



# CHELTENHAM

## BOROUGH COUNCIL

### Notice of a meeting of Council

**Monday, 23 July 2018**

**2.30 pm**

**Council Chamber - Municipal Offices**

<b>Membership</b>	
<b>Councillors:</b>	Bernard Fisher (Chair), Roger Whyborn (Vice-Chair), Victoria Atherstone, Matt Babbage, Paul Baker, Garth Barnes, Dilys Barrell, Angie Boyes, Nigel Britter, Jonny Brownsteen, Flo Clucas, Chris Coleman, Mike Collins, Stephen Cooke, Iain Dobie, Wendy Flynn, Tim Harman, Steve Harvey, Rowena Hay, Alex Hegenbarth, Karl Hobley, Sandra Holliday, Martin Horwood, Peter Jeffries, Steve Jordan, Chris Mason, Paul McCloskey, Andrew McKinlay, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Malcolm Stennett, Jo Stafford, Klara Sudbury, Simon Wheeler, Max Wilkinson, Suzanne Williams and David Willingham

### Agenda

<b>1.</b>	<b>APOLOGIES</b> Apologies: Councillors Barnes, Mason and McCloskey	
<b>2.</b>	<b>DECLARATIONS OF INTEREST</b>	
<b>3.</b>	<b>MINUTES OF THE LAST MEETING</b> Minutes of the meetings held on 14 May 2018.	(Pages 3 - 8)
<b>4.</b>	<b>COMMUNICATIONS BY THE MAYOR</b>	
<b>5.</b>	<b>COMMUNICATIONS BY THE LEADER OF THE COUNCIL</b>	
<b>6.</b>	<b>TO RECEIVE PETITIONS</b>	
<b>7.</b>	<b>PUBLIC QUESTIONS</b> These must be received no later than 12 noon on Tuesday 17 July.	
<b>8.</b>	<b>MEMBER QUESTIONS</b> These must be received no later than 12 noon on Tuesday 17 July.	
<b>9.</b>	<b>FINANCIAL OUTTURN 2017/18 AND BUDGET MONITORING TO JUNE 2018</b> Report of the Cabinet Member Finance	(Pages 9 - 58)

10.	<b>CONSULTATION ON LOCAL COUNCIL TAX SUPPORT SCHEME FOR 2019/20</b> Report of the Cabinet Member Finance	(Pages 59 - 72)
11.	<b>PROTOCOL FOR MEMBER / OFFICER RELATIONS</b> Report of the Cabinet Member Corporate Services	(Pages 73 - 84)
12.	<b>NOMINATIONS TO OUTSIDE BODIES</b> Report of the Chief Executive	(Pages 85 - 92)
13.	<b>GLOUCESTERSHIRE 2050</b> Report of the Leader	(Pages 93 - 108)
14.	<b>NOTICES OF MOTION</b>	
15.	<b>ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION</b>	
16.	<b>LOCAL GOVERNMENT ACT 1972 EXEMPT BUSINESS</b> The Council 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 paragraphs 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)	
17.	<b>A PROPERTY MATTER</b> An exempt report of the Leader (to follow)	

**Contact Officer:** Rosalind Reeves, Democratic Services Manager, 01242 774937

**Email:** [democratic.services@cheltenham.gov.uk](mailto:democratic.services@cheltenham.gov.uk)

**Pat Pratley**  
**Chief Executive**

### Council

**Monday, 14th May, 2018  
2.30 - 3.00 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Klara Sudbury (Chairman), Bernard Fisher (Vice-Chair), Victoria Atherstone, Matt Babbage, Paul Baker, Garth Barnes, Dilys Barrell, Angie Boyes, Nigel Britter, Jonny Brownstein, Flo Clucas, Chris Coleman, Mike Collins, Iain Dobie, Wendy Flynn, Tim Harman, Steve Harvey, Rowena Hay, Alex Hegenbarth, Karl Hobley, Martin Horwood, Peter Jeffries, Steve Jordan, Chris Mason, Paul McCloskey, Andrew McKinlay, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Malcolm Stennett, Jo Stafford, Simon Wheeler, Roger Whyborn, Max Wilkinson and David Willingham

### Minutes

**1. APOLOGIES**

Apologies were received from Councillors Cooke, Holliday and Williams.

