



CHELTENHAM

BOROUGH COUNCIL

Notice of a meeting of Cabinet

Tuesday, 5 December 2017
6.00 pm
Pittville Room - Municipal Offices

| Membership | |
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| Councillors: | Steve Jordan, Flo Clucas, Chris Coleman, Rowena Hay, Peter Jeffries, Andrew McKinlay and Roger Whyborn |

Agenda

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| | SECTION 1 : PROCEDURAL MATTERS | |
| 1. | APOLOGIES | |
| 2. | DECLARATIONS OF INTEREST | |
| 3. | MINUTES OF THE LAST MEETING Minutes of the meeting held on 7 November 2017 | (Pages 5 - 14) |
| 4. | PUBLIC AND MEMBER QUESTIONS AND PETITIONS These must be received no later than 12 noon on the fourth working day before the date of the meeting | |
| | SECTION 2 :THE COUNCIL <i>There are no matters referred to the Cabinet by the Council on this occasion</i> | |
| | SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE <i>There are no matters referred to the Cabinet by the Overview and Scrutiny Committee on this occasion</i> | |
| | SECTION 4 : OTHER COMMITTEES <i>There are no matters referred to the Cabinet by other Committees on this occasion</i> | |
| | SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS | |
| 5. | PUBLIC ART STRATEGY Report of the Cabinet Member Healthy Lifestyles | (Pages 15 - 80) |
| 6. | TREASURY MID-TERM REPORT 2017/18 Report of the Cabinet Member Finance | (Pages 81 - 96) |

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| 7. | | COUNCIL TAX PREMIUM ON LONG-TERM EMPTY HOMES Report of the Cabinet Member Finance | (Pages 97 - 104) |
| 8. | | APPLICATION FOR DESIGNATION OF A NEIGHBOURHOOD AREA AND NEIGHBOURHOOD FORUM BY THE HESTERS WAY NEIGHBOURHOOD DEVELOPMENT FORUM Report of the Cabinet Member Development and Safety | (Pages 105 - 122) |
| 9. | | REVISED FINANCING ARRANGEMENTS FOR IMPROVEMENTS TO LEISURE-AT-CHELTENHAM Report of the Cabinet Member Healthy Lifestyles | (Pages 123 - 144) |
| | | SECTION 6 : BRIEFING SESSION • Leader and Cabinet Members | |
| 10. | | BRIEFING FROM CABINET MEMBERS | |
| | | SECTION 7 : DECISIONS OF CABINET MEMBERS Member decisions taken since the last Cabinet meeting | |
| | | SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION | |
| | | SECTION 9 : SECTION 9 : LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS | |
| 11. | | LOCAL GOVERNMENT ACT 1972 : EXEMPT BUSINESS The Cabinet is recommended to approve the following resolution:- “That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3, Part (1) Schedule (12A) Local Government Act 1972, namely: Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information) | |
| 12. | | PROPERTY ACQUISITIONS Reports of the Cabinet Member Finance TO FOLLOW : • Property acquisition (1) • Property acquisition (2) • Property acquisition (3) | |

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

Cabinet

**Tuesday, 7th November, 2017
6.00 - 6.45 pm**

| Attendees | |
|---------------------|---|
| Councillors: | 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

None.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 10 October 2017 were approved and signed as a correct record.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

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| 1. | Question from Peter Sayers to the Cabinet Member Development and Safety, Councillor Andrew McKinlay |
| | I understand, from Cllr B Fisher, that a TRO is being prepared to make traffic on the South side of Clarence Square one-way. There may very well be better solutions to the traffic issues of St Pauls Road/Clarence Square and any change will affect many residents. Would it not be sensible for this Council to consult with the residents of Clarence Square PRIOR to a formal TRO consultation, even if this is 'devolved' to County? |
| | Response from Cabinet Member |
| | For clarification traffic regulation orders are not devolved to Gloucestershire County Council; they are the highways authority and as such responsible for all matters relating to the highway. I have sought information from colleagues at GCC and they have advised as follows. <ul style="list-style-type: none"> • There are no proposals to change the traffic flow in Clarence Square. • Current state is that there is a possible solution to a perceived safety issue where the road narrows at the end of Saint Pauls Road with Clarence Road. Whilst there are no vehicular accidents |

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| | <p>reported at the junction with St Pauls Road, it is on the hot spot list for Cheltenham with cycle and pedestrian injury accidents.</p> <ul style="list-style-type: none">• The idea being to prevent cars heading west from Clarence Road turning right and then left into St Pauls Road by making the short section one-way.• Whilst both of the roads concerned lie within Councillor Fisher's area they border with Councillor Payne (County) and Councillor Lillywhite (Borough) areas. We understand that Councillor Fisher has told St Pauls Residents Association about the idea and the requirement for a TRO. However GCC have not started a process other than informal discussions internally. GCC have spoken to both Councillors Lillywhite and Payne some time ago and it was agreed that we would set up a meeting to talk about other local residents concerns. We have as yet not done this.• The main concern as we understand it, seems to be that residents of Clarence Square will not be able to use St Pauls Road as a rat run to avoid the A4019.• In summation, initial discussions have taken place between County Council Member and highways officers regarding a possible change to traffic flow in St Pauls Road at its junction with Clarence Square and Monson Avenue. Consultation has taken place with Saint Pauls Residents Association and the next step is to talk to adjoining County and Borough Members to understand any wider issues. Once this has been done further informal and formal consultation will take place as required should a TRO be considered the most appropriate course of action” <p>I trust that this clarifies the matter but should further information be required I would suggest direct contact with GCC.</p> |
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5. COUNCIL TAX, HOUSING BENEFIT AND COUNCIL TAX SUPPORT PENALTY AND PROSECUTION POLICY

The Cabinet Member Corporate Services introduced the report and related Policy which had been drafted on behalf of the Revenues and Benefits Teams within a number of the Gloucestershire Authorities and which replaced the Housing and Council Tax Benefits Sanctions Policy dated March 2010.

He explained that the Policy reflected the position following the introduction of the Council Tax Reduction Scheme (Council Tax Support) which replaced Council Tax Benefit in 2013. In addition it outlined the changes brought about by the creation of the Single Fraud Investigation Service which subsumed the council's responsibilities for investigating allegations of fraud in relation to Housing Benefit. The Policy also detailed the options available in relation to abuse of Council Tax discounts and exemptions.

The Cabinet Member explained that the fixed civil penalty of £50 would be applied where there was no evidence of fraud in terms of Housing Benefit and £70 in terms of Council Tax Support where there was no evidence of fraud. The civil penalties appeals process was laid down in section 6.25.

Members proposed that the words “coercive control” be included at paragraph 6.18 (b) to read as follows : Social factors such as domestic violence, coercive control, career or employment impact, childcare etc. This was agreed and the

officer concerned that agreeing this addition would not be a problem bearing in mind that this is a Policy shared across multiple organisations.

A Member requested that an element of judgement be exercised by officers and that the Policy be implemented on a fair and equitable basis. The Cabinet Member Corporate Services added that it was recognised that where fraud was suspected but there was not sufficient evidence to support it, or that the overpayment raised was due to negligence or error, the Policy would be sufficiently flexible in wording to enable officers to use their common sense to determine their approach.

RESOLVED THAT

- 1. the Council Tax, Housing Benefit and Council Tax Support Penalty and Prosecution Policy be approved (as amended) and adopted.**
- 2. the Chief Finance Officer be authorised to approve future minor amendments to the Policy in consultation with appropriate Officers, Cabinet Member Corporate Services and One Legal.**

6. BUDGET MONITORING REPORT TO 30 SEPTEMBER 2017

The Cabinet Member Finance introduced the report which updated Members on the council's current financial position for 2017/18 based on the monitoring exercise at the end of September 2017. The report covered the council's revenue, capital and treasury management position and identified any known significant variations (minimum £50k) to the 2017/18 original budget and areas with volatile income trends.

The Cabinet Member highlighted the following :

- the expected savings in business rates were due to less rates payable by the council of £80k for the year, which included rebates of £ 52K for rateable values backdated from prior years.
- Cemetery & crematorium surplus income was currently at £10k and was expected to increase by the year end.
- Off street car parking income to the end of September was overachieving by £91k; she explained that the target income for the first six months of the year was lower to take account of holiday periods.
- The continued use of older refuse vehicles which were becoming less efficient and incurring higher operating and maintenance costs had given rise to an additional contract charge from Ubico of approximately £120k for the half year to 30th September 2017. These costs would be mitigated by a finance lease payment due back to the council from Ubico for the same period, due to the delay in purchase of new vehicles. New vehicles were however now in operation so these additional costs would not continue in the second half of the year.
- The cost of recycling waste wood (previously met by Ubico) was not factored into the budget and was expected to cost £63,000 in 2017/18. Income from cardboard recycling had been adversely affected by a sharp fall in the value of this commodity from £97 to £67 a tonne leading to a projected loss of income of £50,000. Income from waste and recycling

continued to be monitored on a regular basis in conjunction with the Joint Waste Committee.

- Investment interest was likely to be around £22,000 in surplus against the expected budget of £385,700 for the financial year. The council invested £1m with the Local Authorities Property Fund in August this year with the aim to achieve a return circa 4%. For this financial year the council has held an average balance of £23.4m investments achieving an average rate of 0.50%.
- The housing revenue account (HRA) showed expenditure on repairs and maintenance for the year was currently forecast at £3,802,000, a reduction of £157,000 in comparison to budget. This reduction was due to a number of factors including lower demand following mild weather and ongoing improvements in working practices and procurement.
- The current forecast for capital expenditure on existing housing stock was £7,973,000, a reduction of £403,100 in comparison to budget, due to significant project variations in terms of external works and 100k reduction in the Disabled Facilities Grants. Lower expenditure was forecast as a result of lower demand and external delays to the approval of applications.
- Collection rates for this years council tax was above the target set, whilst business rates collection was slightly below the target which was being carefully monitored.

In conclusion the net effect on the general fund of the variances reported was that there was a forecast net underspend against the budget of £209k for 2017/18.

The Cabinet Member Finance highlighted that the continued impact of the changes in government funding arrangements and the economic climate presented particular concerns for the council's budgets. It was clearly important to ensure that budgets continued to be closely monitored over the coming months with a view to taking action at a future date, if necessary.

She explained that the next detailed budget monitoring was due in January 2018 which may result in further projected variances. Cabinet and Council would decide in July 2018, when the outturn was finalised, how to apply any potential further savings. However it was recommended that any underspend identified on outturn be 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 report.

Finally the Cabinet Member Finance wished to put on record her thanks to all officers for their diligence in ensuring that the council was on course for all expected services to be delivered and within budget.

RESOLVED THAT

the contents of this report including the key projected variances to the 2017/18 budget and the expected delivery of services within budget be noted.

7. LEASE FOR GRANGE FIELD WALK PLAYING FIELD

The Cabinet Member Finance introduced the report and explained that Grange Walk Playing Fields was public open space in the heart of Charlton Kings. It was located close to Beeches Playing Fields and Church Piece which had various local amenities.

Charlton Kings Parish Council would like to take a lease of Grange Walk Playing Fields for 31 years which would be co terminus with that of the Stanton Rooms. They would like to continue to use it for Public Open Space and invest in the area to integrate it more with Church Piece.

The Cabinet Member Finance proposed that a lease be offered at a peppercorn rent. The Parish would be responsible for the maintenance and up keep of the playing fields as well as the trees. Cheltenham Borough Council would maintain responsibility for emptying the litter and dog bins. The proposed vision for the benefit of the community by the Parish Council was welcomed. She added that local ward Members and Asset Management Working Group (AMWG) had been consulted and were supportive of the proposal.

The Leader added that this was good news and welcomed the close working relationship with the Parish Council and all Parish Councils in the borough.

RESOLVED THAT

- 1. lease of the land edged red on the attached plan be granted to Charlton Kings Parish Council for a term expiring on 17th January 2048 at nil premium and a peppercorn rent, and upon such other terms as agreed by the Head of Property and Asset Management in consultation with the Borough Solicitor**

- 2. the Borough Solicitor be authorised to complete the lease upon the terms negotiated by the Head of Property and Asset Management, together with such other ancillary terms and documents as is considered necessary or advisable.**

8. DISPOSAL OF PUBLIC OPEN SPACE (FUNCTION ROOM AT NAUNTON PARK PAVILION)

The Cabinet Member Finance introduced the report and explained that Naunton Park Pavilion was located in public open space in a park in Leckhampton. The park was popular with the local community used by families visiting the playground, local and dog walkers.

The function room at Naunton Park Pavilion had been occupied under a license by the Friends of Naunton Park since 2013 and they have used it on an ad-hoc basis for hiring out for birthdays, arts club and youth club. They did not pay a license fee and it was predominantly shut during day time hours. The Council were responsible for all repairs. The function rooms have their own separate entrance with a separate toilet as shown on the attached plan.

The Cabinet Member explained that the Property and Asset Management team have been considering ways of maximising the council's estate, especially those assets that were intended to be retained but were under-utilised. This proposal offered an opportunity to generate additional income.

She went on to explain that in September 2017, planning permission was granted for the change of use of the function room at Naunton Pavilion to a tea room to serve the local community. Support was given unanimously by Friends of Naunton Park.

It was now proposed that the unit be marketed on a 5 year lease at a rent of £3,900 per annum. The new tenant would take on all internal repairs and pay a percentage towards the external repairs.

The Friends of Naunton Park have agreed to continue with their agreement until a suitable tenant to run a coffee shop for the local community from the pavilion could be found, Two parties had already expressed an interest in the café and it was hoped that marketing would attract additional interest.

Leasing out the space would provide the council with an annual rental income as well as an additional saving on the cost of internal repairs, which would be covered by the tenant. There was no rent currently being charged, therefore no loss of income would arise.

The Cabinet Member informed that local members and AMWG had been consulted and were fully supportive of the recommendations.

She then proposed a slight amendment to recommendation 2, that 'Ward Members' was replaced with Cabinet Member Finance. This was agreed by Members.

The Leader welcomed the proposal which was positive news for the local area.

RESOLVED THAT

- 1. It be agreed that the function room at Naunton Park Pavilion be declared surplus for a term of 5 years.**

- 2. Authority be delegated to the Head of Property and Asset Management, in consultation with the Borough Solicitor, to agree the terms of the lease of the function room at a rent which may be below the market rent but which the Head of Property and Asset Management in consultation with the Cabinet Member Finance and Borough Solicitor consider to represent best value.**

- 3. The Borough Solicitor be authorised to execute a lease upon the terms agreed by the Head of Property and Asset Management and such other terms as is considered necessary or advisable.**

9. FLEXIBLE HOMELESSNESS SUPPORT GRANT

The Cabinet Member Housing introduced the report and explained that the Homelessness Reduction Act 2017 would be implemented in April 2018 and would significantly increase the statutory duties on councils to prevent and relieve homelessness of all families and single people, regardless of priority need, who were eligible for assistance and threatened with homelessness. There was an emphasis on intervention and acting quickly to provide advice and to take action to prevent homelessness, rather than only intervening at crisis point. The duties to help prevent homelessness of non-priority applicants had also been extended. The Cabinet Member Finance also informed that on 16 October it was announced that the council would receive New Burdens funding over a 3 year period to assist with the costs of implementation and in addition the council had received flexible homelessness support grant funding, over a two year period, which could be used to support its work to prevent homelessness.

The Cabinet Member said there was a problem in that demand for the service was currently unknown, particularly in view of the introduction of universal credit but it was proposed that these funding streams were used to support the delivery of the new statutory requirements detailed within the Act, and to provide the Housing Options Service with the resources to provide a wider range of homelessness prevention options for households presenting as homeless, as detailed in Appendix 2 of the report. Included within this was funding for two fixed term posts.

The Cabinet Member took the opportunity to thank CBH for its work. He was confident that flexibility had been built in to address the demands and pressures on the service in the New Year.

Members welcomed the initiatives outlined in the report which were particularly important given the current climate. Particular concern was expressed regarding the impact of universal credit as the pilot scheme had caused real hardship with an increased number of evictions and homelessness. They believed the service would be put to the test very quickly as universal credit was introduced and monitoring the situation was vital.

Other Members remarked that there had been a significant increase in families using the food bank in their wards.

Finally, the Cabinet Member Housing confirmed that flexibility was essential and CBH was working closely with tenants and would be providing regular monitoring updates to the council of the situation. needs to be there.

The Leader added that the proposal was the best way to deploy resources at the current time and he was confident that everything was in place. Adjustments would be made as required.

RESOLVED THAT

- 1. The transfer of the New Burdens Funding and Flexible Homelessness Support Grant to Cheltenham Borough Homes' Housing Options Service be approved.**
- 2. It be noted that the indicative expenditures detailed within**

Appendix 2 of the report may need to be flexible, depending upon demands of the service. The Lead Commissioner – Housing Services & Waste, in consultation with the Cabinet Member Housing be authorised to make any changes to these spending plans.

3. It be noted that should it be required for back-office Housing Options staff to be relocated elsewhere, under more flexible working arrangements, as a result of the recruitment of two new posts, then any new location arrangements will be agreed in writing between CBH and the Lead Commissioner – Housing Services & Waste, in consultation with Cabinet Member Housing.

10. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Healthy Lifestyles requested an update from the Leader with regard to discussions at Overview and Scrutiny with regard to Accident and Emergency Services at Cheltenham.

The Leader referred to the suggestion at the meeting that an all member seminar be held to which the Chair of the NHS Trust would be invited to respond to questions from Members for them to gain a broader understanding of the issues.

The Cabinet Member Healthy Lifestyles suggested that Members submit questions to the Trust in advance of the seminar to give them time to respond fully. As it was not simply a Cheltenham problem and would have a wider impact across the county she also proposed that after the seminar the Gloucestershire Health and Care Overview and Scrutiny Committee be asked to reopen its work on A&E services in the county.

The Cabinet Member Healthy Lifestyles referred to meetings that had taken place with the Everyman Theatre with regard to commemorating the end of WW1 in 2018. The Everyman would be holding commemorative events and this presented opportunities as a town to involve a greater number of people including involving others who did not have access to such commemorative events. The council would also engage with Gottingen and Annecy to see if they would participate. She would ask the Managing Director Place and Economic Development to meet with the Everyman, the BID and the Chamber of Commerce, the Tourism Partnership and CBH on how to take this forward. This would include working with the Royal British Legion, SAFA, the Guides and Scouts as well as the Holst museum and other charities. She welcomed the fact that the media department from the University of Gloucestershire would be involved and they were proposing to project a film display on the front of the Municipal Offices. This would all be an opportunity for Cheltenham to engage with stakeholders and to ensure as a town that events were commemorated in a way that was fitting.

The Cabinet Member Development and Safety reminded Members of the 20s plenty consultation which was underway until 4 December and urged the public to submit their views.

The Cabinet Member Clean and Green Environment referred to the launch of the new recycling service which had had a positive start with very few complaints. He wished to put on record his thanks to residents for adapting so well to the new scheme and to both the customer services team and Ubico teams on the ground for their contributions.

He then made reference to the work which had commenced on the cemetery and crematorium which had received a positive response from local people. The work so far was to a high standard with minimum disruption and engagement was ongoing with local residents. The access route would be completed towards the end of the year and building would commence shortly afterwards.

**11. LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS
RESOLVED THAT**

In accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraphs 3 and 5, Part (1) Schedule (12A) Local Government Act 1972, namely :

Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Paragraph 5; Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings

**12. EXEMPT MINUTES
RESOLVED THAT**

The exempt minutes of the meeting held on 10 October 2017 be approved and signed as a correct record.

Chairman

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**Cheltenham Borough Council
Cabinet – 5th December
Public Art strategy**

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|----------------------------|--|
| Accountable member | Councillor Flo Clucas, Cabinet Member Healthy Lifestyles |
| Accountable officer | Director Planning |
| Ward(s) affected | All |
| Key Decision | Yes |
| Executive summary | The Draft Cheltenham Public Art Strategy has been produced to support the delivery of the Corporate Strategy 2017-18 and Place Making. Current resources and skills are not available in the council to deliver the action plan set out in the Public Art Strategy. A public space curator is essential to enable the strategy to be realised. |
| Recommendations | To support the action plan set out in the Public Art Strategy including investigations into the creation of a public space curator post, working with Cheltenham Trust to consider options for funding of that post. |

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| Financial implications | Investigations into funding a public space curator can be carried out within existing resources. Other elements of the strategy depend on this post and are to be funded from S106 support and match funding so there are no financial implications at this stage Contact officer: keith.saunders@cheltenham.gov.uk, 01242 264124. |
| Legal implications | The Public Art Strategy Action Plan presumes a collaborative approach between the council and the Cheltenham Trust; in this respect the management agreement between the council and the Trust describes the role the Trust is expected to play in ‘developing and implementing strategies in leisure, culture and tourism’ which include the implementation of CBC led town strategies and taking a ‘significant and active role appropriate to the activity concerned, potentially taking ownership of subsidiary activities’. The investigations in to the creation of a public space curator post will need to consider the employment aspects including how the respective obligations of the post holder to the council and the Trust will be structured and implemented. Contact officer: peter.lewis@tewkesbury.gov.uk, |

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| <p>HR implications (including learning and organisational development)</p> | <p>There are no current direct HR implications identified in the report, however, the need to investigate appointing a Public Space Curator to deliver the action plan is detailed and will have HR implications going forward if approved as the post holder would be accountable to Cheltenham Borough Council in governance terms.</p> <p>Contact officer: carmel.togher@cheltenham.gov.uk, 01242 775215</p> |
| <p>Key risks</p> | <p>Please see Appendix 1.</p> |
| <p>Corporate and community plan Implications</p> | <p>Should Cabinet endorse this approach to public art it will support a wide range of the corporate outcomes, in particular improving Cheltenham's environmental quality and heritage is protected, maintained and enhanced and sustaining and growing Cheltenham's economic and cultural vitality</p> |
| <p>Environmental and climate change implications</p> | <p>The environmental and climate change implication will be considered as part of individual commissions</p> |
| <p>Property/Asset Implications</p> | <p>There is currently no proposal that will impact on properties under CBC's direct control. Any future requirement for space will need to be balanced against commercial opportunities.</p> <p>Contact officer: David Roberts@cheltenham.gov.uk</p> |

1. Background

- 1.1 In March 2016 a Cabinet Member Decision was made to commission a specialist consultant to produce a Public Art Strategy. This decision was informed by a review of the existing strategy by the Public Art Panel who concluded that strategy review was essential in order to deliver public art satisfactorily and effectively within the borough. Commissioning a specialist consultant was considered essential because expert knowledge was required in order to understand the optimum methods of strategic delivery, fund raising and best practice.
- 1.2 Ginkgo Projects Ltd, a specialist consultant was commissioned and a series of stakeholder engagements took place with Councillors, planners, Gloucestershire County Highways, Civic Society, Public art panel, The Cheltenham Trust, community groups and other organisations.
- 1.3 Cheltenham has a strong asset base of traditional public art and a good quality of public realm that attracts residents and visitors alike. Equally there is a solid input from the arts and culture sector in engaging artists to work with people in public spaces and creating interest for tourism and residents through its exciting festivals and other cultural facilities, galleries, theatres and venues.
- 1.4 The majority of public art commissions are currently secured through developer contributions via Section 106 agreements or through planning conditions. This means funding is generally ad hoc and does not easily enable a coherent strategy to be developed, leading to opportunistic commissioning which has tended to lean towards a traditional range of styles and media. Alongside the type and style of public art the maintenance and therefore quality of public art assets is currently variable. Cheltenham is not unusual and other places across the UK face the same issue.
- 1.5 Public art is a driver of economic and cultural success – currently it appears only as a backdrop to the contemporary culture that Cheltenham is well known for: it should be positively enhancing the offer of our high quality museums, galleries, theatres, festivals and historic environment at an international level.
- 1.6 There is a real opportunity, taking the lead from the Cheltenham Place Strategy to reflect the historical context of the town, but use public art to deliver messages that are relevant to today's societal issues. Public art can be used to reach out to all sectors of the community, supporting well-being, sense of place, aspiration and ambition and community cohesion. The action plan supporting the public art strategy identifies 5 research strands that demonstrate the potential public art for Cheltenham's future. These are;
 1. Health and wellbeing
 2. Women and Young People
 3. Homes and housing
 4. 21st century cultural tourist
 5. Creative campus
- 1.7 All of these priorities are relevant both to the core values of Cheltenham, but also to the changing dynamics brought about through growth of the town, changes in demographics and the populations, impacts of deprivation, social justice, pressures and opportunities for young people and the need for key messages to engage and inspire success and confidence in young women. There are opportunities to heighten the visibility of these issues and public art with links to forthcoming local, national and international events, for example 100 year since women were able

to vote in 2018.

