards.</p> <p>In the event of the Authority having to purchase homes, this would ensure that Right to Buy Receipts are kept and invested locally; it not only adds to the housing stock but overcomes the possibility of having to hand monies back to central government.</p> <p><b>Contact officer: David Roberts, Head of Property and Asset Management</b></p> <p><a href="mailto:david.roberts@cheltenham.gov.uk">david.roberts@cheltenham.gov.uk</a> 01242 264151</p>

## 1. Background

- 1.1 In March 2015, Cabinet was provided with an update on the pipeline development programme for new build housing. Since then CBH has continued to work with Council Officers to progress suitable sites for new build development within the Housing Revenue Account (HRA). This tranche of dwellings will be owned by CBC rather than CBH to enable Right to Buy (RTB) receipts to be utilised to part fund the projects.
- 1.2 The redevelopment programme for redundant or underutilised garage sites was developed as the result of a comprehensive survey of all 80+ sites which considered garage condition and utilisation together with site redevelopment potential.
- 1.3 The Council contracted with J Harper and Sons in October 2015 to deliver 10 new homes on four former garage sites. These new homes were completed in August, 7 weeks ahead of programme.
- 1.4 The redevelopment of the redundant site at the corner of Swindon Road/Brunswick Street is due for completion by February 2017, with the properties to be prioritised for veterans.
- 1.5 Construction works commenced on 3<sup>rd</sup> October 2016 to redevelop a further redundant garage site at Rowanfield Exchange to provide three new homes. The properties are due for completion in October 2017.
- 1.6 In addition CBH continues to progress a number of other sites which includes the redevelopment of a further garage site at Hester's Way Road and the regeneration of Cakebridge Place. In total these developments will provide circa 22 new affordable dwellings.

## 2. Scheme Details

- 2.1 This phase of three garage sites includes the following:-
  - A garage site and parcel of infill land at Beaufort Road.
  - A cleared garage site at Kingsmead Avenue.
  - A cleared site at Newton Road.
- 2.2 The scheme will provide up to 12 homes comprising a range of house types as follows to meet local housing need: 6 x 3 bed 5 person dwellings; 2 x 2 bed 3 person flats and 4 x 1 bed 2 person flats. However, the total number of dwellings that could be built may be less should any outstanding rights of way issues remain unresolved.
- 2.3 The sites are all in CBC's ownership and there are no acquisition costs.
- 2.4 Planning permission was granted for the redevelopment of the sites on 21<sup>st</sup> July 2016.

## 3. The Case for Redevelopment

- 3.1 One of the 3 key aims in the approved 30 year HRA business plan is to build new affordable homes in the Cheltenham area. The development proposals are important in meeting this aim.
- 3.2 The benefits of proceeding with the developments include:
  - They align with CBC's housing strategy by helping to provide for current housing needs;
  - They ensure the redevelopment of underutilised land within the HRA;
  - They will provide up to twelve high quality homes;
  - Right to Buy Receipts can be used as part of the scheme funding; and
  - They will further strengthen the HRA through positive cash flows from Year 1 and a significant return on investment over 40 years (a present value contribution in excess of £250k assuming funding via £531k of RTB receipts, £1,150k of loan and £92k of other HRA capital resources).

*It should be noted that the present value contribution may change depending on the final funding structure.*

#### **4. Alternative Uses of RTB Receipts**

- 4.1 Following the re-invigoration of the RTB policy in 2012, the Government introduced complex rules on how the proceeds from sales are distributed and used. The Council has signed a retention contract (in common with most Local Authorities) which allows a significant proportion of such receipts to be kept by the Authority on the proviso they are used to finance new build expenditure (at a ratio of 30% of eligible expenditure) within 3 years of receipt.
- 4.2 RTB sales in Cheltenham since April 2012 have generated a total of £2.2m of retention receipts as at 30 June 2016. The receipts are accrued on a quarter by quarter basis and the Authority is required to use them within 3 years of the quarter in which they were realised. This would require total expenditure of £7.3m on new affordable housing by 30 June 2019 and the expenditure will also have to meet the phasing of the receipts. If the receipts are not used by the due date the Council is required to pay them over to Government with interest.
- 4.3 The receipts can only be used to fund “additional” affordable rented housing. These new homes can be new build council homes, newly acquired council homes (i.e. through the purchase of homes not already owned by a registered provider), or social housing provided through Local Authority grant to registered providers (but not one controlled by the authority i.e. not CBH). While it is the Government’s intention to encourage an increase in the supply of new housing (new build always being the favoured option) the receipts can be used to buy existing properties for conversion into affordable rent.
- 4.4 The 3 options noted in Section 4.3 above for use of RTB receipts have been considered in proposing these developments. The considerations, relating to the 3 options, are set out below:
- Option 1: Council officers have been working with CBH to identify new build schemes which will satisfy the criteria for retaining and using RTB receipts and meet current housing need. The schemes brought forward for approval in this report are of a number currently under appraisal. Building new homes, in line with this scheme, provides the greatest financial contribution to the HRA of each of the 3 options for using RTB receipts set out above.
  - Option 2: Utilising the same level of funds, and RTB receipts, properties could be purchased and made available for affordable rent. This option could also provide additional council properties in line with housing need. However, full market price would need to be paid for stock that would be of a lower standard than this scheme provides. Depending on the age, price and availability of property purchased this could also result in fewer homes being provided and the financial contribution to the HRA would be lower than option 1 above. It follows that the pursuit of this option should only be considered if Right to Buy Receipts cannot be used to support the delivery of new affordable housing on council-owned land.
  - Option 3: Granting the RTB receipts to an independent registered provider could provide new affordable rent properties in Cheltenham however there is no certainty that these will deliver additionality to existing development plans. In addition there would be no financial contribution to the HRA, which makes this the least preferred option of the three.

#### **5. Circumstances when Option 2 (purchasing dwellings) would be utilised**

- 5.1 As indicated at Section 4.2 above, Right to Buy Receipts must be spent within 3 years of the receipts becoming available. If the Authority fails to spend the receipts by then, it is required to repay the receipts to the government with interest at 4% above the base rate.
- 5.2 Although building new affordable homes on council-owned sites (i.e. Option 1) is our preferred option, delivering homes in this way is complex. There are a range of issues that can affect the pace of delivery. These include:
- Negotiating with third parties who have rights over council owned land such as rights of access .