**2. COMMUNICATIONS FROM THE RETIRING MAYOR**

The outgoing Mayor wished to update Council on her recent engagements. These are attached as an appendix to these minutes.

**3. ELECTION OF MAYOR (CHAIRMAN OF COUNCIL) FOR 2018-19**

The outgoing Mayor, Councillor Klara Sudbury, called on Councillor Coleman to move the motion proposing Councillor Fisher as Mayor.

Councillor Bernard Fisher was proposed for the office of Mayor by Councillor Coleman and seconded by Councillor Barnes.

Upon a vote it was unanimously

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

The Head of Paid Service invited the Mayor to sign a Declaration of Acceptance of Office of Council chairman for the ensuing municipal year 2018-19.

Councillor Bernard Fisher took the chair.

**4. ELECTION OF DEPUTY MAYOR (VICE-CHAIRMAN OF COUNCIL) FOR 2018-19**

Councillor Wheeler proposed Councillor Roger Whyborn for the office of Deputy Mayor, seconded by Councillor McKinlay.

Upon a vote it was unanimously

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

The Head of Paid Service invited the Deputy Mayor to sign a Declaration of Acceptance of Office of Council vice-chairman for the ensuing municipal year 2018-19.

**5. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**6. MINUTES OF THE LAST MEETING**

The minutes of the meeting held on 26 March were approved and signed as a correct record.

**7. COMMUNICATIONS BY THE MAYOR**

The Mayor thanked Members for electing him as Mayor.

**8. COMMUNICATIONS BY THE LEADER OF THE COUNCIL**

The Leader congratulated Councillors Fisher and Whyborn on their appointments as Mayor and Deputy Mayor respectively. He wished to put on record his thanks to Councillor Whyborn for his contribution as Cabinet Member Corporate Services and to Councillor Sudbury for chairing Council meetings as Mayor and for her contributions she had made to the town during her term of office.

The Leader also wished to recognise the contributions of the retiring Members and to those Members who had not been reelected, namely Chris Nelson and Adam Lillywhite.

On behalf of the Conservatives Councillor Harman congratulated both the Mayor and Deputy Mayor on their appointments and Councillor Sudbury for her role as Mayor. He also took the opportunity to welcome all new Members to the chamber and looked forward to working with them.

**9. TO NOTE THE MEMBERSHIP OF CABINET INCLUDING THE DEPUTY LEADER**

The Leader confirmed the following appointments to Cabinet :

Deputy Leader and Cabinet Member Housing-Councillor Pete Jeffries  
Cabinet Member Clean and Green Environment- Councillor Chris Coleman  
Cabinet Member Finance- Councillor Rowena Hay  
Cabinet Member Healthy Lifestyles-Councillor Flo Clucas  
Cabinet Member Corporate Services-Councillor Alex Hegenbarth  
Cabinet Member Development and Safety-Councillor Andrew McKinlay

He explained that there would be no major transformation of Cabinet due to the number of key projects ongoing, such as the Cheltenham Transport Plan, the new Cemetery and Crematorium, development at Leisure@, works on the High Street, Housing Investment and the Cyber Park which he believed benefitted from consistency. There would be some minor adjustments within these portfolios and he would circulate the detailed Cabinet portfolio document over the coming days. He believed the new Cabinet represented a strong team for Cheltenham.

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

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

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

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

Councillor Chris Mason was appointed as Chair of Overview and Scrutiny and Councillor Klara Sudbury was appointed as Vice Chair.

**12. GLOUCESTERSHIRE ECONOMIC GROWTH OVERVIEW AND SCRUTINY COMMITTEE**

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

Councillor Victoria Atherstone was appointed as substitute.