2. Reasons for recommendations

2.1 To support the action plan set out in the Public Art Strategy

2.1.1 The current Public Art Strategy is no longer fit for purpose and is not in line with best practice. Cheltenham is already a fascinating and attractive place whose well-known stories are told through some of its great art in public places. However there is so much more that could be achieved for the benefit of residents and visitors, culturally, socially, environmentally and economically through a joined up strategic approach that brings together culture, planning, education, health, environment, economic development and communities. Public art development is a critical component of providing cultural density and identity

2.1.2 Strategic priorities for public art development have been identified through interviews and workshops with a wide range of stakeholders. These priorities include:

- Strengthening identity and a sense of place – making people see Cheltenham differently and developing health and education as a key part of this identity. It was considered that the public art strategy should reinforce the history of the town and that health and education is part of the DNA of Cheltenham.
- Supporting local creativity – creating a culture of allowing artists and creatives to experiment and do new things without unnecessary obstruction.
- Community engagement – there needs to be more input from the grassroots and more projects that engage with social and economic deprivation such as engagement in developing briefs, ideas and selecting artists.

2.1.3 The workshops also identified that art in public spaces in Cheltenham is created through two main routes,

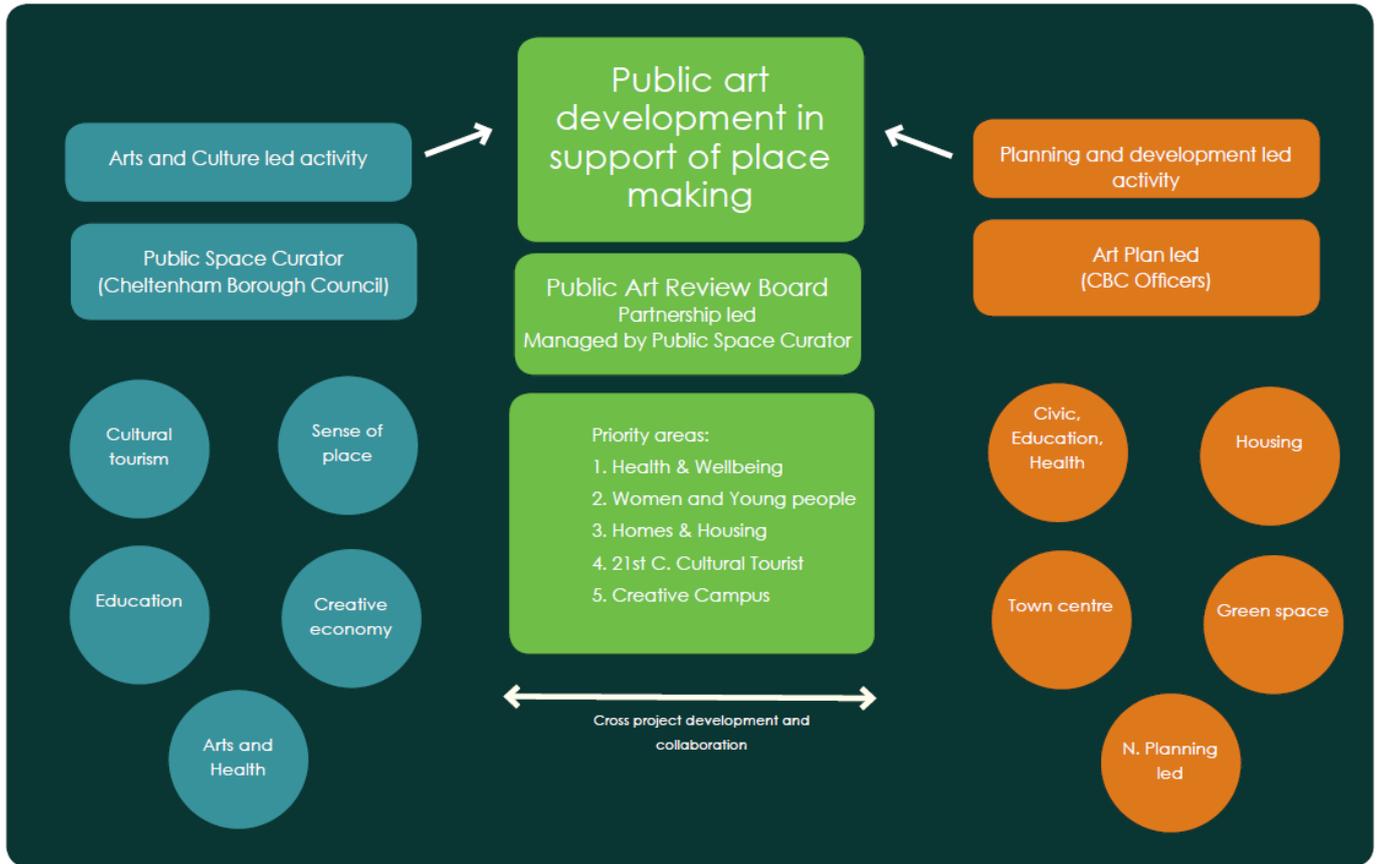
1. the planning process (development led) and
2. through cultural agencies (arts-led).

2.1.4 When created by the planning process and funded by developers public art is usually created in an organic way, as investment becomes available and sites start to be developed. Public art in Cheltenham has therefore resulted in a series of isolated projects with little or no strategic relationship between them. Equally culturally led art in public space is created in response to the objectives of cultural organisations, such as audience development or creative education, with little reference to wider social, economic or environmental goals.

2.1.5 The thrust of the action plan set out in the Public Art Strategy is to join up planning-led and arts-led approaches that address the strategic priorities of identity and place, local creativity and community engagement. This can be achieved by:

- setting out best practice for the commissioning of public art, not to restrict artistic vision but to enhance its transformative power.
- improving the infrastructure for public art delivery- opportunities for exchange, collaboration and communication between development-led and arts-led partners.
- taking a pro-active approach to demonstrating potential benefits through innovative exemplar projects and action research which target strategic areas – health, education, new housing, neighbourhood planning, town centre improvement (retail and leisure), cultural tourism and enhancing green space.

2.1.6 The action plan recommends a programme led approach formed by a public space curator to develop a coherent programme of commissioning that links arts led and planning led initiatives as below:



2.2 To support investigations into a public space curator post

2.2.1 Current resources and skills are not available in the council to deliver the action plan set out in the public art strategy. This post is essential to enable the strategy to be realised.

2.2.2 The proposed Public Space Curator post is proposed as a 3 year part time role (3 days a week £18,000 p.a pro rata). The Arts Council England has expressed interest in receiving a 50% or greater match funding bid to support post. This role will be key in delivering the recommendations highlighted in these development strands: Public Art Panel, support for planners & developers, neighbourhood planning, planning led projects, arts-led public art programme. For the role to be successful there will need to be close collaboration between the Council and Cheltenham Trust, enabling the exchange of knowledge and skills across the relevant teams and building in more robust engagement on a coherent approach to the delivery of public art.

3. Alternative options considered

3.1 No other options have been considered for this recommendation

4. Consultation and feedback

4.1 This strategy was developed following workshops with Councillors, planners, Gloucestershire County Highways, Civic Society, Public Art panel, The Cheltenham Trust, community groups and other organisations.

5. Performance management –monitoring and review

5.1 Performance monitoring and review is imbedded in the role of the Public Space Curator and the Public Art Review Board.

| | |
|-------------------------------|---|
| Report author | Contact officer: Malcolm Walls Green Space Development Officer Malcolm.walls@cheltenham.gov.uk, 01242 264187 |
| Appendices | 1. Risk Assessment |
| Background information | 1. Public Art Strategy |

| 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 a Public art curator post is not investigated there is potential capacity risk in terms of the delivery of existing S.106 and future contributions and conditions | TC | Sept 2017 | 3 | 3 | 9 | Reduce | To support investigations into a Public space curator post | March 2018 | TC | divisional |
| 2 | If the Public art strategy is not endorsed there is potential reputational risk of poor quality place making | TC | Sept 2017 | 3 | 3 | 9 | Reduce | To support the approach set out in the Public art strategy | 2018 | TC | divisional |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| <p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p> | | | | | | | | | | | |

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Cheltenham Public Art Strategy

Client: Cheltenham Borough Council

Date: September 2017

Version: Final 08



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Executive summary

Cheltenham has a strong asset base of traditional public art and a good quality of public realm that attracts residents and visitors alike. Equally there is a solid input from the arts and culture sector in engaging artists to work with people in public spaces and creating interest for tourism and residents through its exciting festivals and other cultural facilities, galleries, theatres and venues.

Critically though some recent projects fall short of their potential to fulfil best practice in public art commissioning as opportunistic purchases or commissions from a narrow, traditional range of styles and media. In addition there is a lack of a clear maintenance or decommissioning strategy that has a negative impact on the experience of public art works. Cheltenham is not unusual and other places across the UK face the same issue.

If we look at other cities which have successfully used public art as part of their cultural offer it is commissioned especially to relate to a location, introduces innovative contemporary art practices and works for communities.

“Good public art is site-specific. It can help to define public space. The commission and design of public art should be

informed by the associative qualities of a particular location...”
(Public Art Strategy Bristol)

“Through public art projects, the Mayor is successfully integrating contemporary art into the cityscape. The Fourth Plinth Commissioning Programme is the UK’s biggest sculpture prize and has become one of the best known public art projects in the world... providing distinct cultural experiences and a sense of belonging.” (CULTURAL METROPOLIS: The Mayor’s Culture Strategy)

It is therefore time for partners in Cheltenham to consider other ways of working with public space where art is site-specific and unique, where there is a programme of more temporary socially-engaged projects (which do not require maintenance) and which considers making public art into cultural infrastructure to showcase many artistic visions.

This will address the Public Art Strategy’s priorities which are:

- Strengthening identity and a sense of place
- Supporting local creativity
- Community engagement

To do this Cheltenham Borough Council should seek to

improve its public art commissioning processes and work more collaboratively with developers, cultural and social partners to realise the benefits which are social, environmental and economic. These benefits will help deliver against Cheltenham's key policy and strategies, particularly the new Place Strategy which demands public art which is creative, pioneering, nurturing and connecting, and which is focussed in strategic areas – health, education, new housing, neighbourhood planning, town centre improvement (retail and leisure), cultural tourism and enhancing green space.

Particularly in developing public art within the area of health and well-being there is an exciting opportunity for Cheltenham to take a leading international role.

The strategy recommends a programme led approach informed by a Public space curator to develop a coherent programme of commissioning that links arts led and planning led initiatives. Along with strengthening the role of the Public art panel and providing clearer planning guidance for developers this role will provide resource and curatorial direction to allow for a progressive public art programme to emerge.

Facts and figures

- £70 million** Public art investment yearly by developers and others in the UK
- £87 billion** Creative industries UK Gross Value Added, the fastest growing part of the UK economy and 4 times the size of the automotive industry
- £26,817** Average increase in housing value in an area with twice the average level of cultural density
- 1:5** Multiplier effect of investment in public art as advertising, PR and for the local economy
- 77%** Percentage of population of the UK who participate in the arts (50.15 million)
- 83%** Percentage of population of the South West who participate in the arts (4.45 million)
- £576** Saving to the NHS per patient from prescribing creative activity instead of drugs

Public art...what is it?

What is public art in the 21st century? Up until the middle of the 20th century public art was largely associated with recognisable official civic monuments or memorials to famous people, or works by famous artists which were thought to be both educational for the public and a sign of a civilised town or place. In recent years public art has become much more diverse in terms of where it appears, who makes it and in its increasingly diverse forms.

Public art now appears not only in streets and squares but in the media, in newspapers, at bus stops and in the virtual world of the internet. Artists working in public spaces no longer limit themselves to the traditional forms of sculpture or decorative art for architecture which are supposed to last forever, but make works which exist for minutes, hours or days. These new works of public art are physically ephemeral but where they are successful they last a long time in the collective memory.

In practice there is a consensus amongst artists, agencies and audiences that successful public art is about:

- **Enhancing a sense of place – contributing another layer to the unique cultural, social, environmental and historical characteristics of a site.**
- **Site specific – created in response to a specific location and**

cultural context

- **Socially engaged – part of a collaborative process and related to some of the diverse communities who occupy that space**

Public art is only limited by the imagination of the artist and the guardians of public space. It can be a temporary installation, lighting a building, film & video, sculpture, ceramics, metal, textiles, plastic, street furniture, landscaping, a youth shelter, an app, a poster, poetry, performance, a website, a social enterprise, a shared idea, a new social relationship and more...

“The spectrum of artistic practice represented by the term ‘public art’ encompasses art commissioned as a response to the notion of place, art commissioned as part of the designed environment and process-based artistic practice that does not rely on the production of an art object. When searching for a definition, it is helpful to regard public art as the process of artists responding to the public realm.”

Ixia – the UK national agency for public art

Public art is:

“making a place”

“seeing things differently”

“making the invisible visible”

“questioning the status quo”

“creatively disruptive”

“a conversation”

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“showing that creativity is a renewable resource (heritage is non-renewable)”

“a conversation”

“a visual manifestation of ambition”

“a memory”

“an image that makes you smile”

A sense of place

There is no doubt that Cheltenham has a strong sense of place already - it is a place like no other. Although medieval in origin its rich architectural and artistic heritage mostly takes its aesthetic lead from the Regency period. This was the heyday of its establishment as a Spa town where people would take the waters for the sake of their health and health is a major underlying theme in its heritage. The other major theme is education, with the establishment of private colleges such as Cheltenham Ladies College in 1853 which was a ground-breaking institution for the education of women at the time. The town motto remains "Salubritas et Eruditio" – "Health and Education". The values that underpin these themes are still very relevant to Cheltenham today and there is a real opportunity to make these relevant to today's, and future, society, helping to both engage and inspire

Alongside Cheltenham as a health resort came Cheltenham as a place of leisure and entertainment for those recuperating and those accompanying them, a cultural tradition culminating in the present day fame of its horse racing and it's festivals of arts and science, its theatres and galleries.

These are the grand narratives but Cheltenham, like any other place, contains less well known stories which can be told: as

the home of the UK's Croquet Association; as the birthplace of the guitarist for heavy metal group Motorhead, Würzel, and of the infamous long jumper Eddie "the Eagle" Edwards; as a town with the very rare street name "Normal Terrace"; as the location for Wendy Craig's unemancipated housewife of the 70's sitcom Butterflies; and as a place which has the world's longest Hollywood style freestanding sign saying "Paddy Power". Also less well known is that Cheltenham, although appearing wealthy and prosperous to the town centre visitor, has several wards (St Pauls, St Mark's and Hester's Way) in the top 10% of the UK's most deprived areas.

Cheltenham Borough Council recognises the value of creating a sense of place in order to address these social and economic issues and is developing a place-making plan which emphasises the need for public art which is edgy, inventive, imaginative, inspirational and sparky to lead the way.

WHAT THE
HARD CORE
SAYS THE
FIVE

 KELLY BROS. SOLAR SIGNS 01454 312675

A brief review of public art within Cheltenham

Art in the public realm

The stories of place that appear in Cheltenham's public art are mostly the well-known ones. Sculpture and water features are represented strongly - fountains like the neo-classical Neptune fountain (installed in 1893) on the Promenade and the Imperial Fountain (18th c.) looted from Napoleonic France, the statue of Edward VII (1914) formerly a drinking fountain for horses) and the latest, a memorial water feature/bronze sculpture dedicated to composer Gustav Holst (2008). There are also many architectural embellishments and design features, with more classical sculpture in the form of Caryatids holding up the shops of Montpellier, the sculptures of Aesculapius, Hygeia and Hippocrates (classical gods and people associated with health and medicine) on the Pittville Pump room, as well as innumerable shields, crests, memorials and plaques reminding residents and visitors of the wealthy and famous of times past.

Contemporary art (from the past 50 years) in



Neptune Fountain, Cheltenham Town Centre: Image by Jongleur 100

public spaces is less obvious but also appears predominantly as architectural enhancement and individual sculptural features. Art for architecture appears in the stained glass of Anne Smyth and reception desk by Lucinda Leech (1991-3) at Charlton Lane Hospital and the barriers and pedestrian “Sails” (2005) by Alan Evans outside the Everyman Theatre. Large metal sculptures include “Friendship Circle” (1993) in cast iron by Neville Gabie in Sandford Garden, “Minotaur and Hare” (1998) in bronze, acquired after an exhibition at the Wilson Museum from local artist Sophie Ryder and “Man with Ball” (1999) a bronze statue by Giles Penny. Combining the two forms of art in public space is the work “Theme and Variations” (1969–72) by Barbara Hepworth, a sculptural relief for the facade of the Cheltenham and Gloucester Building Society.

The tradition of water related features has continued with a drinking fountain and mosaic plinth (2001) by Emily Lawler in the Winston Churchill Memorial Gardens and the Wishing Fish Clock (1987) by Kit Williams in the Regent shopping Arcade. Other recent commissions are also linked to retail development such as the seats (2003) by Walter Jack adjacent to a new Waitrose and the most recent installation of a stainless steel sculpture of wheat (2016) in the new Brewery area.

The distribution of public art in Cheltenham is uneven however. Cheltenham is a large town of 117,000 people covering around 45 square kilometres and by far the vast majority of artworks are within kilometre of the town centre. Only two commissions, relating to the new building of GCHQ in 2003, a cast glass work by Colin Reid inside the building and “Stones” by Gordon Young in Hester’s Way nearby, are identified on the Cheltenham Borough Council public art map outside of the town centre.

Temporary art in public

Cheltenham has also benefited from temporary art projects which have engaged with public places and the wider community, driven by local cultural institutions. Cheltenham is fortunate to have an active established cultural infrastructure which includes the Wilson Art Gallery and Museum, the annual Cheltenham Festivals - which include jazz, folk and classical music, literature and poetry, design and science, and horse racing. It has museums such as the Holst Birthplace Museum, conservation groups like The Cheltenham Civic Society, history resources like the Gloucestershire Archive, venues for performance like the Town Hall, the Everyman Theatre, the Playhouse Theatre, the Pittville Pump Room and a diverse range of community arts organisations represented by the

Cheltenham Arts Council. The University of Gloucester also plays a key role in the cultural capital of Cheltenham with its courses on art, craft, design, photography, illustration, cultural geography and more. There are also a smaller number of artist-led organisations such as the Cheltenham Open Studios programme and the Gloucester Guild of Craftsmen. Between them these agencies organise temporary art projects for public places that engage different communities either through hands-on creative workshops or through the siting and distribution of art work in public spaces.

Examples of temporary public art include a project initiated by the Wilson Art Gallery whilst they were being refurbished in order to maintain awareness of the gallery and to re-engage the public with their public space. "Fine Form: Horse Parade" (2011) took inspiration from the multiple public sculpture phenomenon to locate a number of resin horse sculptures around the town, painted by invited artists. More recently Art Playground, a social enterprise encouraging creativity for adults and children through interactive arts, worked on "This is Creative Cheltenham" (2015) where artists worked with families to make a maze installed in an empty retail space in Beechwood Shopping Centre. The Festivals of Cheltenham also undertake some community art and outreach projects (outside

of the boundaries of the paid-for venues). Previous projects have included "A Way with Words" (2015) which involved the public from across Cheltenham West as story collectors, story providers and story tellers, working with practitioners specialising in a variety of performing arts.

Opportunities exist for:

- Public art as an ambitious driver of cultural success – currently it appears only as a backdrop to the contemporary culture that Cheltenham is well known for: it should be positively enhancing the offer of its high quality museums, galleries, theatres, festivals and historic environment at an international level.
- Making a strong connection between a creative public realm and the creativity of local communities engaging people democratically in the process of creating places.
- Addressing the geographical and social imbalance of public art distribution - public art features strongly in the historic town centre but should be part of making healthy, happy and inclusive communities across the whole of Cheltenham, including major new housing developments.

“Minotaur and Hare”
Sophie Ryder
1998

“Minotaur and Hare” (1995) on the Promenade is a sculpture by Cotswolds artist Sophie Ryder which was made for an exhibition of her work at the Wilson Gallery. Popular interest led to the purchase of the work by public subscription in 1998. Although popular with many the work has also been vandalised with paint on several occasions and some have questioned its relevance to Cheltenham as a place.



Banksy 2014

Currently the most famous recent piece of public art from Cheltenham was the unofficial work of graffiti by Banksy featuring phone tappers from GCHQ, which appeared in St Anne's Terrace in 2014. The work made national headlines as it responded to the revelations about surveillance of citizens.