This is a particular issue on garage sites, for instance, where finding resolutions to these issues can be long and protracted, leading to the potential for a scheme to either not go ahead or for a scheme redesign to be implemented.

- Undertaking relevant approval processes such as Planning, along with the necessary procurement processes all need to be built into the timeframe.
  - Some sites may have commercial links which can involve the need to carry out complex commercial negotiations, and these too can take time.
  - The rate at which Right to Buy Receipts are received, as well as the amount received over any given period is unpredictable. This adds to the complexity in timing their use in accordance with the projected delivery of new build. The result is additional uncertainty over whether receipts will be spent within the required timeframe.
- 5.3 It is therefore proposed that the Authority will use Right to Buy Receipts, which would otherwise have to be paid back to the government, to acquire additional homes. These homes would be converted to affordable housing, and the rents received would provide revenue for the HRA.
- 5.4 In order that we achieve value for money, if pursuing this option, the Authority would purchase homes on the following basis:
- Only 2 or 3 bedroom homes would be purchased. Flats have been discounted on the grounds that it is likely to mean acquiring single dwellings within existing blocks of private flats, and owning just one flat within a block has implications on the cost of management and maintenance of that dwelling and associated complications of taking on a lease with maintenance cost liabilities and service charges.
  - The Authority would only purchase properties that are of a standard construction and that are preferably either new build or built after 1990 in order to minimise any immediate or ongoing major repair costs. Consideration could, however, be given to using Right to Buy Receipts to purchase long term empty homes as part of our Empty Homes Strategy, although the potential timescales involved in acquiring such properties (via a Compulsory Purchase Order) in combination with strict timescales by which these receipts must be spent, means that using the receipts in this way is unlikely.
  - A preferred maximum price of £250k for a 3 bed and £190k for a 2 bed, each being £10k lower than the estimated high value property thresholds identified by the National Federation of ALMOs and the Association of Retained Council Housing as the basis of their survey on the potential impact of the Government's high value property disposal policy to support the extended right to buy for housing associations, although some flexibility will be needed to take account of changes to house prices, and any clarity coming from future government regulations on its definition of a higher value property.
  - A range of operational criteria would be met to ensure that any property purchased is fit for purpose as social/affordable housing.
  - Former social housing properties cannot be purchased with Right to Buy Receipts (unless under a Compulsory Purchase Order) and would therefore be discounted.
- 6. Other Funding Available for delivering new affordable homes**
- 6.1 In addition to RTB receipts new affordable homes can be funded from the following sources:-
- External borrowing financed by the HRA – the level of borrowing was restricted by Government as part of the self- financing settlement in 2012, the “debt cap” for Cheltenham being set at £52.862m. Current HRA debt totals £44.75m, leaving £8.112m available to finance new expenditure.

- Capital Receipts from HRA asset disposals not arising from RTB. These receipts are exempt from pooling regulations and can be used to finance any capital expenditure without time restraint or the conditions related to use of retention receipts as described above. The sum available at 31<sup>st</sup> March 2016 was £2.3m.
  - The Council can also consider funding the delivery of affordable housing through the use of commuted sums received from developers.
- 6.2 The Total Scheme Costs of £1,772k (broken down in further detail in exempt Appendix 3) will be funded by circa £531k of RTB receipts with the balance funded by the most appropriate combination of the other funding streams noted above – this decision being delegated to the Section 151 Officer.
- 7. Consultation and feedback**
- 7.1 These proposals have been developed through consultation with key stakeholders including Ward Councillors.
- 7.2 Local residents surrounding the various sites have been written to confirming the intention to redevelop to provide new affordable housing. Prior to the formal submission of the planning applications a number of information sessions were arranged at local facilities to give residents and local stakeholders the opportunity to review the proposals.
- 7.3 During the planning application process, pre-application planning advice was sought for each site and the schemes were amended to incorporate comments from the planning department. The approved schemes reflect the feedback received from the information sessions, CBC planning department and CBC and CBH staff members.
- 7.4 The garages at Beaufort Road are now void and tenants offered an alternative garage within close proximity to their home.
- 7.5 Prior to the commencement of construction works, all affected residents will be written to and a further drop in session will be arranged for each site, to include meeting the contractor to unveil the intended site traffic plan etc.
- 8. Tender Validation**
- The report on tender from the project appointed Employers Agent and Quantity Surveyor, Baily Garner, confirms that the tender from J Harper and Sons is competitive in the current market and represents value for money for the size and scope of the works proposed. Please see exempt Appendix 2.
- 9. Indicative Programme**
- **Planning achieved:** 21<sup>st</sup> July 2016
  - **Tenders returned:** 26<sup>th</sup> September
  - **Required approvals:** Cabinet (8<sup>th</sup> November) and Council (12<sup>th</sup> December )
  - **Contract start date:** Pending the outcome of Cabinet and Council approval the intention is to award the contract to J Harper and Sons in April.
  - **Start on site:** Assuming a 12 week lead in time the likely start on site date will be April 2017.
  - **Practical Completion:** Anticipated by Summer 2018.
- 10. Performance monitoring and review**
- 9.1 An Operational Group has been created consisting of key Officers from CBH and CBC to deliver day-to-day management of new build housing and to provide CBC and CBH SLT with performance monitoring and reporting data.
- 9.2 The performance of the contractor will be monitored informally each week at regular site visits and formally each month at the monthly site meetings to ensure compliance with the contractual

obligations of the JCT Design and Build contract.

9.3 Close financial monitoring of the scheme will continue with costs monitored on a monthly basis to ensure budgets are not exceeded. Should any issues be encountered these will be discussed with CBC to ensure appropriate action is agreed.

**11. Forward Actions**

Following approval of the recommendations contained herein, CBC to progress completion of the overall legal documentation and enter into the Build Contract.

**12. Reasons for Recommendations**

Cabinet are asked to confirm their continuing support for the proposed developments and approve the decision to enter into contract with J Harper and Sons.