**13. GLOUCESTERSHIRE HEALTH AND CARE OVERVIEW AND SCRUTINY COMMITTEE**

Councillor Martin Horwood was appointed to the Gloucestershire Health and Care Overview and Scrutiny Committee.

Substitute to be advised at a later date.

**14. GLOUCESTERSHIRE POLICE AND CRIME PANEL**

Councillor Jonny Brownsteen was appointed to the Police and Crime Panel.

Councillor Peter Jeffries was appointed as substitute.

**15. APPOINTMENT TO ADVISORY GROUPS AND WORKING GROUPS**

The appointments to the Treasury Management Panel and the Constitution Working group were then approved in accordance with the nominations

contained in the table circulated (as amended) and now attached to these minutes for information.

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

Councillor Dennis Parsons was appointed Chair of the Constitution Working Group.

**16. APPOINTMENT OF MEMBER CHAMPIONS**

Councillors Garth Barnes, Martin Horwood, David Willingham and Louis Savage were appointed as Mental Health Member Champions.

**17. TO APPROVE THE CONSEQUENTIAL CHANGES TO THE CONSTITUTION**

None.

**18. NOTICES OF MOTION**

None.

**19. TO RECEIVE PETITIONS**

None.

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

The Mayor informed that a constitutional change was made last year to enable any subsequent changes to Chair and Vice Chair of committees be agreed by the relevant committee.

Klara Sudbury  
**Chairman**

**Council**

**Monday, 14th May, 2018  
3.00 - 3.05 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Klara Sudbury (Chairman), Bernard Fisher (Vice-Chair), Victoria Atherstone, Matt Babbage, Paul Baker, Garth Barnes, Dilys Barrell, Angie Boyes, Nigel Britter, Jonny Brownstein, Flo Clucas, Chris Coleman, Mike Collins, Iain Dobie, Wendy Flynn, Tim Harman, Steve Harvey, Rowena Hay, Alex Hegenbarth, Karl Hobley, Martin Horwood, Peter Jeffries, Steve Jordan, Chris Mason, Helena McCloskey, Paul McCloskey, Andrew McKinlay, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Jo Stafford, Malcolm Stennett, Simon Wheeler, Roger Whyborn, Max Wilkinson and Suzanne Williams

**Minutes**

**1. APOLOGIES**

Councillors Cooke, Holliday and Williams.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. HONORARY ALDERMEN**

The Chief Executive introduced the report and explained that Council may confer the title of Honorary Alderman on persons who it considered had rendered eminent services to the Authority in their past roles as councillors.

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

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

The Chief Executive reported that a number of former Councillors fell within the criteria and had been nominated by the Group Leaders.

She explained that once agreed by Council, their appointments would be recognised as part of the Inauguration of the Mayor ceremony at the Town Hall on Wednesday 16 May.