Banksy – Cheltenham GCHQ graffiti . Photo: Kathryn Yengel

“We are moving” Meantime 2016

One of the most interesting contemporary public art projects which has taken place in Cheltenham has been the work of MEANTIME, an artist-led initiative who up until 2014 had a work/exhibition space in Oxford Passage. Their project “We Are Moving” (2016) documented and responded to changes taking place at 233-269 High Street during its latest redevelopment. The project culminated in a publication, exhibition and symposium which explored development led regeneration through the different perspectives offered by artists, and discussed the function and future of the High Street. <https://lhsarchive.wordpress.com/>



“We Are Moving”, documentation of former premises at 233-269 High Street. Photographs by Mike Ward



Welcome to MARKS & SPENCER

Flash mob dance, Salsa on the streets as part of the Cheltenham Jazz Festival 2009. Photo: welovethesky



No Fishing

An unexciting sculptural feature in a deteriorating setting - time for decommissioning ?

“We need to put culture at the centre of place making.”

Ed Vaizey MP, Minister of State for Culture and the Digital Economy

The benefits of public art

Culture

Sensing things differently – Art and artists have always given us a unique perspective on the world and new ways of seeing, feeling and sensing our lives. In doing so art makes unusual connections between people and ideas, it is visionary as it shows us possible worlds, whether that is the ideal of a perfect classical world captured in the art and architecture of Regency Cheltenham or the dysfunctional modern state described by Banksy's image of the British surveillance culture. Art though is also about emotions and great art has the capacity to make us smile, make us angry or make us cry. Public art is no exception and should be all the more powerful because its experience is shared amongst us.

Public art is public culture- Art in public space is a manifestation of our wider culture. Culture is usually thought of the arts but it is defined (by the Department of Culture Media and Sport) as a wide range of activity that covers the arts, media, music, sport, recreation, play, heritage, the qualities of the built and natural environment and shared ideas, customs and beliefs – what we have in common with each other.

As such culture is integral to any public space - wherever there is public space there is social exchange and where there is social exchange there is culture. There is no doubt though that the arts are a cornerstone of culture: nationally in 2014-15 77% of adults had attended or participated in the arts at least once in the previous year; in the same year the South West had the highest regional arts participation rate at 83.4% (London was 71.8%) (Department for Culture Media and Sport, 2015).

People and places - whether it is official like a plaque or unofficial like graffiti, public art adds something to a bare space to make it an inhabited place. The Department of Culture Media and Sport's White Paper on Culture (2016) as a national strategy for the sector recognises this and sets out two key themes for cultural development as Places and People. The section on Places sets out how art and culture helps to create attractive, vibrant settlements enabling people to get the right encouragement and opportunities to experience and participate in society throughout their lives.

The DCMS suggests the key to cultural success is in involving a wide range of stakeholders in ambitious strategies which are long-term and sustainable: "Effective partnerships will bring together cultural organisations, skills, leadership and knowledge

with a range of national and local partners" This means culture working in partnership with local government, Local Enterprise Partnerships, local health and care commissioners, police and community safety partnerships, universities and the local voluntary and community sector, including trusts and foundations.

- *Public art is more than an art object outside; it is about the sharing of ideas and feelings.*
- *At its best it reflects society back to itself and asks more questions than it answers.*
- *Public art in this way is able to bring together a wide range of organisations, stakeholders, artists and public – joining places and people together.*
- Public art can contribute both financial and social value to developments

"... Culture-led development also includes a range of non-monetized benefits, such as social inclusiveness and rootedness, resilience, innovations, creativity and entrepreneurship for individuals and communities, and the use of local resources, skills, and knowledge"

(UN System Task Team on the Post-2015 UN Development Agenda, 2013).



Economic

Cultural Regeneration - Public art is a very visible part of cultural regeneration - the practice of using culture as the vanguard of improvement to places, economically, socially and environmentally. There are many well documented examples of culture led regeneration. In the UK Glasgow became a European City of Culture (ECOC) in 1990 and was the first city to use the ECOC as a catalyst to accelerate urban regeneration, which resulted in an ambitious programme of cultural activity with an unprecedented level of funding from local authorities and private sponsors. In contrast to previous ECOC's the emphasis was on using a wide definition of culture, comprising not only the arts but other elements that reflected

Education and Heritage: This work by Christine Borland for the University of Glasgow benefited from the confident public art commissioning environment created by Capital of Culture. White porcelain headrests on wooden benches reference the dissection tables in the anatomy department and the planting, a 16th century physic garden."

Glasgow's identity, such as design, engineering, architecture, shipbuilding, religion and sport. Glasgow 1990 was reported to have created 5,580 new jobs and an almost £15m economic boost to the local economy (BBC, 2003) at the same time as an enormous investment in the retail heart of the town. Public art acts as a catalyst for these, a way of kick starting bigger ideas (to become a European City of Culture you must have a thriving grassroots in the first place as citizen engagement is a key part of the criteria for selection). One of the best known public art landmarks in the UK, the "Angel of the North" (1998) by Anthony Gormley, only came about because Gateshead Council had over a decade of previous history in commissioning smaller public art.

Cultural Tourism - Public art, whether temporary or long-lived, has its own economic impacts, for example for cultural tourism. "Drop" (2008) by Steve Messam consisted of a large, temporary inflatable sculpture of a rain drop in the Lake District, commissioned by Culture Cumbria. The project was reckoned to achieve an advertising value of £44,931 and a public relations value of £132,818. The input into the local economy was £149,771 and a total return of £319,926 on the original cost of £25,000, a multiplier of 1:5 (Drop 2008: Visitor survey and economic impact analysis, Culture Cumbria, 2008). Public art also contributes economically as part of the culture

and heritage industries in the UK which were worth £12.4 billion to the UK economy in 2015 (0.4% of GDP – comparable to Agriculture at 0.6% of GDP). Culture and heritage are worth £7.6 billion of the national tourism industry, representing 42% of all inbound tourism expenditure.

Creative Industries - The UK's creative industries are the fastest growing part of the UK economy, contributing £87bn in GVA. That's four times the GVA of the automotive industry, six times as much as Life sciences and nearly ten times that of aerospace. Between 2011 and 2015, it created three times more jobs than the economy as a whole.

The South West region is home to the biggest concentration of artists outside of London and the creative industries in the South West are the fastest growing of any UK region with key growth areas in digital media and cultural tourism. Public art is part of this success story with the latest survey by national public art agency ixia showing the overall value of the sector increasing from around £58 million in 2013 to around £70 million in 2015. The survey shows that this growth was mainly driven by private sector funding from housing and development projects, delivered through the planning system: "The recovery in the housing and development sectors and the inclusion of cultural well-being and public art within national planning policies and guidance appear to have generated more funding and

opportunities for public art at a local level" (ixia, 2016).

Regionally public art is strong in the South West with the region being the strongest in the UK with 39 new projects yearly per million people in 2015 (the England average was 15 new projects per million people). Direct investment in public art generates wider economic benefits for local economies. Recent research by the Centre for Economics and Business Research in 2015 also shows that "for every £1 of output from the arts and culture, an additional £1.28 of output is generated in the wider economy through indirect and induced multiplier

- *Presenting exciting art in public that engages with communities adds to a sense of place that supports local economic regeneration.*
- *Temporary projects and long-lived features both create focal points for cultural tourism has enormous potential as an economic catalyst alongside other cultural offers.*
- *Public art should both be linked with the existing creative industries in a region like the South West, where there are some of the most innovative artists in the UK and the world, and bring the world's best creatives to Cheltenham.*

impacts." The same research also points out the correlation between house prices and cultural density, "regeneration benefits of art are bigger when related to place... being located in an area with twice the average level of cultural density could be associated with an average £26,817 increment on the value of housing." Public art plays its role as a physical expression of cultural density so providing economic value to private developers.

Social

Health and Wellbeing - As well as the economic benefits of public art there are also many potential social benefits. We know that health, wellbeing, culture and place are strongly connected, for example people who have attended cultural places or events in the previous 12 months are almost 60 per cent more likely to report good health (The Value of Arts and Culture to People and Society, Arts Council England 2014). Gloucestershire already leads the way in connecting the arts and health - Art Lift is a programme where GP's prescribe creative activity to patients instead of drugs which leads to significantly better health for most patients and a saving to the NHS of £576 per person (University of Gloucestershire, 2011).

Public Health England South West identifies that arts and culture can be used to address child poverty, community

safety, difference in health and life chances, early intervention and prevention, educational attainment, good mental health and emotional wellbeing, homelessness, learning disabilities, obesity, physical inactivity, safeguarding children & young people, safeguarding vulnerable adults, smoking cessation, social isolation, substance misuse, supporting families with multiple problems, transition of children into adult services, unemployment and welfare benefits and youth unemployment (Culture and Wellbeing Local Government: Local Public Health, 2014).

There is a particularly strong strand of arts and health work which is tackling dementia and cognitive impairment as the population ages. There is evidence that locally sited projects, like public art as a process of engagement with communities, is even more effective than traditional cultural spaces, like galleries or theatres, in contributing to the quality of life of local residents and the regeneration of places (Centre for Economics and Business Research, 2015).



"Education and Health: Artist collective N55 collaborated with architect Anne Romme to create their Spaceplate Greenhouse for use by students, the community and people with learning difficulties. This facility brings people closer to plants which is good for wellbeing."

Community Engagement - There are also examples of art in public spaces being able to connect to hard-to-reach groups such as young people or minorities who may feel excluded from public spaces. In many instances art projects have been used to develop ideas and input into both public art projects and wider consultation and conversations about regeneration and development. Artists have created everything from giant inflatable bubbles as a meeting space, to bakeries as a space to eat and talk, to lego making workshop for kids to articulate their aspirations for a new town. Projects that work in this way are valuable for intergenerational exchange, bringing together young and old residents.

Education and Innovation - Many public art projects also have a strong educational element, whether this is direct contact through workshops in local schools or colleges, or in preserving heritage and local conservation skills like stained glass or dry stone walling. Forward looking public art makes creative spaces for students and graduates to innovate in design



Michael Pinsky –“Life Pulse” a public art project where light columns pulse in response to the participants heartbeat.
(Photos: André Morin & Steve Leonard/Richard Murphy Architects)

for the physical public realm and in social entrepreneurship, for example a current project Land Art Generator Initiative is developing public art across the world that also generates renewable energy. Perhaps the greatest recent innovations have been in developing the new public spaces of the digital world. In the South West groups like idat attached to Plymouth University are developing art which interfaces digital communications and architecture, making buildings that show their energy consumption. In Bristol Pervasive Media Studios,

- Like all other public services and amenities public art strategies are needed that work in partnership with other services like health and education.
- One of the main strengths of socially engaged public art is that it can provide a much needed shared space where communities can come together.
- The creation of art in public space can bring together different disciplines, artists working with scientists, engineers with doctors, digital designers with architects...

a collaboration between Watershed, University of Bristol and University of West of England, develops diverse public projects - from GPS located apps telling stories of Bristol's heritage, to "ambient literature" as digital text experienced in public space.

Environmental

Enhancing the Built and Natural Environment - The environmental benefits of public art are obvious where artists, crafts people and designers introduce their own enhancements to the built and natural environment. Everything from bridges to bollards can be designed to reflect the specific needs and characteristics of a place. Sometimes artists also work in less obvious ways, subtly influencing overall designs or processes by working as collaborators on design teams, giving new perspectives to the architects, landscape designers and engineers they are working with as opposed to working on a particular object. Both ways of working are present when artists help shape the legibility of cities (the ease with which people navigate around a town), providing both physical landmarks that help people recognise where they are and at the same time uncovering the narratives of a place that how areas are marketed for tourism and leisure through means like signage, digital tours or art trails. By pushing the boundaries of public space artists have helped shaped two key ideas that have influenced the way we build our villages, towns and

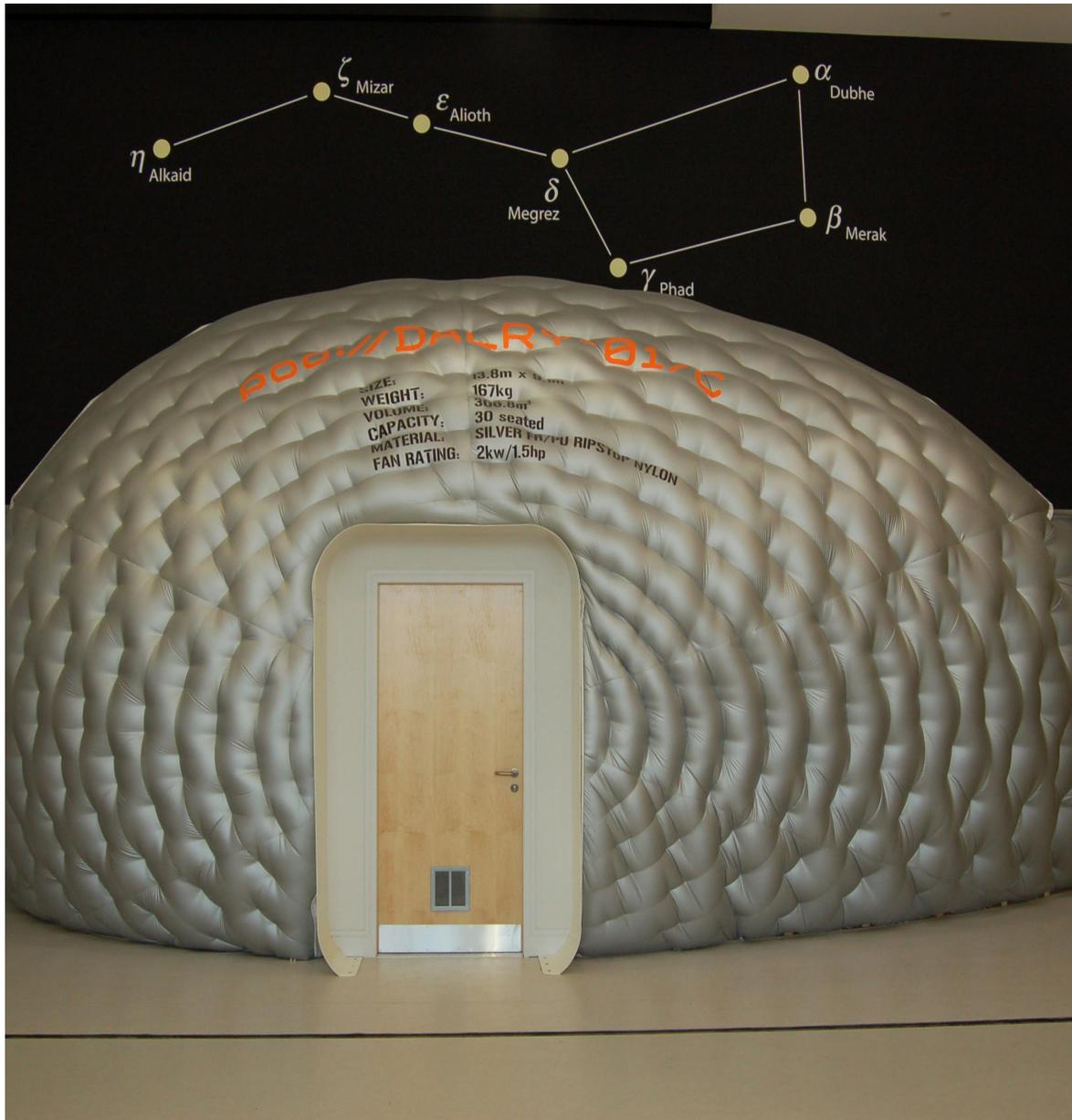
cities, the concepts of place and sustainability.

Place-making - is the idea that urban designers, planners and developers should be making environments that are individual and locally distinctive, using local materials, telling the stories of people and communities from the past and present. Exploring heritage and making it relevant to people today is an important part of place making - history is what makes the character of a place over time.

Contemporary public art looks at this heritage with new eyes highlighting forgotten buildings, making residents look again at the familiar and brings to light unofficial histories of place. Recognising this the National Trust have been working with the Arts Councils of England and Wales on their "Trust New Art" programme

Heritage and Innovation: 'Sanctuary' by Jo Hodges and Robbie Coleman, Galloway was an experimentation of sound, light visual art and discussion. The event, which took place around Murrays Monument included a 100ft neon sculpture and Dark Outside FM – a site-specific radio station curated by sound artist Stuart Macleann which broadcast the work of artists around the world."





Education and Innovation: Primary Space IT Suite was created by artist Bruce McLean, his son William McLean and the architects and educational services of North Ayrshire Council to make a space for learning and creativity.

to commissioning contemporary art for their buildings and natural landscapes: “We invite you to experience our special places from a different perspective. Many of our places were built with art at their heart. To continue this important creative legacy, we created our Trust New Art programme in 2009. Since then we’ve worked with over 200 artists to create new work inspired by places in our care.” (National Trust).

Sustainability - is the idea that to re-shape our living spaces and daily lives to become less resource intensive, here artists able to imagine possible futures, both in the physical environment and in bringing people together in new ways to talk about clean energy, growing your own food or recycling. Not least artists are increasingly interested in art that frames or directly supports local ecologies, green spaces and animal life, with a growing movement of public art which help the greening of towns or “animal architecture” projects where public art becomes housing for swallows, bats or bees. Through public art people become re-focused on caring for

their environment, particularly where public art has engaged communities in the process of creating it. Where people have been engaged in improving the place they live they are much more likely to feel a sense of ownership of it and are much less likely to vandalise it.

- Public art can improve both our perceptions and the reality of the built and natural environment when it is related to the idea of enhancing the unique character of places.
- Investment in making a place special has a social return in the way that people then care for their own places.
- Public art is about both understanding the past and imagining possible futures.



Place and Environment: This series of films was shown underneath the M74 as part of the Environmental Art Festival Scotland, making people reconsider the unloved spaces in their landscape.

“Culture and the arts should be clearly and continually reflected in the corporate leadership priorities and the corporate strategy of both public and private sector development partners.”

Town and Country Planning Association, 2016

Policy context

Participation in cultural and sporting activities enhances people's personal enjoyment, development, and fulfilment and improves their physical and mental health and wellbeing. And high-quality cultural and sports facilities help to make places more attractive, help to boost economic activity and prosperity, and aid the development of shared identities and increased understanding between different communities.

(Town and Country Planning Association, Planning for culture and the arts, 2016).

Whilst great public art is about our dreams, hopes and fears, and can't be reduced to numbers and statistics, there is clear evidence that art in public space has the potential to make a significant contribution to the cultural, economic, social and environmental future of Cheltenham, responding to local and national policies and strategies, both cultural and planning-led. These policies, created in consultation with the people of Cheltenham with the advice of national and local experts, should help to guide the development of public art in the town as a collaborative process.

National Planning Policy Framework - At a national level the National Planning Policy Framework focuses on sustainability. It obliges planners and ultimately developers to make new industrial, leisure, retail and housing development sustainable. In the Framework plans must not only follow economic agendas to support growth and innovation but also positively contribute to protecting and enhancing our natural, built and historic environment, improve biodiversity, help us move to a low carbon economy, support strong, vibrant and healthy communities, provide housing to meet the needs of present and future generations, create a high quality built environment, provide accessible local services that reflect the community's needs and support its health, social and cultural well-being.

Cheltenham Borough Council Corporate Strategy 2016-17 - The Borough Council recognises the value of forward looking place-making for the town as part of its Corporate Strategy, working in partnership with key stakeholders to develop a longer term strategy for place making and growth that promotes the well-being of its citizens : *"We want to unlock the ambition of our communities to achieve their promising future – recognising Cheltenham's history whilst refocussing on innovation, vibrant cultural experiences, economic growth and growing our talent pool. We will be a regional leader, well connected and have delivered a sustainable legacy."* (*Cheltenham Corporate Strategy 2016-17*).

Place Strategy – Related to the Corporate Strategy the Council is developing a Place Strategy which sets out the need for:

- A diverse and internationally successful range of cultural assets and events, a place where we develop and nurture talent, engaging with graduates and support them in their careers
- A vibrant and attractive town centre with a diverse and appealing retail, cultural and leisure offer, a sense of arrival and a clear and appealing marketing brand with excellent digital presence, a feeling of safety and of being welcomed, a high quality environment that is clean and well maintained
- Existing communities (and new planned communities) are socially sustainable, where there is equality of opportunity, and a reduction in the extremes in life chances. All young people have the opportunity to thrive and benefit from Cheltenham's social, cultural and civic life and feel involved in in the process of place making

These aims will be delivered through a consistent and joined-up approach across economic development, tourism, marketing, regeneration and cultural activities (making it a major opportunity for the use of public art which spans these strategic activities).

The Local Development Framework (2010), Civic Pride Urban Design Framework (2011) and Public Realm Strategy (2006) set out how Cheltenham can be physically developed to meet its objectives and provide a “high quality and imaginative public realm [to] enhance the town's reputation as a national centre of culture and encourage investment in the leisure, tourism and retail sectors”. Objectives relevant to public art can be summarised as:

- Improving the legibility to the town centre bringing together world class heritage and contemporary interpretation, providing spaces for outdoor entertainment and music, promoting informal as well as formal cultural activity, respecting, reinforcing and reinvigorating Regency tradition.
- Re-establishing Cheltenham's reputation as a centre of health and healthy living - promoting walking and cycling, clean air and outdoor activity, and emphasising community well-being, introducing greening in the town centre such as green roofs and green walls to improve air quality and screen car parks.
- Improving access to affordable housing and providing high quality spaces and amenities which bring people together, increasing opportunities particularly for the more deprived sectors of the community, improving expectations and



EAFS 2015 Wide Open

civic pride through encouraging active community participation.

Cheltenham Plan and Joint Core Strategy

The emerging Cheltenham Plan is in the process of being prepared. Once adopted it will provide an excellent opportunity to promote and support the Public Art Strategy through planning policies." The latest version of the JCS can be found [here](#). The reference to public art is on page 66.

Green Space Strategy for Cheltenham (2009-2024)

– "Parks, People and Wildlife" shows how the Council sees green infrastructure as a way of supporting the delivery of civic pride, of managing and adapting to climate change by providing amenity space and play and of creating "a town within a park" - the greening of streets and the creation of new green spaces is a central theme. In doing so it recognises the need for projects, which could take the form of public art, that bring together councillors, partners, stakeholders

and the local community on green space matters. There is a particular need to engage young people: “old people think they own the parks and young people shouldn’t be in them”. Other objectives which could be addressed through public art include creating animal and plant infrastructure, making new wildlife areas, informal/natural play space, allotments, renewable energy, more bike stands and the promotion of local food production.

Neighbourhood Planning, Housing and the Social Sustainability Model - Most development in Cheltenham in the future will be outside of the town centre with major house building in Cheltenham in the North West and West such as the largest new single development in the County, North West Cheltenham with plans for 4285 new homes, new schools, health facilities, parks. Nearby West Cheltenham will accommodate 45 hectares of new employment land. Some of these developments will be informed by Neighbourhood Plans where parishes and other social groups develop their own plans for the area, in Cheltenham a small number of plans are emerging and need advice and guidance on incorporating culture. This is highlighted in the new Social Sustainability Model of planning being adopted by Cheltenham Borough Council. This model introduces more emphasis on community self-determination, making shared social spaces and cultural

life and allowing space for flexible future facilities, so-called meanwhile spaces (Welcome to the future: A local model for building socially sustainable communities, 2016). These are all areas where public art can contribute, for example in terms of creatively bringing people together to facilitate conversations, making small or temporary social spaces, especially during the construction of larger schemes, and contributing to the future of the public realm.