<b>Report authors</b>	<p><b>Contact officers:</b></p> <p><b>Alison Salter, CBH Development Manager</b>  <a href="mailto:Alison.Salter@cheltborohomes.org">Alison.Salter@cheltborohomes.org</a> 01242 774612</p> <p><b>Martin Stacy, Lead Commissioner for Housing Services CBC</b>  <a href="mailto:Martin.Stacy@cheltenham.gov.uk">Martin.Stacy@cheltenham.gov.uk</a> 01242 775214</p>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Report on Tender from Baily Garner (confidential)</li> <li>3. Financial Assessment (confidential)</li> </ol>
<b>Background information</b>	Cabinet Report 17 <sup>th</sup> March 2015

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the capital receipts held from RTB sales under the retention agreement with DCLG are not used within 3 years of receipt they are repayable with interest to the Government.	Tim Atkins	December 2013	3	2	6	Reduce	Council approves alternative option to spend Receipts on purchasing homes.	March 2017	Martin Stacy	
2	If the contractor and/or its sub-contractors become insolvent or otherwise cease to trade then this will adversely impact on the delivery of the programme.	Tim Atkins	Sept 2016	2	3	6	Reduce	Effective contract management; inclusion of retention monies in contract; include Liquidated and Ascertained damages within the contract in the case of delays to the programme; ongoing dialogue with the contractor to monitor labour and resources. The contractor is contractually obliged to provide a performance bond to 10% of the contract value to protect CBC in the event of insolvency. In the event of insolvency, the insurance company would either pay for the completion of the project or hire a contracting firm to complete the works.	April 2018	Martin Stacy	

3	If adverse ground conditions and site contamination is identified, then this will impact on the delivery of the programme.	Tim Atkins	Sept 2016	2	3	6	Reduce	Commission site investigations and issue detail to contractor, assume asbestos containing materials will be found in the existing garages.	Oct 2017	Martin Stacy	
4	If amendments to the Rights of way that have been identified at Newton Road and Kingsmead Avenue are not formally agreed with the relevant owners, then the Council will be unable to progress with developing on those sites.	Tim Atkins	April 2015	2	4	8	Reduce	The tender was worded to enable CBC to withdraw a site from the package in the event that the rights of way cannot be agreed with the relevant owners. The build contract will not be executed until the various rights of way issues have been concluded and/or formalised via the due legal process.	March 2017	David Roberts	
5.	If the rights of way issues aren't resolved by April 2017, the contractor will be able to claim for an increase in the build costs to reflect tender inflation.	Tim Atkins	October 2016	2	4	8	Reduce	Ensure timely conclusion of the rights of way issues affecting Kingsmead Avenue and Newton Road, with progress monitored through monthly project meetings. In the event that the rights of way aren't resolved by April 2017 leading to an increase in the contract sum, liaise with the project appointed QS to scrutinise the costs and ensure any increase in costs are acceptable and in line with legitimate construction industry inflation costs.	April 2017	David Roberts	

**Explanatory notes**

**Impact** – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

**Likelihood** – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

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











## Cheltenham Borough Council

**Cabinet – 8<sup>th</sup> November 2016**

### Future Provision of Internal Audit Services

<b>Accountable member</b>	<b>Councillor Roger Whyborn, Cabinet Member for Corporate Services</b>
<b>Accountable officer</b>	<b>Paul Jones, Section 151 Officer</b>
<b>Ward(s) affected</b>	<b>None directly</b>
<b>Significant Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>A professional, independent and objective internal audit service is one of the key elements of good governance in local government. Internal audit forms a part of the governance that provides assurance on all areas of its internal control system. This report proposes that the South West Audit Partnership (SWAP) provide the council's internal audit service from 1<sup>st</sup> April 2017. It should be noted that the counter fraud related activity is outside of scope and will remain with the Joint Committee.</p> <p>This report was considered by the Audit Committee on 21st September 2016 and agreed unanimously. In addition the 2020 Partnership Joint Committee considered a report at its meeting on the 30th September 2016. They recommended partner councils become members of SWAP, a company limited by guarantee; and also recommended to the partner councils to commission internal audit services from SWAP with effect from 1st April 2017.</p>
<b>Recommendations</b>	<p><b>Cabinet resolves to:</b></p> <ol style="list-style-type: none"> <li><b>1. Agrees that the South West Audit Partnership (SWAP) provide the council's internal audit service from 1<sup>st</sup> April 2017.</b></li> <li><b>2. Agrees to be a member council of South West Audit Partnership Limited from 1st April, 2017.</b></li> <li><b>3. Authorise the Section 151 Officer to finalise the arrangement referred to above in consultation with the relevant Cabinet Member(s) and the Borough Solicitor.</b></li> <li><b>4. Appoint the chairman of the Audit Committee to the Members' Board and the Section 151 Officer to the Board of Directors.</b></li> </ol>
<b>Financial implications</b>	<p>As detailed throughout this report.</p> <p><b>Contact officer: Paul Jones, <a href="mailto:paul.jones@cheltenham.gov.uk">paul.jones@cheltenham.gov.uk</a> 01242 775154</b></p>

<b>Legal implications</b>	<p>SWAP is a local authority company limited by guarantee and if the council becomes a member of the company, audit services can be obtained directly from it without the need for public procurement.</p> <p>The current delegation of the Internal Audit service to the Joint Committee in the current Inter Authority Agreement will need to be varied to implement this decision.</p> <p><b>Contact officer: Peter Lewis, Peter.Lewis@teWKesbury.gov.uk, 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>There are no direct HR implications for this Council although it should be noted that employees of Audit Cotswolds, who are employees of Cotswold District Council, will be subject to TUPE regulations.</p> <p><b>Contact officer: Julie McCarthy , julie.mccarthy@cheltenham.gov.uk, 01242 264355</b></p>
<b>Key risks</b>	As outlined in Appendix 1.
<b>Corporate and community plan Implications</b>	None.
<b>Environmental and climate change implications</b>	None.

## 1. Background

### 1.1 Internal Audit is defined by the CIPFA Guideline as:

“an independent appraisal function established by the management of an organisation for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources”.

### 1.2 Auditors in the public sector have a pivotal role to play in ensuring that public funds are administered properly, economically, efficiently and effectively, in the interests of the public and there is an expectation by the community that audit is protecting the public purse.