**RESOLVED THAT**

**the title of Honorary Alderman be conferred on former Councillors  
Colin Hay  
Christine Ryder  
Pat Thornton**

Klara Sudbury  
**Chairman**



## Cheltenham Borough Council

**Cabinet – 10<sup>th</sup> July 2018**

**Council – 23<sup>rd</sup> July 2018**

### Financial outturn 2017/18 and budget monitoring to June 2018

<b>Accountable member</b>	<b>Councillor Rowena Hay, Cabinet Member for Finance</b>
<b>Accountable officer</b>	<b>Paul Jones, Executive Director Finance and Assets (Section 151 Officer)</b>
<b>Accountable scrutiny committee</b>	<b>All</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance. This report highlights the Council's financial performance for the previous year which sets out the General Fund and Housing Revenue Account (HRA) revenue and capital outturn position for 2017/18. The information contained within this report has been used to prepare the Council's Statement of Accounts for 2017/18.</p> <p>Financial rule B10.1 states that carry forward of planned underspend of revenue budgets into the following financial year will only be allowed with the agreement of the Section 151 Officer, in order to meet the needs of approved service delivery. Financial rule B10.3 states that all other carry forward requests, including budget underspends that have been carried forward in previous financial years, will be subject to full Council approval at the financial outturn meeting held after the year end.</p> <p>The Council's Treasury Management Policy requires the Section 151 Officer to report to members annually, by the 30th September, on the treasury management activities and prudential indicators for the previous financial year. This report also seeks to meet this requirement.</p>
<b>Recommendations</b>	<p><b>We therefore recommend that Cabinet approve the following recommendations to Council:</b></p> <ol style="list-style-type: none"> <li><b>1. That Council receives the financial outturn performance position for the General Fund, summarised at Appendix 2, and notes that services have been delivered within the revised budget for 2017/18 resulting in a saving (after carry forward requests) of £403,179.</b></li> </ol> <p style="padding-left: 40px;"><b>That furthermore Council:</b></p> <ol style="list-style-type: none"> <li><b>2. Approves £7,000 of carry forward requests (requiring member approval) at Appendix 5.</b></li> <li><b>3. Approve the use of the budget saving of £403,179 as detailed in Section 3.</b></li> <li><b>4. Approve a further allocation of £15k towards Contactless</b></li> </ol>

Donation Points, funded via a contribution from the Homelessness earmarked reserve, as detailed in para 8.2.

5. Approve a 2018/19 contract fee adjustment of £200,000 to Ubico Ltd, funded from General Balances, as detailed in para 13.5.
6. Notes the annual treasury management report at Appendix 7 and approve the actual 2017/18 prudential and treasury indicators.
7. Notes the capital programme outturn position as detailed in Appendix 8 and approve the carry forward of unspent budgets into 2018/19 (section 7).
8. Notes the position in respect of Section 106 agreements and partnership funding agreements at Appendix 9 (section 9).
9. Notes the outturn position in respect of collection rates for council tax and non-domestic rates for 2017/18 in Appendix 10 (section 10).
10. Notes the outturn position in respect of collection rates for sundry debts for 2017/18 in Appendix 11 (section 11).
11. Receives the financial outturn performance position for the Housing Revenue Account for 2017/18 in Appendices 12 to 13 and approves the carry forward of unspent budgets into 2018/19 (section 12).
12. Notes the budget monitoring position to the end of June 2018 (section 13).

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

<b>Environmental and climate change implications</b>	None.
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## 1. Background

- 1.1 This report draws together the financial outturn position for 2017/18 for the General Fund and Housing Revenue Account (HRA) revenue and capital budgets, details reserve movements, summarises requests for carry forward of budgets approved by the Section 151 Officer under delegated powers and those requiring member approval and makes recommendations in respect of the use of the budget saving.
- 1.2 In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance.
- 1.3 A summary of the actual General Fund outturn position by service is contained in Appendix 2.
- 1.4 A summary of the outturn position by cost centre within each service is contained in Appendix 3. Information is presented in the same format as used in the draft statement of accounts (i.e. reported by Council's Directorate), in accordance with the CIPFA Code of Practice 2017/18.

## 2. General Fund Revenue Outturn 2017/18

- 2.1 The budget monitoring report to the end of December 2017, considered by Cabinet on 13<sup>th</sup> February 2018, projected the expected delivery of services within budget. The Cabinet made recommendations to full Council at the budget setting, which were approved, a number of budget virements as part of the revised budget 2017/18.
- 2.2 The continued impact of the changes in government funding arrangements and the economic climate present particular concerns for the Council's budgets moving forward. Given the proposed front-loaded cuts in Central Government funding, the Section 151 Officer recommended that any future underspends or fortuitous windfalls are earmarked for transfer to either general balances or the budget strategy (support) reserve. It was therefore recommended that any underspend identified on outturn be transferred firstly to the Budget Strategy (Support) Reserve and secondly to support general balances, bearing in mind the need to keep the level of reserves robust and the uncertainty surrounding future budget funding gaps, as outlined in the Council's Medium Term Financial Strategy (MTFS) and the Cabinet budget setting report dated 19<sup>th</sup> February 2018.
- 2.3 It is therefore pleasing to report that the Council has delivered services within the resources available, resulting in a budget saving, after carry forward requests, of £403,179 against the revised budget. This saving has been transferred to the Budget Strategy (Support) Reserve pending decisions over its use in 2018/19 and future years.
- 2.4 A number of savings are the result of delays or slippage in carrying out particular tasks which are still necessary and will need to be completed in the 2018/19 financial year. Where this applies, requests for carry forwards are documented in Appendix 5 to this report.
- 2.5 A full explanation of all variances that exceed £50,000 is contained within Appendix 4.