Cheltenham Trust Strategic Plan - Responsibility for a number of Cheltenham's cultural assets and policy now rests largely with the Cheltenham Trust which delivers leisure, sports and culture services on behalf of the council. Strategic Plan which is to develop, maintain and sustain its assets has for the benefit of the public. The Trust is planning to redevelop the Town Hall and the Pittville Pump Rooms – both opportunities for arts projects that investigate the spaces and draw attention to them. The Trust also recognises its role: “beyond the walls of the culture and sports venues [where the Trust] will inspire new content, whether digital, artistic or as a public statement will enliven areas of the town exciting audiences, creating participation and signposting the public to other activities across the town.” The Trust manages both sports and arts offers, giving it an interest in both physical and cultural health/wellbeing, an exciting area to develop art and sport cross disciplinary

practices, as stated in the Plan “We will mix it up – there will be music events in sports venues and band stands, health and wellbeing events in cultural venues. Expect the unexpected in unusual places, Cheltenham’s compelling narrative will appear in all venues and unusual spaces and places.” More widely the Trust is helping to create a cultural stand of the Place Strategy amongst its partners. Through an Urban Psyche workshop attended local cultural institutions, politicians, the Council and other creative businesses created a manifesto which describes the ambition of closely linking to culture to place-making.

Pulling these strands together, there is an ambition, in which public art plays a significant role, in educating, informing and reaching out to all sectors of the community. Cheltenham is diverse both economically and socially and public art can support delivery of key messages around equality, well-being, sense of place, inspiration and aspiration and cohesive communities.

- *Cheltenham is an area that is beginning to recognise the full potential of creativity and culture as a way of enhancing the life of its residents and attracting visitors – for both young and old.*
- *Art in public space, both temporary and long-lived, can be a relatively simple and inexpensive way of telling people that is Cheltenham is creative, pioneering, connective and nurturing place.*
- *Particular areas where public art can add value are in health, education, new housing, neighbourhood planning, town centre improvement (retail and leisure), cultural tourism and enhancing green space.*

“Artistic ventures are vital when creating a distinctive community.”

Richard Magree, Chief Executive, Knight Dragon Developments, on making room for young creatives in new housing.

Priorities

As discussed, Cheltenham is already a fascinating and attractive place whose well-known stories are told through some of its great art in public places. However there is so much more that could be achieved for the benefit of residents and visitors, culturally, socially, environmentally and economically through a joined up strategic approach that brings together culture, planning, education, health, environment, economic development and communities. It is recognised that the town's economic development is seen as a priority. Public art development is a critical component of providing cultural density and identity.

Strategic priorities for public art development that have been identified through interviews and workshops are:

- **Strengthening identity and a sense of place – making people see Cheltenham differently and developing Health and Education as a key part of this identity, particularly in new developments on the outskirts of Cheltenham**
- **Supporting local creativity – supporting cultural producers and or just getting out the way – there should be a culture of allowing artists and creatives to experiment and do new things without unnecessary obstruction**

- **Community engagement – there needs to be more input from the grassroots and more projects that engage with social and economic deprivation such as engagement in developing briefs, ideas and selecting artists.**
- **Building on the history/roots of Cheltenham, but making these messages relevant to today's societal issues**

The workshops also identified that art in public space in Cheltenham is created in through two main routes, the planning process (development led) and through cultural agencies (arts-led). When created by the planning process and funded by developers public art is usually created in an organic way, as investment becomes available and particular locations become ripe for development. Public art in Cheltenham has therefore resulted in a series of isolated projects with little or no strategic relationship between them. Equally culturally led art in public space is created in response to the objectives of cultural organisations, such as audience development or creative education, with little reference to wider social, economic or environmental goals.

The task is to join up planning-led and arts-led approaches that

address the strategic priorities of identity and place, local creativity and community engagement. This can be achieved by:

- setting out best practice for the commissioning of public art, not to restrict artistic vision but to enhance its transformative power
- improving the infrastructure for public art delivery- opportunities for exchange, collaboration and communication between development-led and arts-led partners
- taking a pro-active approach to demonstrating potential benefits through innovative exemplar projects and action research which target strategic areas – health, education, new housing, neighbourhood planning, town centre improvement (retail and leisure), cultural tourism and enhancing green space.

“Great places, in sum, have five significant qualities. They are places of anchorage and distinctiveness; places of connection and reconnection; places of possibility and potential; places that encourage personal growth and learning and places of inspiration. Clearly it is the cultural sector in all its facets that can achieve these aims to a significant degree. It is by thinking afresh that Cheltenham can make this happen especially by fostering a culture of creativity in everything it does. This begins to tell a story of the town that can combine well the old and the new.” (Cheltenham: The power & potential of culture & creativity - A Manifesto (Draft), 2017)



Legibility and Place: The Royal Terrace Gardens, Torquay were designed by Ginkgo Projects with artist Juliet Haysom to be part of clear routes around for tourists and residents - improving its legibility.

Best practice

To make great art you need find great artists, make the space for them to do what they do well and ways of connecting art to people. Whether temporary or long-lived successful public art makes the space for the unusual to happen and, ironically, this takes planning. Therefore the following key principles for commissioning public art in Cheltenham which have been developed through research by organisations involved in public art and through consultation with those involved in public art in Cheltenham.

Art without boundaries or time limits - there should always be a place for innovation and risk; it's good to try temporary experimental projects which are valuable in their own right and can also lead the way for longer term works.

Cultural infrastructure - Public art can enable public space, for example: making platforms and spaces for temporary works or performance like the 4th Plinth project in London where different artists are able to show temporary public art; exhibition spaces like the phone boxes in Cheltenham which are a mini-gallery which addresses the limited accessibility of exhibition space for local artists; projects that create studios or project spaces in developments for "artists in residence"; enabling digital public space interventions; using construction

hoardings for a gallery of street art. These approaches can be part of a meanwhile space strategy – occupying empty buildings, or setting up temporary space for creativity until community spaces are built.

Time to think – if the artist is to contribute something meaningful to a "sense of place" there needs to be adequate time for research and ideas development, as well as contact time with collaborators and communities.

It's good to share - co-production and collaboration, sharing resources and knowledge across disciplines and across sectors creates new connections, facilitates communication and makes the end result more than the sum of the parts.

Reaching out –thinking about how to engage people public art should be part of the whole process from start to finish, from decision making, actively helping with the project, to learning about art, culture and place, remembering that communities are not just made up of people living in a particular street.

Early engagement – information about the benefits of and best practice in commissioning should be given to developers in pre application advice and surgeries; in new developments the artist needs to be central to the design processes in order

to maximise opportunities for artists to suggest locations for art and ways of working. For instance thinking about the integration of art into buildings or landscapes before building starts will save money.

Clarity is key – make sure that everyone understands what the basic needs of the project, what are the challenges and parameters, what is the artist's role...

Looking after what you made - everything has a finite life span so thinking about maintenance and de-commissioning, who will look after long-lived works and what will happen when they wear out at the start of a commission is crucial.

Thinking differently about public art: A Thousand Seasons Past was a performance made with local people that was commissioned as part of the Wapping Wharf public art programme, a series of permanent and temporary art works funded by Umberslade as part of a public art obligation for the site. Created by artist Emma Smith it transports you back through the rich and haunting history of the Bristol docks using choreographed movement and live music, all performed in a specially built open air auditorium.



Doing it professionally - management capacity has to be made available in a project to ensure that it is done well, professionals with experience managing and curating public art should be employed on projects; likewise public art steering groups/public art review panels should contain a broad range of relevant expertise for strategic priorities and audiences (in the case of Cheltenham this is planning, architecture/urban design, the arts, education, health, local business, cultural tourism and the environment, as well as community representation).

Making connections - linking project artists to support and networks of other artists working in the area is enormously beneficial for developing new ideas and supporting local creativity: equally communities working with artists also need support, particularly when this is breaking new ground.

Even artists need to eat – if artists are expected to contribute alongside other professionals like architects to socially and economically important projects they should be properly paid.

Making a better future – for all involved, artists, commissioners and communities - the only way to improve what you do is to reflect on what went well and what went wrong, so forms of evaluation are important.

Resourcing and delivery

Historically, funding for projects has derived from s106 monies being secured, pooled and delivered through the CBC Public Art Panel. Freelance curators have been commissioned to deliver projects on a piecemeal basis by CBC. Arts led and funded projects have developed on an ad hoc basis being delivered by a range of organisations.

There is huge potential to improve the diversity and quality of commissioning practice and creative outcomes. To support a broad ranging, ambitious, integrated approach to progressive commissioning it is proposed that arts led and planning led initiatives are combined through a town wide programme of commissioning.

A development model is proposed that brings together the potential for a arts/culture led curatorial programme supported as a part time post by external funding but aligned with funding that can be secured through planning gain.

The sharing of joint project interests will help develop public art development strands that touch peoples lives. It is suggested that broad interests to be developed are:

1. Health & Wellbeing
2. Women and Young people.

3. Creative Campus
4. Homes & Housing
5. 21st century Cultural Tourist

These areas are outlined within the following Action plan.

It is recognised that human and financial resources are stretched and time limited so some pragmatic small steps are recommended to create dedicated time and space to allow for a programme led approach to public art to develop over time.

Time and detailed research is required to build understanding and participation from both the planning and arts led sector, so that a shared vision is established that supports the wider place agenda. This strategy proposes the first steps towards a revitalised approach to commissioning. It is recommended that:

1. The 'Public Art Panel' is repositioned as the 'Public Art Review Board' to reflect a shift in role to that of review and oversight rather than management and delivery. It is recommended that the membership and knowledge base is activated, enriched, and widened so that the Review Board develops an

active voice and ownership to promote public art activity on a town, regional and national basis.

There is a need (despite recent review) to develop clarity for roles, responsibilities, membership and remit for the Review Board. It is proposed that the Review Board is a shared partnership led Board chaired by partners in rotation and managed by the Public Space Curator. It is proposed that delegation of direct expenditure of s.106 monies is made by the Board to CBC officers to allow for a widening of projects and initiatives delivered by partners with the Review Board retaining oversight.

2. A Public Space Curator is appointed for a three year part time post secured through funding from ACE Grants for the Arts application matched with commuted sums secured from existing developer contributions.

The approach will provide much needed financial and human resource to link spatial and culture led activity through the appointment of the Public Space Curator. This approach will allow for an innovative and integrated programme to develop that is town wide focussing in the four development strands already set out.

3. An Art Plan led approach is adopted for major planning applications to ensure that opportunities are identified early on in the design process. Developer guidelines are produced to provide clarity to secure appropriate and consistent public art provision.

4. A network or loose group of interested professional curators, producers, artists, design practitioners and academics individuals is established to meet on a sporadic basis to form a support network that provides linkages between town wide projects.

Current and future public art provision through planning led projects

The majority of public art commissions are currently secured through developer contributions via Section 106 agreements or through planning conditions. Design proposals or commuted sums are proposed by developers for consideration by the Public Art Review Panel. External curators are sometimes used to coordinate and facilitate this process.

It is recognised that although public art provision is secured that this process has some inherent issues which should be addressed. Some of these include:

- Contributions are secured too late within the design process to allow for artists work to be fully integrated into the

development proposals.

- Developers can see public art as an ‘add on’ and argue against contributions on the ground of viability.
- A closely managed allocation of pooled funding has generally resulted in a restricted and variable set of commissions over recent years.
- Planning officers are under real time pressure and the scope and potential public art provision to develop the design and place agenda is not fully able to be realised.

Public art provision is included within the draft CIL charging schedule submitted to the Planning Inspectorate (July 2016). Through discussion there is a view that other CIL priorities might preclude public art provision in the future.

To facilitate securing appropriate provision it is proposed that greater emphasis is placed on developers (both private and public) to provide their proposals early in the application process and that these are secured through the use of Public Art Plans produced by experienced public art curators and producers.

Such plans should include:

- A description of the project and context
- Creative rationale
- Artist brief(s)
- Design proposals or proposed artist(s)
- Management and delivery proposals
- Costings
- Trigger points for delivery
- Decommissioning proposals

This process will place responsibility onto developers for providing appropriate provision rather than placing workload onto officers and will allow for diversity of practice and approach to commissioning. It is suggested that developer guidelines are produced for developers to provide clarity for the scope and content of required art plan information.

This art plan led approach works well for major applications. For small scale applications the position for securing public art is becoming less clear now that there are restrictions on how commuted sums are secured and an emphasis from NPPG on securing public art through condition rather than s.106 agreements.

The following model and action plan below outlines proposed development structure.

The graphic shows the two main sources of public art activity that of planning and arts led public art development.

It is proposed that a Public Space Curator is recruited by the Cheltenham Borough Council to develop and lead a public art programme. The curator will be expected to work closely in partnership with the Trust and other partners developing the four proposed creative strands as areas of combined planning and arts led activity and funding.

An Art Plan led approach for planning led projects will place a requirement on developers to integrate and produce high quality public art projects at the start of the development design process (rather than at the end at present) and provide consistency of approach for officers. The Public Art Review Board maintain oversight over planning led projects.

Opportunities for cross project funding between arts led and planning led projects is shown.

Areas of focus and opportunity are shown for both planning

and arts led development.

The identity of the programme to support place making is expressed through the combination and integration of the two current areas of public art development.

Public art development in support of place making

Arts and Culture led activity

Public Space Curator
(Cheltenham Borough Council)

Cultural tourism

Sense of place

Education

Creative economy

Arts and Health

Public Art Review Board
Partnership led
Managed by Public Space Curator

- Priority areas:
1. Health & Wellbeing
 2. Women and Young people
 3. Homes & Housing
 4. 21st C. Cultural Tourist
 5. Creative Campus

Planning and development led activity

Art Plan led
(CBC Officers)

Civic, Education, Health

Housing

Town centre

Green space

N. Planning led

Cross project development and collaboration

Action plan

| Development strand | Issues and opportunities | Recommendations | Lead | Cost |
|--------------------------------|--|--|-----------------------------------|-----------|
| <p>Public Art Panel</p> | <p>Workshops identified the need for better and more effective communication between planners and the current CBC Public Art Panel.</p> <p>Potential exists for bringing in public art expertise, user/community representation and representatives working in priority areas to provide an integrated approach to project development.</p> <p>Opportunity exist to broaden function and role of the panel to provide a review rather than management function.</p> <p>Opportunity to rename the panel as the Public Art Review Board.</p> | <p>Align the membership and skills of the Public Art Review Board more closely with strategic priorities to include specialisms in:</p> <ul style="list-style-type: none"> • Public art • Spatial planning • Community representation • Women • Young people • Health (physical and mental) • Education • Housing and social care • Neighbourhood planning • Sustainability and green space • Cultural tourism (eg from the Festivals) • Business and enterprise <p>Strengthen activity through developing partner working to provide a review rather than management function. Oversight maintained for planning led projects. Development and management lead developed by Public Space curator. Terms of reference, roles, responsibilities and procedures to be developed by Public space curator. Development of a public art membership pack including terms of reference and governance</p> | <p>Cheltenham Borough Council</p> | <p>£0</p> |

| Development strand | Issues and opportunities | Recommendations | Lead | Cost |
|----------------------|---|---|----------------------------|--------------------------------------|
| Public Space Curator | <p>The challenge for public art development is that it requires leadership and sustainable resources in order for things to be done better and differently.</p> <p>Opportunity to follow and then lead practice in this area e.g (Bristol, Plymouth, Southampton)</p> | <p>An arts-led development role would help to:</p> <ul style="list-style-type: none"> • Give a public art specialist perspective on the Public Art Review Board • Catalyse ideas in this field through supporting new Networks and Partnerships • Curate an innovative Arts-led Public Art Programme links with development-led initiatives • Provide training and support for planners around applications and strategic planning issues e.g. Neighbourhood Planning | Cheltenham Borough Council | £18K per annum (based on 3 days p/w) |

| Development strand | Issues and opportunities | Recommendations | Lead | Cost |
|---------------------------|--|---|-------------------------|----------|
| Networks and partnerships | Creating opportunities for exchange, collaboration and communication between development-led and arts-led partners. Supporting artists in the area develop a public art practice. Creating the connections needed to explore cultural commissioning – public art for health and social service delivery. | <p>An external advisory group, meeting two or three times a year advise the Public Art Review Board to discuss partnership projects, best practice, create arts-led temporary and socially engaged public art etc.</p> <p>Membership could include: Cheltenham Borough Council & Gloucestershire County Council; cultural institutions e.g. Cheltenham Trust, Gloucester University, the Festivals. Cheltenham Design Foundation, Open Studios, the Cheltenham Arts Council; social institutions like Gloucestershire Hospitals N H S Foundation Trust, housing associations and care providers; environmental organisations e.g. the Local Nature Partnership, Vision 21, Gloucestershire Wildlife Trust; economic groups, e.g. Chamber of Commerce and Business Improvement District.</p> | Public Space Curator | as above |

| Development strand | Issues and opportunities | Recommendations | Lead | Cost |
|-----------------------------------|---|---|----------------------------|----------|
| Support for Planners & Developers | The early engagement of planners and developers is a key driver for successful projects which engage communities in creating their own agendas and spaces and integrate well. | <p>Public Space Curator to provide updates and training for planners yearly in order to raise the idea of high quality public art as part of pre application advice and creating effective planning conditions.</p> <p>Consider public art as part of creating the existing physical or a virtual “Urban Room” as a planning resource for developers, planners, architects and all.</p> | Cheltenham Borough Council | As above |
| Neighbourhood planning | Neighbourhood plan groups (eg Parish Councils) should be encouraged to support culture in their plans, to feed into Community Infrastructure Levy agreements | <p>Providing updates and training for planners yearly in order to raise the idea of high quality public art as part neighbourhood planning.</p> <p>Provide all neighbourhood plan applicants with a toolkit to include public art and cultural provisioning advice potentially integrated into the recent ‘A local model for producing socially sustainable communities produced through the partnership of Cheltenham Borough Homes, Bromford, Sovereign and Barnwood Trust.</p> | Cheltenham Borough Council | As above |

| Development strand | Issues and opportunities | Recommendations | Lead | Cost |
|-----------------------|--|--|----------------------------|-------------|
| Planning led projects | Currently there is inconsistency in the quality, timing and provisioning of public art elements within planning led projects. An opportunity exists to initiate an Art Plan led approach for major developments to help reduce burden on case officers, provide consistency of provision, improve art work quality and ensure proposals are integrated early into the development control process. | <p>Public Space Curator (with potential external support) to provide developer guidelines for the preparation of developer produced Art Plans for major developments submitted with planning applications to simplify and unify the approach for planning led projects. Public Art Review Board to provide content oversight. Art Plan delivery managed through developers working with external public art managers.</p> <p>Within current restrictive guidance investigate potential to use s.106 contributions or other funds to part fund Public Space Curator to allow for greater cross fertilisation between planning and arts led projects.</p> | Cheltenham Borough Council | £0 - £2,500 |

| Development strand | Issues and opportunities | Recommendations | Lead | Cost |
|-------------------------------|---|---|-------------------------|--|
| Arts-led Public Art Programme | Taking a strategic approach to public art is difficult if entirely reliant on planning led projects (whether private or public sector). Being strategic requires a targeted approach that demonstrates the potential of new forms of public art to contribute to a sense of place, societal health and wellbeing and cultural vibrancy. Arts led research projects can be a versatile and impactful way of demonstrating the way forward for the development-led planning system. | <p>Develop a programme of 4 research strands that demonstrate the potential of public art for Cheltenham's future. These in the first instance are fairly modest but could be used to build ambition and should be closely linked to development led plans or current projects:</p> <ol style="list-style-type: none"> 1. Health & Wellbeing 2. Women and Young people 3. Homes & Housing 4. 21st C. Cultural Tourist 5. Creative campus | Public Space Curator | £30,000 match project funding. Support from s106 contributions |
| | | (1) Health & Wellbeing: A contemporary art commission that remixes the town centre heritage of spa Cheltenham and those peripheral groups with health/wellbeing deprivation, for example young women in state education – an opportunity for inter generational exchange. | | |
| | | (2) Women and Young people: Acknowledge the aspirations and hopes of women and young people and giving voice to those who are voiceless, through representational art. | | |

| Development strand | Issues and opportunities | Recommendations | Lead | Cost |
|--------------------|--------------------------|---|------|------|
| | | <p>(3) Homes & Housing: How can artists work with communities, planners and developers to make new housing in Cheltenham more creative, e.g. cultural consultation, enabling grassroots creativity that feeds into planning, making temporary (meanwhile) creative or social spaces for people to come together.</p> | | |
| | | <p>(4) 21st C. Cultural Tourist: Using digital/locational technologies to tell both the well-known and untold stories of artists, art & architecture in Cheltenham – the ménage a trois between Aesculapius, Hygeia and Hippocrates, the unfinished symphony of Würzel, the way the chimney sweep got his top hat...</p> | | |
| | | <p>(5) Creative Campus: A series of events in public spaces – finding the neglected places in-between – a programme of small temporary projects to raise awareness of the breadth of art in public, e.g. street/urban art at bus shelters, billboards, hoardings of building sites, unoccupied retail, making the town a “Creative Campus” where art, design and architecture students can try out new ideas.</p> | | |

Appendix

Attendees at the study development workshops:

| | |
|---------------------|---|
| Nick Sargeant | Cheltenham Public Art Panel (Chair of Public Art Panel) |
| Flo Clucas | Cheltenham Borough Council - Councillor (Lead Member) |
| Julie Finch | Cheltenham Trust |
| Diana | Hatton Public Art Consultant |
| Nicky Whittingham | Public Art Consultant |
| Niki Whitfield | Public Art Consultant |
| Angus Pryor | University of Gloucester |
| Jenny Ogle | Cheltenham Civic Society |
| Riah Pryor | Cheltenham Trust |
| Kevan Blackadder | Cheltenham Business Improvement District |
| Tess Beck | St Pauls Residents Association |
| Maxine Melling | Cheltenham Civic Society |
| Sarah Bowden | Harwick Gallery |
| Charmain Sheppard | West Cheltenham Development Forum |
| Wilf Tomaney | Cheltenham Borough Council - Townscape Manager |
| Tracey Crews | Cheltenham Borough Council - Head of Planning |
| Toby Coombes | Architects Review Panel for Cheltenham |
| Martin Chandler | Cheltenham Borough Council - Trees Officer |
| Chris Chavasse | Cheltenham Borough Council - Development Manager |
| Gary Dickens | Cheltenham Borough Council - Planning Officer |
| Harry Du Bois-Jones | Cheltenham Borough Council - Planning Policy Officer |
| John Rowley | Cheltenham Borough Council - Planning Policy Officer |
| Adam Dyer | Cheltenham Borough Council - Conservation Officer |
| Ben Hawkes | Cheltenham Borough Council - Planning Officer |
| Claire Donnelly | Cheltenham Borough Council - Planning Officer |
| Helen Down | Cheltenham Borough Council - Community Engagement |
| Victoria Harris | Cheltenham Borough Council - Planning Officer |
| Malcolm Wallis | Cheltenham Borough Council - Green Space Development |
| Rob Vales | Gloucestershire County Council - Highways |
| Howard Barbel | Cheltenham Borough Council - Townscape Designer |
| Andy Hayes | Hester's Way Partnership |

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**Cheltenham Borough Council
Cabinet – 5th December 2017
Council – 11th December 2017
Treasury Mid-Term Report 2017/18**

| | |
|-------------------------------|---|
| Accountable member | Finance, Rowena Hay |
| Accountable officer | Section 151 Officer, Paul Jones |
| Accountable scrutiny | Treasury Management Panel |
| Ward(s) affected | None |
| Key Decision | Yes |
| Executive summary | The Treasury Management Strategy for 2017/18 has been determined by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009 (revised 2011), which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year. The Code also recommends that members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority has adopted the code and complies with its requirements. |
| Consultation | The Treasury Management Panel has considered this report on 20th November 2017. |
| Recommendations | Treasury Management Panel approves the following recommendation to Cabinet/Council: 1. Note the contents of the summary report of the treasury management activity during the first six months of 2017/18. |
| Financial implications | All financial implications are detailed throughout the report Contact officer: Andrew Sherbourne, andrew.sherbourne@cheltenham.gov.uk, 01242 264337 |
| Legal implications | None specific arising from the report recommendations. Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01242 264216 |

| | |
|--|--|
| HR implications (including learning and organisational development) | No direct HR implications arising from this report Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk. 01242 264355 |
| Key risks | see appendix 2 |
| Corporate and community plan Implications | None |
| Environmental and climate change implications | None |

1. Background

- 1.1** The Treasury Management Strategy for 2017/18 has been developed by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2009 (revised 2011), which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year. The Code also recommends that members are informed of Treasury Management activities at least twice a year. This report therefore ensures this authority has adopted the code and complies with its requirements, one of which is the provision of a Mid-year report to Members.
- 1.2** The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

Accordingly, treasury management is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2. Economic update for the first six months

- 2.1** The following key points have been provided by the councils Treasury Advisors, Capita Treasury Solutions.