### 1.3 In Local Government, an internal audit service is a mandatory requirement; and all principal authorities in England and Wales are required by statute (under the Accounts and Audit Regulations and section 151 of the Local Government Act 1972), to have an adequate and effective internal audit function.

### 1.4 Internal Audit services are currently provided by Audit Cotswolds to Cheltenham Borough Council, Cotswold District Council and West Oxfordshire District Council. Forest of Dean District Council receives its Internal Audit Services from South West Audit Partnership (SWAP). Forest of Dean District Council is a Member of SWAP which is a company limited by guarantee and is wholly owned and controlled, as an in-house company, by its members and is a local authority controlled company for the purposes of Part V of the Local Government and Housing Act 1989. The liability of each member is limited to £1, being the amount that each member undertakes to contribute to the assets of the Company in the event of it being wound up while it is a member or within one year after it ceases to be a member.

### 1.5 As part of the internal audit planning process for 2016/17, several 2020 partnership services areas were identified for review in both the Audit Cotswolds and SWAP audit plans. Since 2012, the GO Shared Service areas have been jointly audited by Audit Cotswolds and SWAP with a joint protocol in place which aims to avoid service areas being audited twice. This protocol has worked well to date however as more services become shared and more are delivered by the 2020 partnership maintaining this arrangement will become increasingly difficult and this will impact on effective and efficient working.

### 1.6 As a result, in order to ensure effective and efficient working arrangements, it was clear it would be preferable for one internal audit provider to be commissioned to provide internal audit services for the shared services, and/or all of the Councils' services.

### 1.7 As SWAP is an existing local authority ('Teckal') company, the council (together with Cotswold DC and West Oxfordshire DC) could request to join SWAP as a member and the service change can be implemented without the requirement for a formal procurement exercise.

### 1.8 The Partnership Commissioning Group (PCG) and the Joint Committee (informally) approved an evaluation process to identify a preferred provider of Internal Audit services to the four partner councils. Bids were presented by the two current service providers South West Audit Partnership (SWAP) and Audit Cotswolds. Written submissions were received on 1st July 2016 and presentations on Thursday 7th July 2016.

## 2. Reasons for Recommendations

- 2.1 Given the various perceived conflicts of interest within the Finance Officer Group (e.g. Group Manager of GO Shared Services having line management responsibility for Audit Cotswolds and GOSS Head of Finance West being a member of the Board of Directors of SWAP), Grant Thornton were commissioned to support the evaluation process. Grant Thornton supported the process both by helping with the criteria for the evaluation and by providing an independent view upon the quality of responses by the two suppliers.
- 2.2 The proposals were evaluated using a price/quality score of 40%/60%. All of the assessors recognised and valued the work which had been put into both submissions, but SWAP scored highest in the evaluation.
- 2.3 The recommended provider has a proven track record of delivering quality internal audit services to 14 local councils, including Wiltshire, Herefordshire and the Forest of Dean on a not for profit basis. The council has a track record in looking at ways of working in partnership with other organisations to provide back office services more effectively. This proposal is a clear example of working with colleagues from other councils to achieve this.
- 2.4 The proposal from SWAP to the Council is to deliver the audit plan with 365 audit days for a fixed price of £94,020. This represents a base budget saving of £32,680. The SWAP proposal also presented the following advantages:
- Capacity and resilience (i.e. cover for sickness, vacancies and an increased ability to respond to urgent requests for support).
  - A range of skills and access from a pool of over 60 staff.
  - Increased training and development opportunities for staff.
  - Better career opportunities for staff.
  - Certainty of audit provision and cost to the council.
  - Independence of the audit function.
  - The ability to share resources across the authorities in the operational delivery of audit activity.
  - Efficiencies through the development of collaborative work programmes.
  - Access to a recognised audit management system and associated benefits from streamlining of workflow and enhanced opportunities for remote working.

## 3. SWAP and its Governance Model

- 3.1 The South West Audit Partnership (SWAP) was established in 2005 as a Joint Committee with two initial partners. It now has a membership including ten district, two county and two unitary council's and is present in five counties.
- 3.2 Since 1st April 2013 it has been a local authority owned "Teckal"/Public Contracts Regulations 2015 compliant company limited by guarantee, wholly controlled by its owners (partner council's). It has been assessed and found to comply with the Institute of Internal Auditors Professional Practices Framework and Public Sector Internal Audit Standards (PSIAS). The governance model for SWAP is a company limited by guarantee with two governing bodies.
- 3.3 Members' Board - Each partner council nominates a Councillor to represent them on this Board. The Councillor is the Member representative (equivalent to a Shareholder Representative in a company limited by shares like Ubico Limited) and would make all decisions relating to strategy, policy, appointment and dismissal of senior management and the admission of new partners in conjunction with the other members on the Member Board in accordance with the company's governance arrangements. It is proposed that the representative for this Council will be the Chair of the Audit Committee as the Member responsible for those charged with governance.

- 3.4 Board of Directors - The Board oversees the implementation of the strategy and policy, as well as ensuring the operational activities of the partnership are achieving the objectives set by the Members' Board. In order for Board Directors to be effective, they will need a good working understanding of internal audit and risk management. It is proposed that the representative for this Council will be the Chief Financial Officer (Section 151 Officer) or his nominated deputy as it is a function of the Chief Finance Officer to direct Internal Audit and ensure that it is adequate for the Council's purposes.
- 3.5 Provision has been made in the articles for other directors to be appointed, including some SWAP management as well as two Councillors who would normally be the Chairman and Vice-Chairman of the Members' Board.
- 3.6 Appendix 2 details the respective roles of the two Boards and SWAP Management.