- 2.2** After the UK economy showed strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at +0.3% (+1.7% y/y) and quarter 2 was +0.3% (-1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.
- 2.3** The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years' time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.
- 2.4** At the time of this report being written the MPC took the decision on 2nd November 2017 to increase Bank Rate to 0.5%. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.
- 2.5** Economic growth in the EU, (the UK's biggest trading partner), has been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum

thanks to this stimulus. GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter 2 (2.3% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.

2.6 Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.

3. Portfolio position 1/4/2017 to 30/9/2017

Movements in the Council's borrowing during the first six months of 2017/18 financial year can be seen in the table below. Long term loans are deemed to be those repayable over a period of more than one year.

| Source of Loan | Balance at 1 April 2017 £ | Raised during Apr-Sept £ | Repaid during Apr-Sept £ | Balance at 30 Sept 2017 £ |
|-----------------------------------|------------------------------|-----------------------------|-----------------------------|------------------------------|
| Temporary Borrowing | | | | |
| Local Authority | 0 | 6,000,000 | 6,000,000 | 0 |
| Temporary Investment | 21,000 | 0 | 0 | 21,000 |
| Total Short Term Borrowing | 21,000 | 6,000,000 | 6,000,000 | 21,000 |
| Long Term Borrowing | | | | |
| - Public Works Loan Board | 48,929,794 | 0 | 270,123 | 48,659,671 |
| - Market Loans | 15,900,000 | 0 | 0 | 15,900,000 |
| Long Term Borrowing | 64,829,794 | 0 | 270,123 | 64,559,671 |
| Total External Borrowing | 64,850,794 | 6,000,000 | 6,270,123 | 64,580,671 |

- 3.1** In February 2017 the Council's borrowing costs for 2017/18 was budgeted to be £2,477,900 and this is expected to come in at £2,494,060, an overspend of £16,160. The small increase estimated is in respect of what the General Fund needs to pay the HRA for the reserves and balances held within the council investment balances. These balances are expected to come in higher than what was estimated in February 2017 due mainly to the higher rate of return on investments which ultimately affects the interest paid on the HRA balances.
- 3.2** The Public Works Loan Board (PWLB) remains an attractive source of borrowing for the Council as it offers flexibility and control. No long term borrowing has occurred as of yet, however some borrowing is expected to take place before the 31st March 2018 in respect of the new Crematorium. Further analysis is required to decide on what is to be funded from the PWLB and the level of internal resources that is required. Members will be updated as soon as any new borrowing is untaken.
- 3.3** Debt rescheduling opportunities have been very limited in the current economic climate given the consequent structure of interest rates, and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year.

4. Investments

The DCLG's Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.

Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy for 2017/18 approved by Council on the 10th February 2017. This restricted new investment to the following:-

| Investment | Max Sum per institution/group | Maximum period |
|--|-------------------------------|----------------|
| Debt Management Agency Deposit Facility* (DMADF) <ul style="list-style-type: none"> this facility is at present available for investments up to 6 months | UNLIMITED | 6 months |
| UK Government Gilts/ Bonds | £2m | 2 years |
| UK Government Treasury Bills | UNLIMITED | 1 year |
| Term deposits with the UK government or with UK local authorities (i.e. local authorities as defined under Section 23 of the 2003 Act) with maturities up to 1 year | £7m | Unlimited |
| Term deposits with credit-rated deposit takers (banks and building societies), including callable deposits (UK & Non-UK) | £7m | 2 years |

| Investment | Max Sum per institution/group | Maximum period |
|--|-------------------------------|----------------------------|
| Repos/Reverse Repo through custodian King & Shaxson | £5m | 1 year |
| Money Market Funds with UK/Ireland/Luxembourg domiciled | £2m per fund | Liquid |
| Enhanced Money Market funds UK/Ireland/Luxembourg domiciled | £2m per fund | Liquid - 3months - 5 years |
| Corporate Bonds held in a broker's nominee account (King & Shaxson Ltd) | £2m | 2 years to maturity |
| T-Bills issued by the DMO (Government) | UNLIMITED | 1 year |
| Repo/reverse repo – fixed term deposits with banks and other financial institutions | £7m | 1 year |
| Property Funds | Unspecified | Unlimited |
| Equities – One off for an App investment | £50k | Unlimited |
| Other Money Market and Collective Investment Schemes | £2m | Unlimited |
| Certificates of deposit (CD's) issued by banks and building societies covered by UK Government (explicit) guarantee | £7m | 2 years |

This Council applies the creditworthiness service provided by Capita. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

4.1 It is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.25% Bank Rate. The continuing potential for a re-emergence of a Eurozone sovereign debt crisis together with other risks which could impact on the creditworthiness of banks prompts a low risk strategy. Given this risk environment, investment returns are likely to remain low.

4.2 Investments - Movements in the Council's investment portfolio during the first six months of 2017/18 can be seen in the table below.

| Source of Loan | Balance at 1 April 2017 £ | Raised during Apr-Sept £ | Repaid during Apr-Sept £ | Balance at 30 Sept 2017 £ |
|--|--|---|---|--|
| Short term Lending | | | | |
| Bank – Term Deposits/CD'S | 18,000,000 | 13,000,000 | 14,000,000 | 17,000,000 |
| Local Authorities | 1,000,000 | 0 | 0 | 1,000,000 |
| Call A/C's | 300,000 | 49,710,000 | 47,440,000 | 2,570,000 |
| Glos Airport (Temp) | 70,000 | 0 | 35,000 | 35,000 |
| Glos Airport (Revolving Credit) | 0 | 200,000 | 0 | 200,000 |
| Money Market Funds | 0 | 22,200,000 | 18,200,000 | 4,000,000 |
| CCLA Property Fund | 0 | 1,000,000 | 0 | 1,000,000 |
| St. Margaret's Hall | 0 | 50,000 | 0 | 50,000 |
| Total Lending | 19,370,000 | 86,160,000 | 79,675,000 | 25,855,000 |
| Icelandic Banks in administration | Balance at 1 April 2017 £ | Raised during Apr-Sept £ | Repaid during the year £ | Balance at 30 Sept 2016 £ |
| - Kaupthing Singer & Friedlander | 484,986 | 0 | 27,646 | 457,340 |
| Total Icelandic Banks | 484,986 | 0 | 27,646 | 457,340 |
| Total External Investments | 19,854,986 | 86,160,000 | 79,702,646 | 26,312,340 |

- 4.3** In February 2017 the Council's Investment income for 2017/18 was budgeted to be £385,700 which includes £290,600 from the interest payable in respect of the third party loans from CBH, Cheltenham Everyman Theatre and Glos. Airport Ltd. The average cash balances representing the council's reserves and working balances, was £23.440m during the period this report covers. The Council anticipates an investment outturn of £140,600 at a rate of return of 0.60% for this financial year plus the £290,600 from the third party loans. In total we are expecting a surplus of around £45,500 for the financial year. This has been maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2017/18.
- 4.4** Included within the investments of £26.312m as at 30th September 2017, the Council has £457k deposited in the collapsed Icelandic bank Kaupthing Singer & Friedlander (KSF). KSF administrators have made distributions of 85.15p in the pound to date. Administrators currently estimate a total return of 86.25p-87p in the pound, which is a small improvement from when last reported. The next dividend is due in December 2017.

5. Prudential Indicators

- 5.1** During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and Annual Treasury Strategy Statement. Appendix 1 attached highlights the major indicators.

6. Outlook

| | Dec-17 | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Bank rate | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.50% | 0.50% | 0.75% | 0.75% |
| 5yr PWLB rate | 1.50% | 1.60% | 1.70% | 1.70% | 1.80% | 1.80% | 1.90% | 1.90% | 2.00% | 2.00% |
| 10yr PWLB rate | 2.20% | 2.30% | 2.30% | 2.40% | 2.40% | 2.50% | 2.50% | 2.60% | 2.60% | 2.70% |
| 25yr PWLB rate | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% | 3.30% | 3.30% |
| 50yr PWLB rate | 2.70% | 2.70% | 2.80% | 2.80% | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% |

- 6.1** Capita Asset Services undertook its last review of interest rate forecasts on 9 August after the quarterly Bank of England Inflation Report. There was no change in MPC policy at that meeting. However, the MPC meeting of 14 September revealed a sharp change in sentiment whereby a majority of MPC members said they would be voting for an increase in Bank Rate "over the coming months". It is therefore possible that there will be an increase to 0.5% at the November MPC meeting. If that happens, the question will then be as to whether the MPC will stop at just withdrawing the emergency Bank Rate cut of 0.25% in August 2016, after the result of the EU withdrawal referendum, or whether they will embark on a series of further increases in Bank Rate during 2018.

The overall balance of risks to economic recovery in the UK is currently to the downside but huge variables over the coming few years include just what final form Brexit will take, when finally agreed with the EU, and when.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.
- Geopolitical risks in Europe, the Middle East and Asia, which could lead to increasing safe haven flows.
- A resurgence of the Eurozone sovereign debt crisis.
- Weak capitalisation of some European banks.
- Monetary policy action failing to stimulate sustainable growth and to get inflation up consistently to around monetary policy target levels.
- UK inflation returning to significantly higher levels causing an increase in the inflation premium inherent to gilt yields

7. Performance management

- 7.1** In compliance with the requirements of the Treasury Management CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the first six months of 2017/18. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

8. Other

8.1 Revised CIPFA Codes

Chartered Institute of Public Finance and Accountancy, (CIPFA), is currently conducting an exercise to consult local authorities on revising the Treasury Management Code and Cross Sectoral Guidance Notes, and the Prudential Code. CIPFA is aiming to issue the revised codes during November. A particular focus of this exercise is how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the authority at a much higher level than can be attained by treasury investments. One recommendation is that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the authority have been apportioned between treasury and non treasury investments. Officers are monitoring developments and will report to members when the new codes have been agreed and issued and on the likely impact on this authority.

8.2 MIFID II

The EU has now set a deadline of 3 January 2018 for the introduction of regulations under MIFID II. These regulations will govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This will have little effect on this authority apart from having to fill in forms sent by each institution dealing with this authority and for each type of investment instrument we use apart from for cash deposits with banks and building societies. This council will be opting up for 'professional' status where necessary.

| | |
|-------------------------------|---|
| Report author | Contact officer: Andrew Sherbourne, andrew.sherbourne@cheltenham.gov.uk 01242 264337 |
| Appendices | Prudential Indicators Appendix 1 Risk Appendix 2 |
| Background information | Treasury Management Strategy, Council 10th February 2017 |

1. The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

1.1 Prudential Indicator for Capital Expenditure

This table shows the revised estimates for capital expenditure and the changes since the capital programme was agreed at the Budget.

| Capital Expenditure by Service | 2017/18 Original Estimate £m | 2017/18 Current Position £m | 2017/18 Revised Estimate £m |
|----------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|
| General Fund | 22,908 | 1,718 | 25,798 |
| HRA | 10,892 | 2,898 | 10,678 |
| Total capital expenditure | 33,800 | 4,616 | 36,476 |

1.2 Changes to the Financing of the Capital Programme

The table below draws together the main strategy elements of the capital expenditure plans (above), highlighting the original supported and unsupported elements of the capital programme, and the expected financing arrangements of this capital expenditure. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

| Capital Expenditure | 2017/18 Original Estimate £000 | 2017/18 Revised Estimate £000 |
|-------------------------------------|---|--|
| Total capital expenditure | | |
| Financed by: | | |
| Capital receipts | 6,725 | 8,072 |
| Capital grants | 734 | 932 |
| Capital reserves | 6,169 | 6,170 |
| 3 rd Party Contributions | 960 | 248 |
| Revenue | 2,831 | 3,348 |
| Borrowing requirement | 16,381 | 17,706 |

1.3

Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period, which is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

We are on target to achieve the original forecast Capital Financing Requirement (*or explain any significant changes*).

Prudential Indicator – the Operational Boundary for external debt

| | 2017/18 Original Estimate £000 | 2017/18 Current Position £000 | 2017/18 Revised Estimate £000 |
|--|---|--|--|
| Prudential Indicator – Capital Financing Requirement | | | |
| Total CFR | 99,098 | 99,098 | 99,098 |
| Prudential Indicator – the Operational Boundary for external debt | | | |
| Borrowing | 112,000 | 64,581 | 112,000 |
| Other long term liabilities* | 0 | 0 | 0 |
| Total debt (year- end position) | 112,000 | 64,581 | 112,000 |

The Director of Finance reports that no difficulties are envisaged for the current or future years in complying with this prudential indicator.

A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

| Authorised limit for external debt | 2017/18 Original Indicator £000 | 2017/18 Current Position £000 | 2017/18 Revised Indicator £000 |
|---|--|--|---|
| Borrowing | 122,000 | 122,000 | 122,000 |

1.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose*. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2017/18 and next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent.

| | 2017/18 Original Estimate £000 | 2017/18 Current Position £000 | 2017/18 Revised Estimate £000 |
|---------------------------------|---|--|--|
| Borrowing (Total Debt) | 79,686 | 64,581 | 79,686 |
| CFR* (year-end position) | 99,098 | 99,098 | 99,098 |

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| 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 |
| | LOBO Loans - If £7m of these loans is recalled by the banks if they choose to exercise their option then we would need to have the resources on the day to repay. Alternative borrowing arrangements at today's current rates would be favourable for the Council | Section 151 Officer Paul Jones | 24 th January 2012 | 1 | 2 | 2 | Accept | If the loans are recalled the council could take out temporary borrowing which is currently much lower than the rates on these loans. Any capital receipts available could also be used to repay debt. | March 2018 | Section 151 Officer Paul Jones | |

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**Cheltenham Borough Council
Cabinet 05 December 2017
Council 11 December 2017
Council Tax Premium on Empty Properties**

| | |
|---------------------------------|--|
| Accountable member | Councillor Rowena Hay |
| Accountable officer | Jayne Gilpin, Head of Revenues and Benefits |
| Ward(s) affected | All |
| Key/Significant Decision | Yes |
| Executive summary | This report proposes the introduction of a council tax premium of 50% from 1st April 2018. It will apply to long term empty properties which have been unoccupied and unfurnished for more than 2 years |
| Recommendations | Cabinet recommends that Council Determines that the Council Tax Empty Homes Premium of 50% is implemented from 1st April 2018 in respect of properties which have been unoccupied and unfurnished for more than 2 years. |

| | |
|-------------------------------|---|
| Financial implications | <p>Point 2.6 shows the potential additional council tax that could be raised as a result of the proposals in this report.</p> <p>However, it should be noted that the actual council tax collected may be lower than the figures stated as owners of empty properties may bring them back in to use more quickly.</p> <p>These changes will also impact on the Housing Revenue Account as they will apply to council owned empty properties managed by Cheltenham Borough Homes.</p> <p>Contact officer: Paul Jones, Chief Finance Officer, paul.jones@cheltenham.gov.uk, 01242 775154</p> |
|-------------------------------|---|

| | |
|---|--|
| <p>Legal implications</p> | <p>The Local Government Finance Act 2012 inserted Councils are permitted to charge the 50% premium for long term empty homes by virtue of Section 11b Local Government Finance Act 1992 (as amended). Section 67(2) of that Act provides that the power to decide to introduce a premium can only be exercised by full Council.</p> <p>Contact officer: peter.lewis@tewkesbury.gov.uk, 01684 272012</p> |
| <p>HR implications (including learning and organisational development)</p> | <p>None</p> <p>Contact officer: , @cheltenham.gov.uk, 01242</p> |
| <p>Key risks</p> | |
| <p>Corporate and community plan Implications</p> | |
| <p>Environmental and climate change implications</p> | |
| <p>Property/Asset Implications</p> | <p>These changes will apply to any council owned empty properties</p> <p>Contact officer: David Roberts@cheltenham.gov.uk</p> |

1. Background

- 1.1 The Local Government Finance Acts of 2003 and 2012 introduced some amendments to the Local Government Finance Act 1992, giving discretionary powers for councils to set the level of council tax discount on empty properties.
- 1.2 This council has already used its discretionary powers to set discount levels in respect of empty properties and second homes which are detailed in appendix 2.
- 1.3 For Class C, unoccupied and unfurnished properties a 25% discount is awarded for the first 6 months, followed by the 100% liability once the 6 months has expired.
- 1.4 The 2012 act also inserted the empty homes premium allowing councils to charge an additional 50% council tax in respect of class C properties which have been empty and unfurnished for more than 2 years.
- 1.5 The classification as a Class C property starts when the property becomes empty and unfurnished and this does not change as a result of a change in owner or tenant.
- 1.6 If a property becomes occupied or furnished this must be for a period of at least 6 weeks before it can be treated empty and unfurnished again.
- 1.7 The decisions made so far support the council's strategy to bring empty homes back in to use more quickly and generate additional council tax income.
- 1.8 Approval is now being sought to implement the empty homes premium with effect from 1st April 2018.

2. Reasons for recommendations

- 2.1 The number of properties which have been unoccupied and unfurnished for more than 6 months in Cheltenham as at October 2017 was 388. When discretionary powers to reduce the discount level on empty properties was first introduced in 2004 the number was 567. Empty properties are reviewed regularly by the Revenues and Benefits Section and the Empty Homes Team but the number has remained fairly stable at just under 400 for a number of years and is not reducing. Of the 388 properties 80 have been empty for more than 2 years.
- 2.2 A certain level of empty homes is inevitable and is a feature of a healthy housing market. However properties which have been empty and unfurnished for 2 years or more are often subject to deterioration that can affect the fabric of the property, can cause damage to neighbouring homes and can attract other anti-social problems to the area.
- 2.3 Some properties will be empty because they are difficult to sell or let and may be in need of renovation work. With increased pressure to find housing for people in need the Council wants to encourage homeowners to bring long term empty homes into use to the benefit of all residents. Charging the empty homes premium will send a clear message to owners that it is not acceptable to keep properties empty, often creating a local nuisance and wasting housing resource.
- 2.4 There are a number of enforcement options available to the Council to make owners bring empty homes back into use, for example, Empty Dwelling Management Orders and Compulsory Purchase Orders. Using these enforcement powers will be considered in individual cases, based on the circumstances.
- 2.5 Information published by DCLG in October 2016 shows that 287 out of 326 councils were charging the empty homes premium. In Gloucestershire, only Stroud and Cotswold District councils do so.
- 2.6 Based on the 80 properties and the council tax level for 2017/18 charging the premium would

increase council tax income by approximately £7,300, for this Council £44,000 for Gloucestershire County Council and £8,000 for the Police .

2.7 The Government has prescribed two classes of dwellings which are exempt from the premium. These are:

a dwelling which would otherwise be the sole or main residence of a member of the armed services , who is absent from the property as a result of such service;

a dwelling, which forms part of a single property (an annexe) that is being treated by a resident of that property as part of the main dwelling

Information held indicates that none of the properties due to be subject to the premium fall in to either of these categories

3. Alternative options considered

3.1 The alternative would be to leave the Council Tax level at 100% and not charge the Empty Homes Premium. This does not provide any further incentive for property owners to bring them back in to use

4. Consultation and feedback

4.1 There is no statutory requirement to consult on these proposals. The Empty Homes Team welcome additional measures to support bringing empty properties back in to use.

4.2 There is a legal requirement for the Council to publish any decision using these powers in a local newspaper within 21 days of the decision.

4.3 If Council approves the recommendation the Council Tax team will contact all council tax payers likely to be subject to the premium from April 2018 to advise them of the change. This will be done before the end of January.

5. Performance management –monitoring and review

5.1 The impact of these changes will be monitored closely and reported to members in budget monitoring reports.

| | |
|----------------------|--|
| Report author | Contact officer: Jayne Gilpin, Jayne.gilpin@cheltenham.gov.uk, 01242 264323 |
| Appendices | 1. Risk Assessment 2. Council Tax discounts on empty properties |

| | |
|-------------------------------|---|
| Background information | <ol style="list-style-type: none">1. The Local Government Finance Act 1992 http://www.legislation.gov.uk/ukpga/1992/14/contents2. The Local Government Act 2003 http://www.legislation.gov.uk/ukpga/2003/26/contents3. The Local Government Finance Act 2012 http://www.legislation.gov.uk/ukpga/2012/17/contents4. The Council Tax (Prescribed Class of Dwellings (England) Regulations 2003 http://www.legislation.gov.uk/uksi/2003/3011/contents/made5. The Council Tax (Prescribed Class of Dwellings (England) Regulations 2012 http://www.legislation.gov.uk/uksi/2012/2964/contents/made6. The Council Tax (Exempt Dwellings) (England) (Amendment) Order 2012 http://www.legislation.gov.uk/uksi/2012/2965/contents/made7. Report to council 15/12/2014 – Council Tax Discounts on Empty Properties https://democracy.cheltenham.gov.uk/documents/s14182/2014_12_09_CAB_Council_Tax_discounts_empty_properties%2009122014%20Cabinet.pdf |
|-------------------------------|---|

| 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 it becomes difficult to collect the higher council due then the estimated additional income may not be fully realised | Jayne Gilpin | 11/12/2017 | 1 | 3 | 3 | Accept | Monitor and review | | Jayne Gilpin | | |
| | If owners continue to leave properties empty the number of long term empty properties will not reduce | Jayne Gilpin | 11/12/2017 | 2 | 3 | 6 | Accept | Monitor and consider enforcement action in individual cases | | Jayne Gilpin | | |
| | | | | | | | | | | | | |
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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

Council Tax Empty Property Discount Classes

| Discount Class | Discount Level up to and including 31 March 2018 | Discount Level with effect from 01 April 2018 |
|---|---|--|
| Class C Empty and unfurnished for up to 6 months * | 25% discount | 25% for up to 6 months Once the 25% has been awarded for 6 months no further discount will be awarded unless the property is re-occupied for a period of not less than 6 weeks |
| Class C Empty and unfurnished for more than 6 months, but less than 2 years * | Zero discount – 100% council tax payable | Zero discount – 100% council tax payable |
| Class C Long Term Empty Properties Empty and unfurnished for more than 2 years* | Zero discount – 100% council tax payable | 150% council tax payable |
| Class D Empty and unfurnished and undergoing major works/structural repairs to render them habitable – for up to 12 months * | 25% discount | 25% discount for up to 12 months Once the 25% has been awarded for 12 months no further discount will be awarded unless the property is re-occupied for a period of not less than 6 weeks |
| Second Homes - properties which are furnished but not occupied as anyone's main home | Zero discount – 100% council tax payable | Zero discount – 100% council tax payable |

* In respect of class C and D If a property is re-occupied or substantially furnished for a period of less than 6 weeks this will be disregarded for the purposes of determining the date it became empty and unfurnished

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Cheltenham Borough Council

Cabinet 5th December 2017

Application for designation of a Neighbourhood Area and Neighbourhood Forum by the Hesters Way Neighbourhood Development Forum

| | |
|----------------------------|--|
| Accountable member | Councillor McKinlay – Lead Member for Local Development Plan |
| Accountable officer | Tracey Crews – Director of Planning |
| Ward(s) affected | Hesters Way |
| Executive summary | <p>Cheltenham Borough Council has a statutory duty to advise or assist communities in the preparation of Neighbourhood Development Plans (NDP). The Localism Act 2011 sets out the Local Planning Authority's (LPA) responsibilities including designating Neighbourhood Plan Areas by inserting provisions into the Town and Country Planning Act 1990 and the Planning and Compulsory Purchase Act 2004 and the Neighbourhood Planning (General) Regulations 2012 (as amended).</p> <p>An application to designate a neighbourhood plan area and designate the Hesters Way Neighbourhood Development Forum as the neighbourhood forum for that area has been received. This application has been assessed against the requirements set out in the legislation and is considered to meet the requirements to enable designation of the neighbourhood area and of the neighbourhood forum. The Council's Neighbourhood Planning Protocol has been used to guide officers in assessing the application.</p> <p>Approval of this application enables the Hesters Way Neighbourhood Development Forum to prepare a NDP for the area covered by the designation.</p> |
| Recommendations | <ol style="list-style-type: none"> 1. To approve the designation of the Hesters Way Neighbourhood Development Forum area (the current Hesters Way Ward) for the purpose of preparing a Neighbourhood Development Plan. 2. To approve the designation of the Hesters Way Neighbourhood Development Forum as neighbourhood forum as defined by the Localism Act 2011. |

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| <p>Financial implications</p> | <p>Additional financial contributions are available from DCLG to support Neighbourhood Planning. This is in recognition of the legal obligations placed upon the Council to provide advice and support to those seeking to introduce a Neighbourhood Development Plan (NDP). This advice and support also includes arranging for the examination of the NDP and the referendum on the NDP. The Council may submit claims to the DCLG to cover the expenditure within the set limits. At present a local authority may submit claims of up to £30,000 for each completed NDP for consideration by the DCLG, made up of £20,000 once they have set a date for a referendum following a successful examination; £5,000 for the first five neighbourhood areas designated and £5,000 for the first five neighbourhood forums designated.</p> <p>There will be resource implications for Officers due to the requirement to provide some assistance and advise communities in the preparation of a Neighbourhood Plan; checking a submitted Plan meets legal requirements, arranging for the independent examination of the Plan; determining whether the Neighbourhood Plan meets the basic conditions and other legal requirements, arranging a referendum, and, subject to the results of the referendum, bringing the Plan into force.</p> <p>Appropriate claims to the DCLG will need to be made to ensure the additional cost burden to the Council is mitigated.</p> <p>Contact officer: Sarah Didcote, Business Partner Manager sarah.didcote@cheltenham.gov.uk, 01242 264125</p> |
| <p>Legal implications</p> | <p>This work is pursuant to Sections 61G and 61H of the Town and Country Planning Act 1990 as inserted by the Localism Act 2011 and applied by Section 38C of the Planning and Compulsory Purchase Act 2004 and the Neighbourhood Planning (General) Regulations 2012 as amended by the Neighbourhood Planning (General) (Amendment) Regulations 2015.</p> <p>Contact officer: Nick Jonathan, nick.jonathan@tewkesbury.gov.uk, 01684 272032</p> |
| <p>HR implications (including learning and organisational development)</p> | <p>As detailed above in the financial implications section there will be resource implications for the planning service. This will need to be monitored and where necessary additional resource allocated.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355</p> |
| <p>Key risks</p> | <p>Local authorities are required to provide assistance to parish councils and neighbourhood forums in the neighbourhood planning process. They must take decisions as soon as possible and within statutory time periods. If the Council does not act constructively and make decisions on time then there is a risk that it will fail its statutory duties.</p> |

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| <p>Environmental/Social/Equality Implications</p> | <p>There are no known implications at this stage; however a neighbourhood development plan may require a strategic environmental assessment (SEA) under the EU Regulations and/or a Habitat Regulations Assessment (HRA). This will depend on the content of the neighbourhood plan.</p> <p>Preparation of Neighbourhood Development Plans could have implications for biodiversity, habitats, energy usage, waste and recycling and/or protected species. These would need to be considered by the body preparing the Plan as appropriate.</p> <p>The responsibility resides with the authorised body however the Borough Council may wish to support the authorised body to undertake a SEA/HRA screening of draft plans to determine whether a SEA and/or HRA will be required.</p> |
|--|--|

1. Background

- 1.1 The planning system helps decide what gets built, where and when. It is essential for supporting economic growth, improving people’s quality of life, and protecting the natural environment. The Government’s intention is to give local communities a greater say in planning decisions by providing the opportunity to prepare a ‘Neighbourhood Development Plan’, also known as a Neighbourhood Plan (NP).
- 1.2 Neighbourhood planning was introduced through the Localism Act 2011 with specific legislation the *Neighbourhood Planning (General) Regulations 2012* and subsequently amended by the *Neighbourhood Planning (General) Regulations 2015* came into force in April 2012 and February 2015 respectively. The report will refer to these as “the 2012 Regulations”.
- 1.3 NPs are a statutory community-led framework for guiding the future development and growth of an area. NPs relate to the use and development of land and associated social, economic and environmental issues. NPs can establish general planning policies for the development and use of land in a neighbourhood, for example where new homes and offices should be built and what they should look like. The NP can be detailed or general, depending what local people want. However, NPs still need to meet the needs of the wider area, which will be set out through the Joint Core Strategy and the Cheltenham Plan.
- 1.4 NPs will be subject to full public engagement, examination and a public referendum. Once adopted a NP will form part of the statutory development plan (along with the Joint Core Strategy and Cheltenham Plan), which is used for guiding decisions on planning applications.
- 1.5 The presumption is that local authorities will designate neighbourhood areas on existing parish boundaries unless there is a valid planning reason not to do so. In non-parished areas, community and business groups can apply as long as they are able to demonstrate that they qualify as a relevant body and that its neighbourhood area/boundaries are justified. They will be classified as a neighbourhood forum. There are specific rules associated with running a forum.
- 1.6 Local Planning Authorities have a statutory duty to advise or assist communities in the preparation of NPs and to take Plans through a process of independent examination. The Council’s responsibilities include:
 - Designating the area of the NP;
 - Designate neighbourhood forums;

- Advising or assisting communities in the preparation of a Neighbourhood Plan;
- Checking a submitted Plan meets legal requirements;
- Arranging for the independent examination of the Plan;
- Determining whether the NP meets the basic conditions and other legal requirements;
- Arranging a referendum to ensure that the local community has the final say on whether a NP comes into force in their area; and
- Subject to the results of the referendum, bringing the Plan into force.

- 1.7** This is the third application the Borough has received to designate a neighbourhood forum in the west of Cheltenham. The first application, submitted by the West Cheltenham Neighbourhood Forum, was consulted on in September and October 2016 and refused by Cabinet on 13th December 2016. The reasons for refusal were:

“The Council considers that the submitted forum application has been made for an area which is not appropriate as a neighbourhood area. The area cuts across ward boundaries and includes a number of separate communities, which would reduce community cohesion.

The Council considers that because the area applied for is not agreed as constituting an appropriate area, the membership of the applied for forum cannot be found to comply with Section 61F(5) of the Town and Country Planning Act 1990 part (c); having a membership of “a minimum of 21 individuals each of whom lives in the neighbourhood area concerned”

- 1.8** The second application received to designate a neighbourhood forum in this part of the town was submitted by the Springbank Neighbourhood Forum in March 2017. Following a consultation the forum was designated by Cabinet on 16th May 2017. The boundary of that forum area is the same as the Springbank ward.
- 1.9** The current application has been submitted by Hesters Way Neighbourhood Development Forum. The application area follows the boundary of the Hesters Way ward.

2. Process for designation of a neighbourhood area

- 2.1** The 2012 Regulations specify that the following must be submitted by the relevant body:

- A map identifying the proposed Neighbourhood Area (Regulation 5(1)(a));
- A statement explaining why the area is appropriate to be designated as a Neighbourhood Area (Regulation 5(1)(b)); and
- A statement explaining that the body making the area application is capable of being a relevant body (Regulation 5(1)(c)).

- 2.2** Prior to determining the application the Council is required to publicise the application for a period of not less than six weeks to invite representations on the proposal. The application is required to be publicised on the Borough Council’s website and in any other such manner as is considered likely to bring the application to the attention of people who live, work or carry out business in the area to which the application relates.

- 2.3** The Local Authority is required to determine this application within thirteen weeks of first being publicised having regard to the following matters set out in Sections 61G and 61H of the Town and Country Planning Act 1990 and the 2012 Regulations (as amended):

1. Is the organisation making the application a relevant body?

2. Is the area identified for designation as a Neighbourhood Area considered appropriate?
3. Would the area more appropriately be designated as a business area i.e. the area is wholly or predominantly in business use?
4. Does the area overlap with another designated area?
5. Any comments received during the public consultation.

3. Process for designation of a neighbourhood forum

3.1 The 2012 Regulations (as amended) specify that the following must be submitted by the relevant body as part of an application for designation of a neighbourhood forum:

- The name of the proposed neighbourhood forum;
- A copy of the written constitution of the proposed neighbourhood forum;
- The name of the neighbourhood area to which the application relates and a map which identifies the area;
- The contact details of at least one member of the proposed neighbourhood forum to be made public in regulations 9 and 10; and
- A statement which explains how the proposed neighbourhood forum meets the conditions contain in section 61F(5) of the 1990 Act.

4. Hesters Way Neighbourhood Development Forum Application

4.1 An application to designate a neighbourhood plan area and designate the Hesters Way Neighbourhood Development Forum as the neighbourhood forum for that area was accepted on 11th October 2017. The application must be determined before the 16th of January 2018.

4.2 Consultation on the applications began on 16th October and ran for six weeks until 27th November 2017. The application was published on the Council's website (www.cheltenham.gov.uk/info/1004/planning_policy/1155/neighbourhood_plans) and was made available in the following locations:

- Municipal Offices; Charlton Kings Library; Cheltenham Library; Hesters Way Library and Community Resource Centre; Prestbury Library; Up Hatherley Library; Bishop's Cleeve Library; Springbank Community Resource Centre, Cheltenham West End Partnership Community Resource Centre; and Oakley Community Resource Centre.

4.3 The application has been considered and assessed against the matters set out in sections two and three:

1. The Hesters Way Neighbourhood Development Forum qualifies as a relevant body to make an application (see Appendix 2 for the criteria set out in section 61F of the 1990 Act and section 8 of the 2012 regulations);
2. The area proposed to be designated does not include any parish or any organisation currently seeking to be designated and there are no other designated areas that overlap with the proposed area;
3. The area proposed for designation cannot be described as being wholly or predominantly in business use and, therefore, it would be inappropriate to designate the area as a business area;
4. The area proposed is supported by a statement explaining why the area is considered

appropriate.

- 4.4 At the time of writing 1 representation has been received in respect of this designation. This representation is in support of the application.
- 4.5 On the basis of these points raised above, officers can see no planning reason to object to this application. Officers recommend the designation should be approved and the Forum should be enabled to continue to produce their neighbourhood plan.

5. Relevant Council Policies and Strategies

5.1 The following plans are considered relevant:

- Cheltenham Borough Council Local Plan, Second Review (adopted July 2006)
- Joint Core Strategy: Submission version (November 2014)
- Joint Core Strategy Main Modifications (February 2017)
- Emerging Cheltenham Plan (part one). Preferred Options consultation: February to April 2017

6. Alternative options Considered

6.1 The neighbourhood area application process is a statutory requirement, so for this reason there is no suitable alternative to its approval. Sign-off has been delegated to Cabinet as per the Council's Neighbourhood Planning Protocol adopted on 14th December 2015.

7. Consultation and feedback

7.1 The prescribed date for determining an area application is thirteen weeks from the date immediately following that on which the application is first publicised.

8. Performance management –monitoring and review

8.1 The main consideration for the Council is to ensure it carries out its duty to determine the application within eight weeks of the application first being publicised. This has been achieved.

| | |
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| Report author | Contact officer: John Rowley, Senior Planning Policy Officer John.rowley@cheltenham.gov.uk, 01242 774928 |
| Appendices | <ol style="list-style-type: none"> 1. Risk Assessment 2. Neighbourhood Planning Criteria 3. Application for Designation of a Neighbourhood Plan Forum and Area 4. Hesters Way Neighbourhood Development Forum Constitution 5. Consultation Representations |
| Background information | All background information regarding the application will be made available on the Council's website. |

| 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 |
| | Local authorities are required to provide assistance to parish councils and neighbourhood forums in the neighbourhood planning process. They must take decisions as soon as possible and within statutory time periods. If the Council does not act constructively and make decisions on time then there is a risk that it will fail its statutory duties. | Tracey Crews | 26.4.17 | 2 | 2 | 4 | Accept | None | N/A | John Rowley | N/A if the recommendations of this report are agreed. |
| <p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p> | | | | | | | | | | | |

Extract from The Town and Country Planning Act 1990 as amended**61F Authorisation to act in relation to neighbourhood areas**

- (1) For the purposes of a neighbourhood development order, a parish council are authorised to act in relation to a neighbourhood area if that area consists of or includes the whole or any part of the area of the council.
- (2) If that neighbourhood area also includes the whole or any part of the area of another parish council, the parish council is authorised for those purposes to act in relation to that neighbourhood area only if the other parish council have given their consent.
- (3) For the purposes of a neighbourhood development order, an organisation or body is authorised to act in relation to a neighbourhood area if it is designated by a local planning authority as a neighbourhood forum for that area.
- (4) An organisation or body may be designated for a neighbourhood area only if that area does not consist of or include the whole or any part of the area of a parish council.
- (5) A local planning authority may designate an organisation or body as a neighbourhood forum if the authority are satisfied that it meets the following conditions—
 - (a) it is established for the express purpose of promoting or improving the social, economic and environmental well-being of an area that consists of or includes the neighbourhood area concerned (whether or not it is also established for the express purpose of promoting the carrying on of trades, professions or other businesses in such an area),
 - (b) its membership is open to—
 - (i) individuals who live in the neighbourhood area concerned,
 - (ii) individuals who work there (whether for businesses carried on there or otherwise), and
 - (iii) individuals who are elected members of a county council, district council or London borough council any of whose area falls within the neighbourhood area concerned,
 - (c) its membership includes a minimum of 21 individuals each of whom—
 - (i) lives in the neighbourhood area concerned,
 - (ii) works there (whether for a business carried on there or otherwise), or
 - (iii) is an elected member of a county council, district council or London borough council any of whose area falls within the neighbourhood area concerned,
 - (d) it has a written constitution, and
 - (e) such other conditions as may be prescribed.
- (6) A local planning authority may also designate an organisation or body as a neighbourhood forum if they are satisfied that the organisation or body meets prescribed conditions.
- (7) A local planning authority—
 - (a) must, in determining under subsection (5) whether to designate an organisation or body as a neighbourhood forum for a neighbourhood area, have regard to the desirability of designating an organisation or body—

- (i) which has secured (or taken reasonable steps to attempt to secure) that its membership includes at least one individual falling within each of sub-paragraphs (i) to (iii) of subsection (5)(b),
 - (ii) whose membership is drawn from different places in the neighbourhood area concerned and from different sections of the community in that area, and
 - (iii) whose purpose reflects (in general terms) the character of that area,
- (b) may designate only one organisation or body as a neighbourhood forum for each neighbourhood area,
 - (c) may designate an organisation or body as a neighbourhood forum only if the organisation or body has made an application to be designated, and
 - (d) must give reasons to an organisation or body applying to be designated as a neighbourhood forum where the authority refuse the application.

(8) A designation—

- (a) ceases to have effect at the end of the period of 5 years beginning with the day on which it is made but without affecting the validity of any proposal for a neighbourhood development order made before the end of that period, and
- (b) in the case of the designation of an unincorporated association, is not to be affected merely because of a change in the membership of the association.

(9) A local planning authority may withdraw an organisation or body's designation as a neighbourhood forum if they consider that the organisation or body is no longer meeting—

- (a) the conditions by reference to which it was designated, or
- (b) any other criteria to which the authority were required to have regard in making the designation;

and, where an organisation or body's designation is withdrawn, the authority must give reasons to the organisation or body.

(10) A proposal for a neighbourhood development order by a parish council or neighbourhood forum may not be made at any time in relation to a neighbourhood area if there is at that time another proposal by the council or forum in relation to that area that is outstanding.

(11) Each local planning authority must make such arrangements as they consider appropriate for making people aware as to the times when organisations or bodies could make applications to be designated as neighbourhood forums for neighbourhood areas.

(12) Regulations—

- (a) may make provision in connection with proposals made by qualifying bodies for neighbourhood development orders, and
- (b) may make provision in connection with designations (or withdrawals of designations) of organisations or bodies as neighbourhood forums (including provision of a kind mentioned in section 61G(11)(a) to (g)).

(13) The regulations may in particular make provision—

- (a) as to the consequences of the creation of a new parish council, or a change in the area of a parish council, on any proposal made for a neighbourhood development order,
- (b) as to the consequences of the dissolution of a neighbourhood forum on any proposal for a neighbourhood development order made by it,
- (c) suspending the operation of any duty of a local planning authority under paragraph 6 or 7 of Schedule 4B in cases where they are considering the withdrawal of the designation of an organisation or body as a neighbourhood forum,
- (d) for determining when a proposal for a neighbourhood development order is to be regarded as outstanding, and
- (e) requiring a local planning authority to have regard (in addition, where relevant, to the matters set out in subsection (7)(a)) to prescribed matters in determining whether to designate an organisation or body as a neighbourhood forum.

Extract from The Neighbourhood Planning (General) Regulations 2012

Application for designation of a neighbourhood area

- 6. —(1) Where a relevant body(1) submits an area application to the local planning authority it must include—
 - (a) a map which identifies the area to which the area application relates;
 - (b) a statement explaining why this area is considered appropriate to be designated as a neighbourhood area; and
 - (c) a statement that the organisation or body making the area application is a relevant body for the purposes of section 61G of the 1990 Act.
- (2) A local planning authority may decline to consider an area application if the relevant body has already made an area application and a decision has not yet been made on that application.

Application for designation of a neighbourhood forum

- 9. Where an organisation or body submits a neighbourhood forum application to the local planning authority it must include—
 - (a) the name of the proposed neighbourhood forum;
 - (b) a copy of the written constitution of the proposed neighbourhood forum;
 - (c) the name of the neighbourhood area to which the application relates and a map which identifies the area;
 - (d) the contact details of at least one member of the proposed neighbourhood forum to be made public under regulations 9 and 10; and
 - (e) a statement which explains how the proposed neighbourhood forum meets the conditions contained in section 61F(5) of the 1990 Act.

Neighbourhood Forum Application Information

Below is the information prepared for Cheltenham Borough Council in relation to the application process for designation of a neighbourhood forum.

1. Name of the proposed Neighbourhood Area

Hesters Way

2. Name of the proposed/designated Neighbourhood Forum

Hesters Way Neighbourhood Forum

3. Written Constitution (attached)

The constitution for the neighbourhood forums contains the following:

- the name and purpose of the neighbourhood forum,
- aims and objectives
- working arrangements including sub-groups, partners and their roles,
- pattern of meetings and details of how decisions will be made,
- details of governance, including official positions,
- arrangements for management and financial management,
- membership rules and regulations.

4. Contact/s for proposed Neighbourhood Forum

The contact details below are of two steering committee members.

Title: Mrs

First Name: Charmian

Surname: Sheppard

Address: 191 Alstone Lane,
Cheltenham

Postcode: GL51 8JA

Email:
charmiansheppard@virginmedia.

Title: Mrs

First Name: Rachel

Surname: Shingler

Address: Hesters way
Community Resource Centre,
Cassin Drive, Cheltenham

Postcode: GL51 7SU

Email
rachelshingler@hwpartnership.or

5. Statement

This section provides / includes the purpose, aims and ambitions of the neighbourhood forum and enables it to demonstrate how its membership is representative of the local community.