#### 4. Conclusion

- 4.1 Despite not having natural geographical boundaries with our existing GO Shared Services partner councils, the 'willingness' to work together and share best practice has already delivered success. The key objectives from the original GO Programme were cashable savings, staff retention and opportunities, service efficiencies, service resilience and enhanced reputation.
- 4.2 It is evident from the SWAP proposal that these objectives will be fulfilled and is further evidence that this Council is open-minded to the delivery of services which provides value for money for its residents

<b>Report author</b>	<b>Contact officer: Paul Jones paul.jones@cheltenham.gov.uk, 01242 264125</b>
<b>Appendices</b>	Appendix 1 – Risk Assessment Appendix 2 – Duties and responsibilities
<b>Background information</b>	2020 Partnership Joint Committee 30 <sup>th</sup> September 2016 – Exempt Report PJC.11 Internal Audit

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If effective governance of the Council is not secured and enhanced through continued robust and effective internal audit provision, those responsible and accountable for governance will be failing to support and enhance the Council's control framework.	CBC Section 151 officer	21 September	4	3	12	Reduce	<p>Enter into an agreement with SWAP to provide the Councils Internal Audit Service</p> <p>Following a robust evaluation, through the engagement of the most effective internal audit service offered combined with effective audit planning and plan delivery assurance (completeness and quality), the SWAP internal audit service will build upon the existing proactive support for, and challenge of, the Councils governance and control arrangements.</p>	1/4/2017	Lead officer for Internal Audit provision	



## Duties and Responsibilities

The governance of the company is split between three separate groups: the Members (owners), the Board of Directors and the executive or Management. Each has a distinct set of responsibilities although, inevitably, there is some overlap. Broadly, the Members set strategy and make key decisions regarding the governance structure, budgets and assets. The Board of Directors oversees the implementation of the strategy and monitors the overall performance of the company. Management run the company, on a day-to-day basis, in accordance with the strategy and the direction provided by the Board of Directors.

<b>Members' Board</b>	<b>Board of Directors</b>	<b>SWAP Management</b>
<ul style="list-style-type: none"> <li>• Admission of new partners</li> <li>• Approval of the Annual Business Plan</li> <li>• Any changes to the approved Annual Business Plan</li> <li>• Any changes to the Articles of Association</li> <li>• Any changes to the Partners' legal agreements</li> <li>• Setting of the annual budget</li> <li>• Approval of annual accounts</li> <li>• Appoints external auditors</li> </ul>	<ul style="list-style-type: none"> <li>• Agrees the preliminary budget, for submission to the Member's Board for approval</li> <li>• Approves any significant changes to the budget distribution, except in relation to any proposals which would lead to an increase in Member contributions</li> <li>• Reviews and approves the annual accounts and balance sheet, prior to submission to the Members' Board</li> <li>• On-going, high-level, budget monitoring</li> <li>• Agrees combined audit plan and monitors equity of resource distribution amongst the Members</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and maintenance of approved budgets</li> <li>• Maintenance of proper accounts and submission of tax returns</li> <li>• Supervision and management of all staff employed by the company</li> <li>• Appoints and dismisses staff in accordance with approved HR and recruitment policies.</li> <li>• Delivery of the approved combined audit plan.</li> <li>• Procurement of all goods and services, in accordance with financial regulations.</li> <li>• Monitoring of individual and collective staff performance.</li> </ul>

<ul style="list-style-type: none"> <li>• Extending or reducing the scope of operations</li> <li>• Appointment or removal of non-executive Directors, in accordance with the Articles and the legal agreement</li> <li>• Setting and approving the form and content of the financial regulations</li> <li>• Appoint or remove the Chief Executive or any executive director</li> <li>• Change the name of the Company or its registered office</li> <li>• Change the bankers of the Company or open or close any bank accounts</li> <li>• License, assign or otherwise dispose of intellectual property rights owned by the Company</li> <li>• Approves and reviews the annual risk register</li> <li>• Approves the acquiring of any asset with a value in excess of £50K, unless included in the approved budget</li> </ul>	<ul style="list-style-type: none"> <li>• Agrees any significant changes to the combined audit plans that negatively impacts on the partnership</li> <li>• Approves and reviews annual themed audits to ensure best practice is shared with relevant service heads at each Member</li> <li>• Monitors overall performance of the company, via a balanced scorecard approach.</li> <li>• Reviews and monitors the risk register to ensure risks are managed in accordance with the requirements of the Members' Board</li> <li>• Approves major changes and monitors terms and conditions of staff</li> <li>• Recommends to the Members appointment or removal of executive directors</li> <li>• Appoints three non-executive directors to hear staff disciplinary appeals</li> <li>• Reviews and recommends for approval the annual and strategic business plan</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment and maintenance of staff development and training policies and budgets.</li> <li>• Maintaining the partnership IT infrastructure sufficient to ensure continuity of service, utilising support from other provider(s) for back office provision.</li> <li>• Ensuring equity in the delivery of internal audit services to all Partners.</li> <li>• Maintain sufficient internal audit resources to ensure approved audit plans are delivered.</li> <li>• Obtaining additional, non-partner related, work up to the maximum permitted under the 'Teckal' exemption</li> <li>• Developing, implementing and maintaining a marketing plan for the company</li> <li>• Maintaining continuous monitoring of risks, utilising a corporate risk register, that are, or may, impact the company</li> <li>• Developing and maintaining a business plan that is approved by both boards</li> </ul>
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<ul style="list-style-type: none"><li>• Approves the acquiring of any land or property by the company</li><li>• Approves the annual and strategic business plan</li></ul>	<ul style="list-style-type: none"><li>• Reviews and approves business case for admission of new Members, for submission to the Members' board</li></ul>	
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## Cheltenham Borough Council Cabinet – 8 November 2016 Tourism Development Project Update

<b>Accountable member</b>	<b>Cllr Steve Jordan, Leader of the Council</b>
<b>Accountable officer</b>	<b>Tim Atkins, Managing Director Place &amp; Economic Development</b>
<b>Ward(s) affected</b>	<b>None</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>In March 2016, Cabinet delegated authority to the Managing Director, Place &amp; Economic Development, in consultation with the relevant Cabinet Member, to consider how to allocate £50,000 funding set aside to support strategic tourism and to begin implementation of the report by Creative Tourist 'A Strategic Outcomes Proposition for Cheltenham'.</p> <p>It was agreed that the funding should be split between consultancy fees for the engagement of a tourism consultant and an operational budget to deliver some of the actions. A tourism consultant, Kelly Ballard, was subsequently appointed at the end of July on a twelve month contract (working approximately two days a week) with a remit to support delivery of the year one priorities identified by Creative Tourist and the priorities identified by the Tourism Partnership.</p> <p>This report outlines the key deliverables expected from this first phase of implementation together with a number of specific outputs from the project. It also provides an update on current activity, covering engagement and communication, brand and strategy development, work with Cheltenham BID and other key partners, the relationship with local DMOs and the development of a sustainable business model.</p>
<b>Recommendations</b>	<b>Cabinet is asked to note the progress and direction of travel of the tourism development project.</b>
<b>Financial implications</b>	<p>None directly arising from this report.</p> <p><b>Contact officer: Nina Philippidis, nina.philippidis@cheltenham.gov.uk, 01242 264121</b></p>
<b>Legal implications</b>	<p>There are no direct implications arising from this report.</p> <p><b>Contact officer: Shirin Wotherspoon, shirin.wotherspoon@tewkesbury.gov.uk, 01684 272017</b></p>