Please set out the purpose, aims and ambitions of the proposed neighbourhood forum here:

The proposed Hesters Way Neighbourhood Forum purpose is to produce a Neighbourhood Plan which will achieve amongst others the following goals;

- To further the social, economic, health, educational and environmental well-being of Hesters Way
- To allocate sites for business, retail and housing development including affordable housing
- To detail aspirations for transport, traffic and parking
- To mitigation against the effects of climate change.

We have gathered over 21 individuals including local residents and employees of local businesses plus the requisite local councillors to establish the forum. (a list is attached) These members represent a wide range of local interests from across the area and consider themselves to be a 'relevant body' capable of being designated as a Neighbourhood Forum.

6. Membership of proposed Neighbourhood Forum

The attached spreadsheet includes the names and addresses the forum members

7. Map of proposed Neighbourhood Forum

A map of the Neighbourhood Forum area is attached

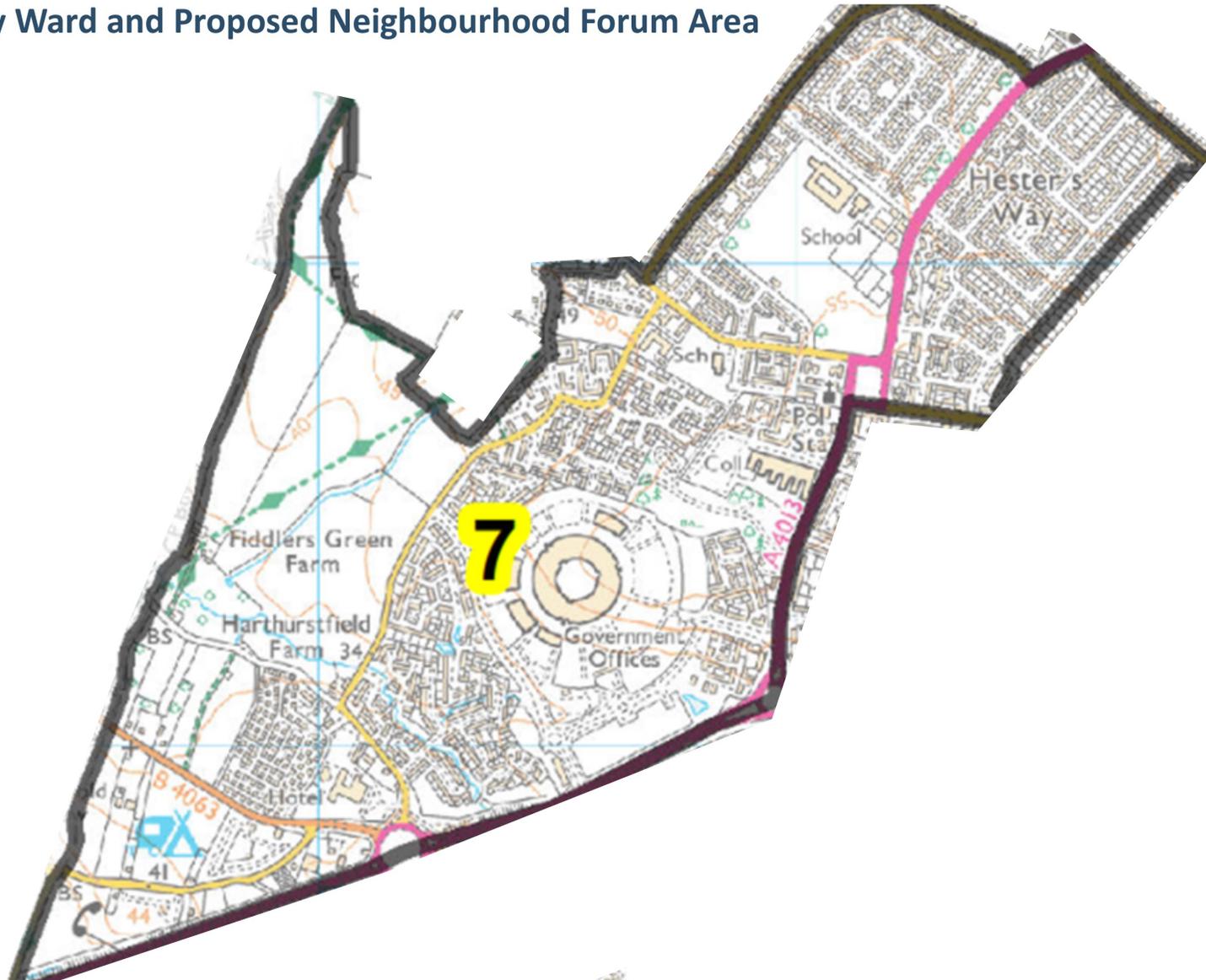
8. Declaration

We hereby apply to designate a neighbourhood forum as described on this form and the accompanying information.

Name(s): Charmian Sheppard
Name(s): Rachel Shingler

Date: 28/09/17
Date: 28/09/17

Hesters Way Ward and Proposed Neighbourhood Forum Area



HESTERS WAY NEIGHBOURHOOD DEVELOPMENT FORUM

CONSTITUTION

1. Background

The Forum has been established to draw up and maintain a Neighbourhood Development Plan for Hesters Way in Cheltenham, using the powers in the Localism Act 2011.

2. Area covered by the Forum

The Area covered by the Forum is the council ward of Hesters Way defined by the attached map.

3. Aims & purposes of the Forum

The Forum shall:

- Draw up a **plan for the future development** of the area.
- Further the **social, economic, health, educational and environmental well-being** of Hesters Way Cheltenham.
- **Allocate sites for business, retail and housing development** including affordable housing.
- Plan for **public realm improvements** and **consider and recommend improvements** for the street environment in the area.
- Express aspirations for **transport, traffic and parking**.
- Ensure developments **mitigate against the effects of climate change**.
- Seek to **protect existing buildings/areas of note** and worth.
- Aim to **support local businesses, associations, organisations and employers**.
- Consider and **recommend improvements for the street environment** in the area.
- Seek to **protect and improve community resources** and facilities such as libraries, community centres and public facilities.
- Consider how to **protect green spaces** and bring environmental benefits to the area.
- **Involve as many residents**, local workers and local businesses in the process as possible.
- **Attract wide support** for the plan across the area, taking in a range of views.
- **Campaign to have the plan adopted** by relevant bodies and by referendum.
- Work to **maintain and update the plan** as necessary.
- Plan to **improve community safety**.

The Forum shall aim to be as inclusive as possible and shall not discriminate on the grounds of age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

The Forum will be open to local councillors and other politicians who represent the area, but shall not be a party political body.

4. Membership

- Membership will be open to anyone who lives or works or has a business in the area defined in Article 2. Associate membership may be given to any interested local resident living or working outside the area.
- Individuals will become members of the Forum once they have given their contact details (Including where possible an email address) to the Secretary or other officer.

- An up to date record of the membership shall be kept by the Secretary. It is the obligation of members to notify the secretary in writing of changes of circumstance that affect their membership rights.
- Members may resign from the Forum at any time in writing to the Secretary or verbally at a meeting.
- There shall be no group membership of the Forum. However, residents' associations and other local groups shall be encouraged to support and assist the work of the Forum.

5. Officers

- Members of the Forum shall elect by simple majority officers to carry out the business of the Forum. In order to stand for election as an officer, a candidate will need to be a member of the Forum. He/she will also need to be proposed and seconded by two other members of the Forum. Associate members of the Forum shall not be eligible for election.
- The officers of the Forum shall be:
 - A Chair - who shall chair the meetings.
 - A Vice-Chair– who shall provide support and assistance to the Chair.
 - A Secretary - who shall be responsible for the taking of minutes; keeping a record of members; and distribution of internal paperwork and emails.
 - A Treasurer - who shall be responsible for the Forum's bank accounts.
 - A Marketing and Communications officer – who shall be responsible for external paper/electronic circulars and a website.
- Any vacancies for these posts shall be filled by an election at a subsequent general meeting, provided at least 14 days' notice is given of the meeting and the election.
- Any officer who does not attend two consecutive meetings without apology will be deemed to have resigned effective from the second meeting.

6. General Meetings

- The Forum will hold general meetings open to all members.
- The Secretary shall ensure that notice of the date of all general meetings is given to all members (by email where possible) not less than 14 days before the meeting.
- The minutes of all general meetings shall be available (by email where possible) to all members and associate members, as well as those who have attended recent meetings. Minutes of each meeting shall be approved by the following meeting.
- The quorum for all general meetings shall be 8 members including Chair or Vice-Chair and one other officer.
- In the event of a general meeting failing to achieve a quorum, business may be discussed and proposals put to the next meeting for ratification. In the event of two consecutive

ordinary meetings being inquorate, the second meeting may call a Special General Meeting. Such a Special General Meeting will be deemed to be quorate.

- A general meeting may decide, by majority vote, to establish a steering committee to lead the day-to-day running of the Forum. A general meeting may also, by majority vote, decide to establish sub-committees and working groups to work on specific areas to be covered by the Plan. All committees and working groups shall report on their work to general meetings.

7. Special General Meetings

- The Chair, the Vice-Chair or the Secretary may at any time call a Special General Meeting of the Forum, either for the purpose of altering the Constitution, or for considering any matters which the officers may decide should be specially referred to members.
- A Special General Meeting may also be called at the written request to the Secretary of not less than 5 members, who must give reasons for their request. Any matters notified to the Secretary 14 days before the Special General Meeting shall be discussed at the meeting.
- The Secretary shall give at least 14 days' notice to members of a Special General Meeting called in the circumstances set out in Article 6(v) above.

8. Voting

- Voting at all meetings shall be by a show of hands of members, unless otherwise resolved. Each member present shall have one vote. Votes are not transferable. Associate members shall not have a vote, unless otherwise resolved.
- A simple majority of votes shall prevail, except where otherwise provided in these rules. In the event of a tied vote, the Chair shall have a second or casting vote.
- Any member or associate member with a conflict of interest on an issue being discussed at a meeting shall declare it. A conflict of interest is any situation in which a member or associate member's personal interests, or duties which they owe to another body, and those of the Forum arise simultaneously or appear to clash.
- Proxy voting is not accepted.

9. Financial Records & Funding

- The Treasurer shall open a bank account in the name of the Forum. The account shall have at least three signatories. Any payments over £500 need to be agreed by the Forum, authorised by two signatories and countersigned by a third signatory. All other payments need to be authorized by at least two of the signatories, and counter-signed by a third.
- The Treasurer shall keep proper financial records and produce annual accounts, which will be presented at appropriate meetings.
- The Forum shall seek to raise money from individuals and local groups. This shall pay for the running costs of the Forum, such as administration, printing and room hire.

- Where appropriate, the Forum may apply for grants and donations from public authorities, charities and other organisations.
- The Forum may also seek funds and sponsorship from local businesses. However, in order to avoid any conflict of interest, all donations/gifts of more than £100 will need to be approved by a majority vote at a general meeting of the Forum.
- All money raised by the Forum shall be spent for the purposes laid out in the Aims of the Forum (Article 3).

10. Changes to the Constitution

- The Constitution may be altered at a Special General Meeting.
- Any proposed changes must be given to the Secretary at least 21 days before the meeting. Any proposed changes must be circulated to all members at least 14 days before a Special General Meeting where they will be discussed. Any proposed changes must be circulated on paper to all members present at the meeting where they are being discussed.
- Changes to the Constitution must be agreed by at least two-thirds of members present.

11. Dissolution

- If a meeting by simple majority decides that it is necessary or appropriate to close down the Forum, a Special General Meeting shall be called by the Secretary to consider whether or not to do so.
- The Forum may only be dissolved at a Special General Meeting called for that purpose. All members must be notified of such a meeting at least 21 days before it takes place.
- Upon dissolution, funds and possessions held by the Forum will be disposed of according to
 - (a) the wishes of the meeting and
 - (b) in so far as not disposed of under (a), for any of the aims and purposes set out in Article 3.

(This Constitution was adopted as the Constitution of the Hesters Neighbourhood Development Forum at a meeting held on 28th September 2017).

Cheltenham Borough Council

Cabinet 5 December 2017

Council 11 December 2017

Revised financing arrangements for improvements to Leisure-at-Cheltenham

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|---------------------------------|---|
| Accountable member | Cllr. Flo Clucas; Cabinet Member Healthy Lifestyles |
| Accountable officer | Mark Sheldon, Director Resources and Corporate Project |
| Ward(s) affected | All |
| Key/Significant Decision | Yes |
| Executive summary | <p>Council on 27 March 2017 gave approval to lend The Cheltenham Trust up to £1.5m to fund a range of improvements to Leisure-at-Cheltenham. The loan was to be at an interest rate of 3% per annum. The proposed works were as follows:</p> <ul style="list-style-type: none"> • Convert two existing squash courts into new studios to enable an increase in the number of class and activity programmes. • Upgrade the existing dry-side changing spaces to reflect the quality of offer that customers expect and that competes well with the local market. • The provision of a new sauna and steam room suite adjacent to the new changing rooms, strengthening the link with health and fitness and replacing the outdated existing health suite facilities. • Extend the existing fitness suite on the ground floor into the current dance studio enabling an increased capacity to meet demand and enable improved functional training space and health support related activities. • Conversion of the existing health suite into an aquatics play space, developing and extending the aquatics opportunities for families with young children and also the commercial hires for children’s birthday parties. <p>Following on from the Council decision, the Trust worked with its development partner Alliance Leisure Services (ALS) to advance the scheme within the agreed financial framework. After much deliberation, it has been concluded that this is not possible. A summary of the reasons for this cost increase are provided in section 2</p> <p>Part of the reason for the cost increase is that the suite of capital works that would be delivered through the partnership with Alliance Leisure Services has been revised. This includes the original elements included in the March council report but also now includes improvements to the reception and entry arrangements, plus improvements to the swimming changing facilities (funded by a grant from Sport England) and improvements to the air conditioning (funded by CBC). Details of the updated capital works are set out in section 3.</p> |

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| | <p>In terms of the revised capital costs, there is now cost certainty of build and equipment costs of £1.658m excluding the aquatics play-space which is estimated to cost £731k that will be confirmed at the date of this report to Council. In addition, provision has been made for client contingency and client support costs, giving total estimated scheme costs of £2.554m. Once grant funding and other contributions are taken into account, the revised funding requirement is £2.236m. This is the maximum figure that is being considered. Further details of the costs of the scheme are provided in section 4 and exempt appendices 1 and 2.</p> <p>Council is also asked to consider a revised approach to managing the financing and project management of the scheme which will entail the Council contracting direct with Alliance Leisure Services who will then deliver the project on behalf of the Council as asset owner. Further details of the procurement and contractual arrangements for the project are provided in section 5.</p> <p>Given the size of the project, the council is putting robust plans in place to ensure that there is effective project governance in place via the Joint Commissioning Group, and effective project management arrangements in place via the contract with Alliance Leisure Services which will be further enhanced through additional client-side resources to support staff members in the Property Services team. Details of project governance and management arrangements are provided in section 6.</p> <p>Given the increase in costs, and the revised approach for managing the project, this report is brought back to Cabinet / Council to seek approval.</p> |
| <p>Recommendations</p> | <p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the revised programme of improvements to Leisure-at-Cheltenham as set out in section 3 of this report. <p>That Cabinet recommends to Council that:</p> <ol style="list-style-type: none"> 1 Subject to the conditions in section 7 being met, the Section 151 Officer be authorised, in consultation with the Cabinet Member Finance, to seek prudential borrowing of up to £2.236m at an interest rate of 2% per annum to fund the improvements to Leisure-at-Cheltenham as detailed in Section 3 of this report; 2 The Section 151 Officer be authorised, in consultation with the Cabinet Member Healthy Lifestyles, to agree the most advantageous repayment methodology to reclaim the cost of the borrowing from the Cheltenham Trust; 3 The Director Resources and Corporate Projects be authorised, in consultation with the Cabinet Member Healthy Lifestyles and the Borough Solicitor to enter into a contract with Alliance Leisure Services and any other legal agreements and processes necessary to progress the scheme whilst safeguarding the Council's interest. |

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| <p>Financial implications</p> | <p>The financial business case demonstrates a surplus of £1.291m (average 3.61% rate of return) to The Cheltenham Trust over a period of 15 years, after allowing for funding repayments to the council. The proposed repayments will be made by the Cheltenham Trust to the Council over a period of 15 years, commencing 1st April 2019.</p> <p>The predicted surplus is based on growth in income projections from the capital scheme, based on current and future expected income trends. If this income growth is not achieved, or if annual running costs are higher than estimated, there is a risk that the accumulated surplus may be reduced, with a possible impact on the affordability of the repayments by The Cheltenham Trust to the council.</p> <p>Full details of the capital scheme costs and the financial business case are included in the exempt appendices 2 and 3 to this report.</p> <p>Contact officer: Sarah Didcote GO Shared Services Finance Manager <u>Sarah.Didcote@cheltenham.gov.uk</u> 01242 264125</p> |
| <p>Legal implications</p> | <p>CBC is intending to engage Alliance Leisure Services Limited (ALS) to provide Development Management Services from a framework agreement established by Denbighshire County Council. Properly established framework agreements are compliant with the Public Contract Regulations 2015 and this framework allows for the award of a contract to ALS without the need for a procurement exercise.</p> <p>ALS's roles and responsibilities will be set out in a 'call-off agreement' which will be entered into between ALS and CBC. The terms of the call-off agreement are contained in the framework agreement and legal advice has been given to officers on those terms. A project specific call-off agreement will be required to be entered into before work can commence on site.</p> <p>ALS will not be carrying out the designs or building work itself. Instead, ALS will be sourcing the services of certain professionals and the build contractors and it will be ALS that enters into the relevant contracts, including a JCT (Joint Contracts Tribunal) Design and Build Contract. CBC will be paying for the cost of the works through the call-off contract, together with ALS's fee for its development management services.</p> <p>CBC's contractual relationship with these professionals and contractors will be by way of collateral warranties which will enable CBC to take action under the terms of the building contract should there be problems with the works carried out. It is important that CBC and One Legal is able to review and input into the terms of the JCT and the collateral warranties.</p> <p>Additional legal implications are set out in the property and financial implications of this report.</p> <p>Contact officer: Donna Ruck, Solicitor, One Legal Tel: 01684 272696 <u>Donna.ruck@tewkesbury.gov.uk</u></p> |

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| HR implications (including learning and organisational development) | CBC staffing resources available to oversee this project have been reviewed and an additional resource will be funded via the funding arrangement to support staff in the Property Services Team. |
| Property/Asset Implications | <p>Leisure@ Cheltenham is currently leased to the Trust on a 15 year term starting on October 2014.</p> <p>As the council is undertaking the work, we need to enter into arrangements with the Trust to bring clarity to two issues:</p> <ol style="list-style-type: none"> 1. Who will own the equipment and take on the responsibility of any additional maintenance costs. 2. The Council needs the Trust's permission to enter on to their premises and undertake the works <p>The Property Team will review the management agreement and lease with One Legal to document the agreed position with the Trust in relation to the above two points.</p> <p>In terms of safeguarding the asset, the council will ensure that all detailed designs (RIBA stage 4) are approved in the first instance by the Council's Senior Property Surveyor.</p> <p>To support the Senior Property Surveyor, CBC will make provision for representation to be on-site for each day of the to report to JCG/Project Team that the specification is being adhered too and workmanship is up to standard. A sum of £30k has been included in the capital budget to fund this.</p> <p>Although equipment replacement has been factored into the business plan, officers are aware that there could be an increase in both maintenance costs and energy use costs that will fall on the Council. The Senior Property Surveyor will work with the Trust and ALS to analyse these impacts that will then be reported to the project team / Joint Commissioning Group as appropriate.</p> <p><u>Contact officers:</u></p> <p>Abigail Marshall Estates Surveyor Abigail.Marshall@cheltenham.gov.uk 01242 775166</p> <p>Garrie Dowling-Burrage Senior Property Surveyor garrie.dowling@cheltenham.gov.uk 01242 264394</p> |

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| <p>Key risks</p> | <p>There are two key areas of risk for the council:</p> <p>The Council is proposing to fund the capital improvements and seek repayment from the Trust which will be unsecured because the Trust does not itself own any land or buildings. This is a risk to the council because in the event of default on the loan, there will be no property that CBC can repossess. This is a risk that CBC has taken at least once before with other external organisations operating from within council owned buildings. The Council owes a fiduciary duty to its council tax payers to ensure that the business case is sound so that it can be sure that the Trust can afford repayments.</p> <p>Secondly, the term of the repayment arrangement is 15 years, and there is less than 7 years of the certain term of the management agreement with the Trust remaining. If the Council were not to extend the management agreement and as a result if the Trust needed to wind itself up, it must clear all its debts. If it cannot repay the repayment arrangement, the council would need to seize any assets of value and potentially write off any remaining repayments.</p> <p>In mitigation against these two risks, as CBC owns the building, the loan will be spent on improving its asset and the works may add value to it and to CBC's financial position.</p> |
| <p>Corporate and community plan Implications</p> | <p>Successful delivery of the project by the Cheltenham Trust will help the council deliver its corporate strategy outcome:</p> <ul style="list-style-type: none"> • People live in strong, safe and healthy communities |
| <p>Environmental and climate change implications</p> | <p>The range of improvements to Leisure-at-Cheltenham will be built in accordance with the environmental specifications set out in the latest building regulations.</p> |

1. Background

- 1.1 The Cheltenham Trust was established as a consequence of a commissioning review into how best the Council could continue to support the delivery of its leisure and cultural services, and the management of five properties (The Wilson, Town Hall, Pittville Pump Room, Leisure at Cheltenham, Prince of Wales Stadium) whilst delivering best value to the taxpayer.
- 1.2 The Trust went live in October 2014 and is in receipt of a declining management fee from the Council:

| Year | 2014 15 | 2015 16 | 2016 17 | 2017 18 | 2018 19 | Total |
|----------------|---------|---------|---------|---------|---------|---------|
| Management Fee | £1,666k | £968k | £764k | £648k | £641k | |
| Net reduction | £0 | -£698 | -£204 | -£116 | -£7 | -£1,025 |

- 1.3 Leisure-at-Cheltenham is currently leased to the Trust on a 15 year term that started on October 2014. It hosts over 570,000 visits per year and offers a wide range of facilities to a broad customer base. Customers come to the facilities from Cheltenham and surrounding areas and its regional and national competition events attract people from all over the UK.
- 1.4 The Council has encouraged the Trust to develop a vision for the Leisure-at and Prince of Wales stadium.
- 1.5 The Trust has subsequently come back with their vision for Leisure-at. This is:
- To develop a hub within the town that encourages public participation in diverse experiences that touch and inspire people be it through sport, culture, play, competition, heritage, learning, health and wellbeing. The ambition is to put Cheltenham at the forefront nationally, creating a unique place that contributes to the social, cultural and economic value of the town and enriching the lives of residents and visitors.*
- 1.6 In March 2016 the Cheltenham Trust commissioned an initial feasibility study and developed a two-phase approach to creating a hub at Leisure-at-Cheltenham. The proposals were presented to the Council in the autumn of 2016 and the first phase element was endorsed as a robust first step to delivering the broader vision. The second phase included works to re-orientate the entrance and reception along with the provision of a large adventure play facility and it was agreed not to progress these at this point.
- 1.7 These first phase proposals were worked up, and were then brought to Council in March 2017 to agree the proposed works and the financing arrangements, which was to be a 10 year loan of up to £1.5m granted to the Trust which would have been repaid at 3% per annum.

2. Development of the scheme

- 2.1 Following on from the March Council decision, the Trust worked with its development partner Alliance Leisure Services to advance the scheme within the agreed financial framework.
- 2.2 After work to further define the project, it was clear that project costs would be higher, but that these would be mitigated by a greater impact for customers and increases in income against a revised business plan.
- 2.3 In addition, this preliminary work has helped shape how the project will be procured and managed.
- 2.4 The original model presented to the council in March 2017 was based on the Trust delivering the project through a loan from the council. This method for project delivery would have incurred VAT which meant that fewer improvements would have been delivered.

2.5 A preferred method is now proposed whereby the council contract Alliance Leisure Services directly, and by doing so the VAT is recoverable, and the project will deliver greater public benefit for the cost incurred. TCT will benefit from increased income from this investment in order to deliver the outcomes. CBC will take out the loan directly and TCT will repay the funding stream by arrangement with CBC.

2.6 In summary, the period between the March 2017 report and this revised report has provided:

- Cost certainty on the main project;
- Further investigations around ground conditions to fully inform the Splash Pad delivery and to provide cost certainty for the revised report;
- Reviewing the business plan showing the impact of recoverable VAT;
- Reviewing the project to include the entry system;
- Reviewing the project to combine the phase 1 project with other capital works that are being funded from elsewhere.

2.7 The benefits are:

- That cost certainty will be in place before the commencement of the project and signing of the contract with Alliance Leisure Service;
- Confidence about the new framework arrangement and contract type;
- Confidence around risk management;
- Confidence around CBC resources, delivery and monitoring;
- Confidence around change controls, the use of the Joint Commissioning Group as the governance group to limit and monitor change;
- Confidence around the quality of the project and the expectations around quality;
- Confidence around Value for Money and deliverables;
- Confidence around the partnership between the Council, the Trust and Alliance Leisure Services.

3. Details of the revised proposal

3.1 The original improvements March 2017 set out in the Council Report were as follows:

- Convert two existing squash courts into new studios to enable an increase in the number of class and activity programmes.
- Upgrade the existing dry-side changing spaces to reflect the quality of offer that customers expect and that competes well with the local market.
- The provision of a new sauna and steam room suite adjacent to the new changing rooms, strengthening the link with health and fitness and replacing the existing health suite facilities. (This was necessary as the aquatics play space would have replaced the existing health suite)
- Extend the existing fitness suite on the ground floor into the current dance studio enabling an increased capacity to meet demand and enable improved functional training space and health support related activities.
- Conversion of the existing health suite into an aquatics play space, developing and extending the aquatics opportunities for families with young children and also the commercial hires for children's birthday parties (now superseded)

- 3.2** The additional proposals/changes to be funded via the arrangement with CBC and relevant to this report, build on the items in section 3.1:
- Retention of the existing health suite and its associated income streams to further support the business plan (instead of replacement as stated in Section 3.1, the original health suite will now be retained as the aquatics play space has been moved to a different location and will not impact on the health suite)
 - Improved reception and access controls to the facilities and services to ensure that all users are paying users to underpin the business plan
 - Conversion of one teaching pool group change space into the splash pad (aquatics play space), this allows for greater harmony to the existing pool space, ease of access and flow of people. Structural and mechanical implications are less significant compared to the original plan.
- 3.3** In addition, there are other capital works that are being funded from elsewhere that will be included as part of the contract with Alliance Leisure Services:
- 3.4** Swim local; The Trust led a bid to Sport England which comprised two elements, a revenue grant request of £150,981 to fund improvements to the visibility and relevance of the swimming experience and the range of programmes that are on offer. A capital grant request of £184,480 to fund the creation of new disabled changing units and improvements to the female changing area. This grant has now been accepted by Cheltenham Borough Council and the capital works will be included as part of the contract with Alliance Leisure Services.
- 3.5** Air conditioning; the Council has already made a financial commitment of £85,000 to upgrade the air conditioning system. Again, these works will now be included as part of the contract with Alliance Leisure Services.
- 4. Revised capital costs and business plan assessment**
- 4.1** There is now cost certainty of costs of £1.658m excluding the aquatics play space which is estimated to cost £731k will be confirmed at the date of this report to Council, and also excluding client support/contingency at £135k and client support at £30k. The total capital cost of the scheme is therefore £2.554m, subject to cost certainty over the splash pad build and equipment. Full details of this capital cost and secured funding are shown in exempt appendix 2 to this report.
- 4.2** Funding totalling £318k has been secured towards the cost of the scheme, leaving a net funding requirement of £2.236m. Council is asked to consider that this funding is acquired by way of PWLB loans to the council, at an average interest rate of 2% per annum. The loans will be taken out over a period of 7, 10 and 15 years, in accordance with the estimated useful life of the new equipment and building works.
- 4.3** The Cheltenham Trust will repay the council the funding over a period of 15 years, commencing 1st April 2019. The financial business case included in exempt appendix 3 details the expected annual surplus to be retained by the Trust, after allowing for these funding repayments. This demonstrates an accumulated return to the Trust of £1.291m over the period, with an average rate of return of 3.61%. Once grant funding and other contributions are taken into account, the new funding requirement is £2.236m. This is the maximum figure that is being considered.
- 4.4** These repayments are affordable by The Trust, subject to the achievement of the forecast additional income and the estimated additional expenditure not being exceeded. There is a risk, as with all financing arrangements, that should these targets not be achieved there may be an impact on the affordability of the repayments. However, this is mitigated by a review of current income trends and market comparisons, undertaken by the Trust and Alliance Leisure Services. Full details of this income and expenditure of the project are shown in exempt appendix 4 to this report

4.5 The revenue forecast is based on a range of assumptions including:

- Membership income is based on a growth of 625 members or 22% over the term, growth since October 2014 has been 35% therefore the anticipated levels are believed achievable. This is the medium case scenario with sensitivity being completed at 10% variable on income either way.
- Income grows at a moderate level across the term linked to pricing /inflation
- Squash retains 80% of income through fully utilising capacity in the remaining courts
- Splash pad utilisation rates are based on term time v holiday time attendance levels
- CBC funding payments shown as full cost from 2019/20
- Additional food and beverage spend estimated at 10p per user on new attendances and 50p in café spend
- Staff costs for new role based on UK Living wage at £8.45 from April 2017
- Prudent assumption of achieving a recovery of £40k income linked to improved access controls.

5. Procurement and contractual arrangements

- 5.1 Council is also asked to consider a revised approach to managing the financing and project management of the scheme which will entail the Council contracting direct with Alliance Leisure Services (ALS) and who will then deliver the project on behalf of the Council. It will be ALS that contract with the construction company, not CBC. In this regard, Alliance Leisure Services will be a development partner of the Council.
- 5.2 In terms of procurement, Alliance Leisure Services has been procured through the Denbighshire Access Agreement and Framework Contract. This is a 4-year Development Framework that Denbighshire County Council procured after extensive tendering process to demonstrate value for money that complied with OJEU rules. The access framework is available to all Public Sector organisations and utilises JCT or NEC construction contracts.
- 5.3 Under the framework agreement, ALS undertake initial scoping work at risk and work up a feasibility study to determine affordability. Once the final scope of the project is determined by the client, ALS come back with a cost certainty proposal and the client then enters into a call off contract with ALS.
- 5.4 This method of procuring capital works using the development partner route reflects the fact that local councils have decreasing resources to manage larger capital projects and enables councils to:
- Reduce the impact on internal resources in local authorities
 - Obtain cost certainty at the beginning of the contract which is adhered to – cost certainty means cost certainty
 - Gain clarity on what is being delivered as a result of the upfront testing, design and detail prior to signing a contract to provide cost certainty
 - Create best value for local authorities through market costing before the contract is signed and holding to prices throughout the project
 - Transfer the project management and contract management to a readymade team who are experienced in particular areas of work
 - Transfer the financial risk to the partner (Alliance Leisure Services), to protect local authorities from cost over-runs during and/or at the end of the project.

6. Project governance and day to day management

6.1 In terms of project governance, the project will be co-sponsored project between The Cheltenham Trust and Cheltenham Borough Council with strategic oversight being provided by the Joint Commissioning Group. The Joint Commissioning Group is the mechanism by which Cheltenham Borough Council and The Cheltenham Trust work together using a co-commissioning approach to deliver capital development projects relating to CBC owned and TCT managed venues.

6.2 Current membership of the Group is:

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| Cllr Flo Clucas | Cabinet Member, Cheltenham Borough Council |
| Jaki Meekings-Davis | Trustee, The Cheltenham Trust |
| Julie Finch | CEO, The Cheltenham Trust |
| Mark Sheldon | Director Resources and Corporate Projects, Cheltenham Borough Council |
| Stephen Petherick | Head of Commercial and Customer Services |
| Richard Gibson | Lead Commissioner for the Trust, Cheltenham Borough Council |
| Jackie Rigby | Programme Manager, Cheltenham Borough Council |
| Garrie Dowling | Senior Property Surveyor |

6.3 Scrutiny of the project will be via the Cheltenham Trust's Audit and Governance Committee and the Council's Overview and Scrutiny Committee.

6.4 In terms of project management, this will be undertaken in the following ways:

6.5 **Alliance Leisure Services** (ALS) will manage the project through to completion to an agreed cost and time, owning the risks on overspend and ensuring that adequate on the ground resources is available. The roles included in the contract encompass quantity surveyor skills, architect and project manager.

6.6 ALS will work through **Savernake Property Consultants** (SPC) to manage the project and a sum of £55k is included in the project costings. SPC will provide the following services.

6.7 At design development stage:

- Attend, chair and contribute to design team meetings as appropriate
- Prepare and distribute minutes to meetings
- Co-ordinate design development process and monitor works complete to Gateway Review
- Develop Risk Register
- Monitor and review programme and update as necessary
- Develop Employer's Requirements in conjunction with the Contractor
- Establish checking / approval procedure for technical specification
- Attend additional meetings as necessary with technical representatives to agree specification
- Review outline proposals and indicative cost proposals as they develop and comment
- Design Team meeting attendance
- Negotiation with the contractor to facilitate the preparation of Contractor's proposals, including drawings, schedule of works and specification
- Preparation of building contract documentation
- Check and comment upon the Principal Contractor's Construction Phase Health and Safety Plan

6.8 At site operation stage, SPC will:

- Attend, chair and contribute to construction phase progress meetings on a monthly basis
- Attend monthly site visits to check progress / quality (On site every 2 weeks)
- Prepare and distribute minutes to meetings
- Monitor and review construction phase programme
- Check and report on quality of materials and workmanship on site including checking conformity

to contract documents

- Agree costs of variations and issue contract instructions
- Issue appropriate contract certificates
- Agree stage payments / valuations of works and issue appropriate notices
- Management of building budget and contract variations
- Monthly budget update
- Completion and handover of the works to include preparation of snagging list, approval of final build account and completion certification
- Certification of the retention (1.5% of building contract value to be withheld from the contractor for a period of 12 months from date of completion)

6.9 **CBC** will appoint a client-side advisor to support CBC's senior property surveyor in overseeing the works. A sum of £30k has been included in the capital budget to fund this. The advisor will be available on-site for a proposed 2 hours/days and will enable the speedy communication of any operational issues back to the Property Services Team. The advisor will report back to the JCG and CBC as necessary on a two weekly basis, attending key meetings, checking quality and quantities and to work with ALS and SPC to capture any exceptions or key risks. This advisor will also sit on the Project Team.

6.10 The Director Resources and Corporate Projects will be the responsible CBC officer for cost and quality delivery.

6.11 In addition, CBC will work with Stephen Petherick, Head of Commercial and Customer Services at the Trust, who will act as a senior user for the project. He will also attend the Project Team.

7. Suggested conditions for progressing the project

7.1 If council are minded to agree the financial framework, it is suggested that the project is progressed subject to the following conditions being met:

7.2 That the overall net funding requirement does not exceed £2.236m;

7.3 That the funding is only to be used in connection with the proposed improvement scheme as detailed in section 3;

7.4 That Cheltenham Borough Council and the Cheltenham Trust have agreed the terms of the 15 year repayment arrangement with the Council;

7.5 That Cheltenham Borough Council and the Cheltenham Trust have agreed the terms as to who will own the equipment and take on the responsibility of any additional maintenance costs and also gain agreement for the Council's contractors to enter on to their premises and undertake the works;

7.6 Subject to these conditions being met, the funding arrangement will then be agreed by the s.151 officer, in consultation with the Cabinet Member Finance.

8. Reasons for recommendations

8.1 The proposed improvement scheme and associated funding arrangements is being recommended for the following reasons:

- The sum will be repaid by the Trust in full over a 15 year period with repayments beginning in 2019/20.
- It will enable much needed investment into Leisure-at-Cheltenham, which is owned by the council and leased to the Trust. This will ensure the building remains an attractive leisure destination for

local residents within a competitive market.

- The investment will increase footfall and therefore income for the Trust.
- The improvement scheme will have direct benefits for local residents increasing their health and wellbeing
- The improvement scheme will support the work of 19 partners who deliver health and wellbeing related activities at Leisure-at.

9. Alternative options considered

9.1 The Council and the Trust have explored two other options:

9.2 DO NOTHING: Continue to maintain the existing facility to ensure it is fit for purpose within resources, in the knowledge that Leisure-at will not be able to meet the demand for business and customer expectations, with reducing appeal and subsequent declining retention and reputation with increased wear and tear on kit and facilities. There will be a negative impact upon economic viability of the business and the Trust. This option has therefore been dismissed.

9.3 COMMERCIAL FUNDING: The Cheltenham Trust could fully fund the capital investment programme without contribution by CBC through seeking a commercial loan. Although on the face of it, this would minimise the risk to the Council in that the Trust business activities would fund the repayments, the Council would need to act as a guarantor for the loan. That would mean assigning an equivalent sum in our reserves to fund this in case the Trust failed. In addition, the cost of the loan would have been higher at an estimated 5%. On advice from the s.151 officer, this option has been dismissed.

| | |
|-------------------------------|---|
| Report author | Contact officer: Richard Gibson Strategy and Engagement Manager Richard.gibson@cheltenham.gov.uk 01242 235 354 |
| Appendices | <ol style="list-style-type: none"> 1. Risk Assessment 2. EXEMPT – Capital costs 3. EXEMPT - Income and Expenditure |
| Background information | Report to Cabinet/Council “ <i>Financing arrangements for improvements to Leisure-at-Cheltenham</i> ” 7 March 2017 / 27 March 2017 |

Risk Management – Leisure-at Phase 1 Development – November 2017 – Key Strategic Risks

| The risk | | | Original risk score (impact x likelihood) | | | Managing risk | | | | |
|--|---------------|-------------|---|----------------|-------|---------------|---|------------------------|----------------------------------|------------------------------|
| Risk description | Risk Owner | Date raised | Impact 1-5 | Likelihood 1-6 | Score | Control | Action | Deadline | Responsible officer | Transferred to risk register |
| If the Trust defaults on the repayment, there will be no property that CBC can repossess. Therefore the Council owes a fiduciary duty to its council tax payers to ensure that the business case is sound. | s.151 officer | 20.2.17 | 3 | 3 | 9 | Accept | 1 Ensure that the business case is sound so that it can be sure that the repayments will made. | Feb 2017 | Sarah Didcote | |
| As the term of the loan is 15 years, and there is 7 years of the certain term of the management agreement with the Trust remaining, if the Council were not to extend the management agreement and as a result if the Trust needed to wind itself up the repayment agreement might not be fulfilled. | s.151 officer | 20.2.17 | 4 | 3 | 12 | Reduce | 1 The Council is working with the Trust to bring forward plans for an agreed management fee for the period April 2019 to October 2024. 2 The council would need to be in a position to seize any assets of value. and potentially write off any remaining repayments | Sept 2017 | Richard Gibson Donna Ruck | |
| Financial –if value for money against deliverables and finance option is not achieved, the project will not deliver the dividend described and will be seen as not being successful | Mark Sheldon | 17.11.17 | 3 | 3 | 9 | Reduce | 1. Ensure certainty in contract - costs and outcomes 2. Room data sheets which show project detail have been detailed and costed 3. Ensure legal framework represents cost and time certainty | 11.12.17 | Mark Sheldon | Page 133 |
| Financial – if the project is not delivered on time this will affect the Cheltenham Trust's ability to develop new income streams and undermine the funding payments to CBC against the PWLB loan and the income proposals in the Trust's Business Plan | Mark Sheldon | 17.11.17 | 3 | 3 | 9 | Reduce | 1. Through the Joint Commissioning Group (JCG) ensure that the project is delivered to time and budget and manage a robust change control system with contractor | 31.5.18 | Mark Sheldon | |
| Financial – if the project costs rise as a result of unexpected site conditions, the overall project costs may exceed those that Council are being asked to approve | Mark Sheldon | 17.11.17 | 3 | 3 | 9 | Reduce | 1. CBC will hold a contingency provision to manage the risk of any other investigation requirements and findings | Throughout the project | Mark Sheldon | |
| Financial – if the Council fails to make a decision in December 2017, the costs of the project will rise each quarter at a rate of more than 1.5% per quarter | Mark Sheldon | 17.11.17 | 2 | 3 | 6 | Reduce | 1. Ensure that the Cabinet and Council report are supported 2. Ensure that Alliance Leisure provide the cost certainty figures by Council meeting 11.12.17 so that they can make an informed decision | 11.12.17 | Mark Sheldon | |

| The risk | | | Original risk score (impact x likelihood) | | | Managing risk | | | | |
|--|--------------|-------------|--|----------------|-------|---------------|---|------------------------|---------------------|------------------------------|
| Risk description | Risk Owner | Date raised | Impact 1-5 | Likelihood 1-6 | Score | Control | Action | Deadline | Responsible officer | Transferred to risk register |
| Financial - If the ownership and maintenance responsibilities are unclear then once the works are concluded it could risk the assets depreciating and deteriorating with no clear guidance as to who should be reacting to repair needs. This would put the hoped income generation at risk if areas need to close or do not function as expected. Ongoing day to day management and maintenance costs need to be captured in the Management agreement as well as the lease requiring these two documents being up to date to reflect the proposed works. Uncertainty could lead to loss of income | Mark Sheldon | 20.11.17 | 2 | 3 | 6 | Reduce | 1 This risk is mitigated as this is one of the conditions that need to be met before the works can progress | | Mark Sheldon | |
| Financial - If the Council do not agree in advance of Alliance (and their contractors) being on-site this puts the Council at risk of claims against it, from the Trust, for compensation for Disturbance. To bring this risk down – Property are meeting with One Legal representatives to review current arrangements, and consider the appropriate action to reduce this risk. | Mark Sheldon | 20.11.17 | 2 | 3 | 6 | Reduce | 1 This risk is mitigated as this is one of the conditions that need to be met before the works can progress | | Mark Sheldon | |
| Capacity – if the project management, monitoring and control capacity is not appropriate, the project will not be delivered to time and budget | Mark Sheldon | 17.11.17 | 3 | 3 | 9 | Reduce | 1. The Framework Agreement and Contract type provides for Project Management, QS and quality control within the contractor working to the client; this approach enables the contractor to take all the risk 2. Change controls mechanisms have been clarified as being robust and the JCG will exercise its role in ensuring cost certainty at all times | Throughout the project | Mark Sheldon | |
| Reputation – if the project fails to be delivered there is a risk to both CBC and TCT, the reputation of both organisations in delivering partnership projects will be damaged | Mark Sheldon | 17.11.17 | 4 | 3 | 12 | Reduce | 1. Through the JCG ensure that the project is delivered to time and budget through close monitoring and control 2. Ensure that strategic communications are handled sensitively being originated through the JCG | Throughout the project | Mark Sheldon | |

| The risk | | | Original risk score (impact x likelihood) | | | Managing risk | | | | |
|---|--------------|-------------|--|----------------|-------|---------------|--|------------------------|---------------------|------------------------------|
| Risk description | Risk Owner | Date raised | Impact 1-5 | Likelihood 1-6 | Score | Control | Action | Deadline | Responsible officer | Transferred to risk register |
| Customer Satisfaction – if the project disrupts service delivery at Leisure-at and customers are not informed, or their normal routines in using the venue are disrupted, then there is a risk that Leisure-at relationship with customers will deteriorate | Julie Finch | 17.11.17 | 2 | 3 | 6 | Reduce | 1. TCT will ensure that customers will be informed of operational impacts and adjustments will be communicated to ensure that the customer satisfaction is not impaired | Throughout the project | Julie Finch | |
| Performance – if the project fails to deliver the levels of performance set out in the business plan, then the underpinning costs and income analysis will be eroded and the project will not deliver the impacts as set out | Julie Finch | 17.11.17 | 3 | 3 | 9 | Reduce | 1. TCT will ensure that the performance set out in the business plan will have the desired impact for customers and income levels. The Business Plan forms part of TCT's financial strategy for 18/19 as a priority. TCT will report to CBC on progress year on year | Throughout the project | Julie Finch | |
| Governance – if the Joint Commissioning Group fails to ensure that the project is delivered on time and to budget, the project governance will not have been effective | Mark Sheldon | 17.11.17 | 3 | 3 | 9 | Reduce | 1. The JCG will ensure that the project milestones are effectively reported to the relevant scrutiny committees to ensure tight control on progress, quality and the final outcome | Throughout the project | Mark Sheldon | |
| Employee – if key staff change during the project's timeframes for delivery the project could be undermined and may be affected in terms of cost and timing | Mark Sheldon | 17.11.17 | 2 | 3 | 6 | Reduce | 1. Both CBC and TCT will ensure that the information on the project is stored transparently, and that the transfer of knowledge is transparent. Any key changes in staff before May 2018 will be supported by Managers within TCT who are informed during the project. | Throughout the project | Mark Sheldon | |
| Business Continuity – if the project is not planned properly this could affect business continuity | Julie Finch | 17.11.17 | 3 | 3 | 9 | Reduce | 1. A full logistics plan will align with the fully detailed build plan once the contract is approved by CBC and detail is agreed | Throughout the project | Julie Finch | |
| 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 | | | | | | | | | | |

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