<b>HR implications (including learning and organisational development)</b>	There are no direct implications arising from this report.  <b>Contact officer: Julie McCarthy, HR Manager (GO shared services West), Julie.mccarthy@cheltenham.gcsx.gov.uk, 01242 264355</b>
<b>Key risks</b>	See risk assessment
<b>Corporate and community plan Implications</b>	Tourism is a cross-cutting theme which runs through many of the council's activities such as economic development, culture, health and wellbeing, public realm and community engagement. The implementation of Creative Tourist's Outcomes Proposition will support the council's outcome of sustaining and growing Cheltenham's economic and cultural vitality, but it also has the capacity to contribute to the protection, maintenance and enhancement of the town's environmental quality and heritage. Creating opportunities for visitors also brings benefits to local people and can contribute to healthy communities.
<b>Environmental and climate change implications</b>	There are no direct implications arising from this report; however, it will be important to consider the impact on the environment and climate change of tourism activities as initiatives are implemented.
<b>Property/Asset Implications</b>	There are no direct implications arising from this report.  <b>Contact officer: David Roberts@cheltenham.gov.uk</b>

## 1. Background

- 1.1** In March 2016, Cabinet delegated authority to the Managing Director, Place & Economic Development, in consultation with the relevant Cabinet Member, to consider how to allocate £50,000 funding set aside to support strategic tourism and to begin implementation of the report by Creative Tourist 'A Strategic Outcomes Proposition for Cheltenham'.
- 1.2** This report identified a number of priority actions, one of which was to source additional capacity to drive the programme forward. It was agreed that the funding should be split between consultancy fees for the engagement of a tourism consultant and an operational budget to deliver some of the actions. A procurement process was undertaken and Kelly Ballard was appointed at the end of July 2016 with a remit to support delivery of the year one priorities identified by Creative Tourist and the priorities identified by the Tourism Partnership, which were outlined in the March Cabinet report. Kelly is on a twelve month contract working approximately two days per week.

## 2. Project outputs and outcomes

- 2.1** The outcomes proposition developed by Creative Tourist sets out "an ambitious but achievable set of progressive steps for tourism in Cheltenham for the period 2016-2020". Within this a number of priority actions are identified which were highlighted in the March Cabinet report.
- 2.2** These informed the brief to engage the tourism consultant. The brief set out a number of key deliverables for the first, twelve month, phase of implementing the outcomes proposition action plan:
- A clear identity for Cheltenham and a positioning of the town within the tourism market – linked to the emerging Place Strategy

- A clear understanding of the activities which will deliver the greatest impact and / or are the most urgent, how they can be delivered and the order in which they should be delivered. The consultant will be expected to undertake delivery and/or support others to deliver some of these activities during the term of the project
- Clear and well-functioning partnership structures with defined roles and responsibilities to sustain the delivery of tourism over the longer term
- Established links between tourism and the wider economic agenda which can be maintained to ensure activities are aligned

**2.3** These deliverables will be supported by a number of specific outputs, which will be developed during the project:

- A sustainable business model for the future delivery of tourism in Cheltenham
- A succinct tourism strategy, shaped from the Creative Tourist recommendations
- A brand which positions Cheltenham and can be used to appeal to visitors, residents and investors
- A marketing strategy with initial supporting content, itineraries and product themes
- A communications strategy promoting regular engagement with tourism businesses

### **3. Current activities**

**3.1** A project work programme has been agreed (see appendix 2), which identifies a number of workstreams:

- Stakeholder communication
- Research
- Strategy
- Business model
- Funding
- Planning
- Brand development
- Delivery

**3.2** However, it should be noted that this is a working document which will be reviewed as the project progresses.

**3.3** The following paragraphs outline current activity within the overall work programme. Overview & Scrutiny Committee received a 'Place & Economic Update' paper on 31 October 2016, which included a section on tourism activities. The full extract is at appendix 3, but is summarised below with some additional information.

#### Stakeholder engagement

**3.4** Introductory meetings have been held with key tourism stakeholders including tourism partnership members, cabinet members responsible for tourism and a number of local tourism businesses. This has included work with the Cheltenham Trust to gain a better understanding of the work the team undertakes, to support them in re-shaping their marketing plans and resources and to engage with them on the wider marketing strategy.

#### Communications plan

**3.5** This is being developed and implemented with the intention of promoting the work that is being undertaken and increasing awareness of activity to engage tourism businesses to get involved, which will continue beyond the end of the project. A database of all tourism businesses in Cheltenham is in development to support this. An initial press release has already been issued, which covers the recently announced 2015 Value of Tourism figures. Research undertaken by

South West Research Company concludes that in 2015 the value Cheltenham's tourism economy was worth c£154m per year. A further breakdown is available at appendix 4.

### Strategies

- 3.6** Work is underway to develop a short, punchy strategy to engage stakeholders, which is being created from the Creative Tourist recommendations (in draft by end November). Following on from this a marketing strategy will be developed (in draft by January 2017). Both documents will be signed off by the Tourism Partnership.

### Brand development

- 3.7** The brand platform will be in place for the start of 2017. Effective branding requires specific expertise, so a brand specialist is being brought in to support this workstream. It is essential that the 'Cheltenham Brand' development work is closely aligned to the emerging Place Strategy. The branding work will involve input from key stakeholders from across the town, including the Council. This work will feed into the development of the marketing strategy.

### Working with Cheltenham BID

- 3.8** The Council and BID have jointly commissioned a piece of research which will give an overview of who is coming to Cheltenham, who isn't and the reasons why? It will also look at people's perceptions of Cheltenham, which will inform marketing opportunities. A Christmas marketing campaign is currently being developed with the Trust, which can be a test bed for future collaborative campaigns.

### Cotswolds Tourism Partnership (Cotswolds DMO)

- 3.9** The value of partnering with this organisation currently lies in improving Cheltenham's profile in the Cotswolds, the links and marketing opportunities from VisitBritain and VisitEngland and access to email databases and performance data, particularly whilst Cheltenham develops its own business model. A £3k contribution has therefore been made for the next year; however, the relationship will be reviewed and clarified as part of the development of a business model for Cheltenham.

### Business model

- 3.10** The Tourism Partnership will be discussing initial ideas on 23 November and the appetite from partners to support and invest will be assessed. A number of destination models need to be reviewed and consideration also needs to be given to how to work effectively with other DMOs and tourism organisations, particularly Gloucester and the Cotswolds.
- 3.11** The potential value of a relationship with Cotswolds DMO is outlined at 3.9 above. Marketing Gloucester, which is a well-resourced DMO benefiting from both public and private investment, has recently seen strong growth in tourism and there is the potential for Cheltenham and Gloucester to be complementary destinations. The value of tourism for Gloucester in 2015 was c£200m. They saw a significant increase in day visitors – undoubtedly a result of the increased events programme (including the Rugby World Cup) and investment in regional marketing.
- 3.12** The two destinations working together could potentially pull the important staying visitor – both domestic and overseas. The Cheltenham Trust is already working to build a constructive relationship with this organisation and the two have recently come together to submit a joint bid for funding to Discover England (outcome of bid awaited). There could be potential for a similar type of organisation that would be responsible for inward investment and wider 'place' marketing and this is also being considered.
- 3.13** A clear direction on the business model approach is expected by March 2017.



**4. Consultation and feedback**

- 4.1 As outlined above, Overview & Scrutiny Committee received a ‘Place & Economic Update’ paper on 31 October 2016, which included a section on tourism activities.
- 4.2 In addition, there has been considerable engagement and consultation with many of the stakeholders regarding this work; this programme is ongoing and will be supported by the communications strategy.

**5. Performance management – monitoring and review**

- 5.1 The Managing Director, Place & Economic Development and the Chief Executive of the Cheltenham Trust receive progress reports and have regular meetings with the tourism consultant to review progress and adjust the work programme as required. The Tourism partnership will receive progress reports which will then progress into a mechanism for assessing and monitoring performance.

<b>Report author</b>	<b>Contact officer: Gill Morris, Client Officer, gill.morris@cheltenham.gov.uk, 01242 264229</b>
<b>Appendices</b>	<ul style="list-style-type: none"> <li>1. Risk Assessment</li> <li>2. Tourism development project work programme August 2016-July 2017 (working document)</li> <li>3. Overview &amp; Scrutiny Committee, 31 October 2016: extract of paper ‘Place &amp; Economic Update’</li> <li>4. 2015 Value of Tourism figures</li> </ul>
<b>Background information</b>	<ul style="list-style-type: none"> <li>1. Creative Tourist Consults report – ‘A strategic tourism outcomes proposition for Cheltenham’</li> </ul>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the expectation of stakeholders about what can be delivered within current funds is not realistic then this could have a detrimental impact on the perception of the Council	MD Place & Economic Development	8/11/16	3	3	9	Reduce	Manage stakeholder expectation through regular communication and engagement		Tourism consultant with MD Place & Economic Development	Place & Economic Development Division
	If the Tourism Partnership and key stakeholders are unable to agree on a joined up strategy of working together to improve tourism then the ability to develop a strong and coherent tourism sector in Cheltenham will be compromised	MD Place & Economic Development	8/11/16	4	4	16	Reduce	Ensure effective engagement and discussion with stakeholders during development of business model		Tourism consultant with MD Place & Economic Development	Place & Economic Development Division
	If the council is unable to provide resource to support tourism beyond this initial 1 year engagement then this may have a negative impact on overall economic growth and	MD Place & Economic Development	8/11/16	4	4	16	Reduce	Develop an understanding of the appetite for support and investment by partners and use as a basis for exploring the level of council resource that may		Tourism consultant with MD Place & Economic Development	Place & Economic Development Division

	place pressure on the MTFS							be required			
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**Explanatory notes**

**Impact** – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

**Likelihood** – how likely is it that the risk will occur on a scale of 1-6  
(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

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



	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY
Stakeholder Communication	Meet key stakeholders and develop a contact list of those involved in the Cheltenham tourism industry											
	Review Place Making Strategy and how that might fit with the Tourism Strategy											
			Develop and implement a communications plan for stakeholders inc Cheltenham tourism businesses and cabinet members									
	Establish regular communications channels with Cheltenham Tourism Businesses											
Research	Develop KPI's and ongoing evaluation methods											
	Carry out research to understand market potential and perceptions of Cheltenham											
Strategy	Creation of a concise 3-year tourism strategy based on the actions of Creative Tourist report											
	Creation of a 3 year marketing strategy					Work with the Trust and others to develop a programme to support the brand and tourism strategy						
Business Model	Review and clarify the working relationship with Cotswolds Tourism											
	Review and clarify the relationship with Marketing Gloucester											
	Establish the best route forward for delivering tourism marketing including appropriate objectives for Cheltenham Trust											
	Work with the Cheltenham Tourism Partnership to create a memorandum of understanding											
	Review the future of the Tourist Information Centre											
	Implement consultant exit plan for sustainable tourism future											
Funding	Review funding opportunities to create a sustainable destination management and marketing operation											
	Work with key partners to identify and bid for funding											
Planning	Review Cheltenham Trust tourism resources and plans											
	Work with the Cheltenham BID - Establish a working relationship & mutually beneficial plan including research & brand development											
	Work with the Cheltenham Trust, to support the short-term tourism marketing plan											
	Work with Cheltenham Trust on development of digital assets											
Creation of content and PR plan to support year one of the strategy												
Brand Development	Creation of a brand platform for Cheltenham - working with key stakeholders and brand specialist											
	Identify the brand narrative for Cheltenham along with stories and offer (events and attractors)											
	Creation of copy, itineraries and product themes to support the narrative											
	Creation of video and photography to support the brand narrative											
Delivery	Engage with VisitEngland & VisitBritain on plans and positioning for Cheltenham											
	Implement tourism marketing plan for 2017											
	Engage in proactive copy distribution to channel partners such as travel and transport sites											
	Establish cross promotional opportunities between Cheltenham Tourism businesses											
	Link into international plans for travel trade marketing as part of SW Tourism fund legacy (VisitBritain)											



# ***Information/Discussion Paper***

## **Overview & Scrutiny Committee**

**Monday 31 October 2016**

**Place & Economic Update**

**Extract relating to Tourism**

### **TOURISM**

- 3.1** Tourism Marketing Consultant, Kelly Ballard started work on the project at the end of July 2016. She is working approximately two days per week until July 2017 to deliver the year one recommendations as per the Creative Tourist Outcomes Review.

#### *Stakeholder engagement*

- 3.2** Introductory meetings have been held with 95% of key tourism stakeholders including the Tourism Partnership, cabinet members responsible for tourism and various other tourism businesses in the locality.
- 3.3** Cheltenham Tourism Partnership meeting – planned for 23rd November. Meetings will be held every two months.
- 3.4** Work has started with the Cheltenham Trust to get a better understanding of the work the team undertake in relation to tourism and marketing, their capacity and capabilities. Two workshops have been undertaken to develop the wider understanding and scope of the tourism market, how it effects Cheltenham, the work the trust are currently involved in.
- 3.5** These workshops will assist in providing a clear and collaborative focus on priorities, ensure buy-in from the team, give the Trust management an opportunity to reshape their marketing plans and resources and the team the opportunity to feed into the marketing strategy.

#### *Communications Strategy*

- 3.6** An initial press release has been made to launch the communications plan for tourism in Cheltenham. This was launched with a piece around the value of the current tourist economy. Evidence suggests that Cheltenham has an existing tourism economy with a value of c£150m per year. A report has been commissioned due at the end of October that will provide more detail. The strategy is intended to promote the work being undertaken and increase awareness.

#### *Cotswold Partnership*

- 3.7** Whilst Cheltenham develops its own business model, we have strengthened our partnership with Cotswold DMO. We have agreed to contribute £3k to the Cotswolds Partnership. This will improve our profile in the Cotswolds and provides access to their links and marketing opportunities from VisitBritain and VisitEngland; access to various communications channels including a 45k email database; TStats, a system to monitor and report on visitor footfall and

occupancy rates which will help when evaluating success; Influence over their marketing plans; access to other training and visitor service opportunities for the tourism businesses of Cheltenham.

#### *Brand development*

- 3.8** It is essential that the 'Cheltenham Brand' development work is closely aligned with the emerging Place Strategy. Finding the right balance between the vision for the future Cheltenham and how this links to its heritage and cultural offer is key to getting a powerful brand. For example if the tourism strategy were to position Cheltenham as a good place for the over 60's to visit then this may have a negative effect on encouraging young people to come study and work in the town.
- 3.9** A brand specialist is being brought in to support this workstream to effectively weave-in Cheltenham's rich cultural tapestry and economic potential, along with other social and environmental factors.

#### *Working with Cheltenham BID*

- 3.10** The tourism programme has involved close involvement with the newly establish BID. Research is being undertaken that will benefit a number of stakeholders. The results are expected to give an overview of who is coming to Cheltenham, who isn't and reasons why. It will also inform perceptions of Cheltenham and marketing opportunities.
- 3.11** Work is also ongoing regarding the Christmas campaign and how this will work with the Trust and the use of VisitCheltenham.co.uk – a marketing campaign will be developed which can be a test bed for future collaborative campaigns.

#### *Business Model*

- 3.12** Work is progressing with the Trust and Cotswold Tourism to review the current financial situation as both are charging tourism businesses for services. With such a small pool of tourism businesses this is unsustainable in the long-term. Initial ideas will be discussed at the Tourism Partnership meeting on the 23rd November where the appetite to support and invest will be assessed.
- 3.13** Consideration is also being given to a 'Marketing Cheltenham' type organisation that would have responsibility for Inward Investment and wider 'place' marketing. This is in the early stages however and everything is still in the air. Other destination models need to be reviewed. Stakeholders from the Development Task force are being met to discuss the principle of this approach. It is important that we look at how Cheltenham can effectively work with other DMOs and tourism organisations in the region, and how we are able to benefit each other's economies. This is particularly the case with Gloucester and the Cotswolds.

#### *Strategy*

- 3.14** In order to engage stakeholders within Cheltenham and outside, a short, punchy strategy needs to be created from the Creative Tourism recommendations. This will be drafted by the end of November. Following on from this a marketing strategy will be developed. Both documents will be signed off by the Tourism Partnership.



## Cheltenham

	2015	2014	% change		2015	2014	% change
UK staying trips	311,200	297,100	5%	Total business turnover supported by tourism	£198,574,000	£189,294,000	5%
UK staying nights	688,000	682,000	1%				
UK staying spend	£51,246,000	£49,631,000	3%	Total employment supported (FTE)	2,471	2,402	3%
Overseas staying trips	45,100	51,200	-12%	Total employment supported (estimated actual)	3,332	3,247	3%
Overseas staying nights	308,000	334,000	-8%				
Overseas staying spend	£19,403,000	£21,050,000	-8%	% of all employment	6%	5%	0%
Combined staying trips	356,300	348,300	2%	Estimated GVA	£112,339,000	£106,999,000	5%
Combined staying nights	996,000	1,016,000	-2%				
Combined staying spend	£70,649,000	£70,681,000	0%				
Day visits	1,824,000	1,860,000	-2%				
Day visit spend	£75,863,000	£69,274,000	10%				
Total trips (day and staying)	2,180,300	2,208,300	-1%				
Total visitor spend (day and staying)	£146,512,000	£139,955,000	5%				
Other visitor related spend	£7,713,000	£6,681,000	15%				
Total visitor related spend (visitor spend + other related)	£154,225,000	£146,636,000	5%				