## 3. MTFS and making use of revenue budget savings

- 3.1 The Government's policy of phasing out revenue support grant and in due course potentially allowing councils to benefit from a higher share of business rates created a need for this Council to develop a long-term strategy which is significantly different from that followed in past years. Since 2013 the Council has had a direct financial interest in economic and business growth in the

town, and will have a larger stake in it under the Government's proposals for reforming business rates.

### **Strengthening our reserves**

- 3.2** In determining the budget strategy in October 2015, the Section 151 Officer recommended the creation of a specific earmarked reserve: a 'budget strategy (support) reserve', to provide greater resilience. This reserve will help to secure the Council against short-term challenges which we know we will encounter in the coming years.
- 3.3** Strengthening the Budget Strategy (Support) Reserve will give the Council more flexibility to pump-prime projects and initiatives which will deliver future savings at a time when we are facing such severe and ongoing cuts to our spending power.
- 3.4** Members will recall that the original budget for 2017/18, set by Full Council in February 2017, included a contribution of £882,205 from the future deficits earmarked reserve in order to set a balanced budget. The end of year financial results reflects that the Council has made a reduced drawdown from this reserve.
- 3.5** The balance on this reserve as at 31<sup>st</sup> March 2018 is £1,555,027 which includes the "top-up" identified above in 2.3. The 2018/19 approved budget relies on the further drawdown of £913,058 from this reserve in 2018/19 leaving a balance of £630,969 (£641,969 less £11,000 as described in para 3.6 to 3.7 below) which will be earmarked towards setting a balanced budget in 2019/20.

### **Christmas Lights**

- 3.6** Feedback suggests that there were significant gaps in the coverage of Christmas Lights in Cheltenham in 2017 and to provide a proper town centre display, the Cabinet, in partnership with the BID, propose to include Cambray Place, The Strand, Boots Corner, Regent Street, Pittville Street and Lloyds Bank which will fill in the gap on that part of the High Street.
- 3.7** A match-funded contribution of £11k (with the BID making an additional £11k contribution) is proposed.

## **4. Budget carry forward requests**

- 4.1** At the year end, a number of budget holders requested 'carry forward' of unspent budgets. Requests fall into two categories and have been dealt with as follows:
- 4.2** Some requests are in respect of goods and services ordered but not received by 31<sup>st</sup> March 2017. Some relate to items of expenditure not yet incurred due to slippage in work programmes but still planned to be spent in line with the original intention of the budget. Others are amounts of grant funding which have been allocated but not yet been taken up by their intended beneficiaries. In line with previous practice, these have been reviewed by the Executive Board and approved by the Section 151 Officer, under delegated powers (financial rule B10.1). A list of the approved carry forward of budgets totalling £301,324, for which expenditure is in line with the original approved purpose, is contained in Appendix 5. In accordance with the Service Reporting Code of Practice (SeRCOP), a transfer was made to a 'carry forward' reserve in 2017/18 (Appendix 6) and transfers will be made from the 'carry forward' reserve in 2018/19 to the appropriate cost centres in order that members and officers have a clear indication of the total budget, including carry forwards, available for 2018/19.
- 4.3** One request has been made to carry forward an underspend to be used in a different way to that for which the budget was originally intended. Since this falls outside the budget set by Council in February 2017, their alternative use requires council approval (financial rule B10.3). The list contained in Appendix 5, totalling £7,000, has been reviewed and supported by the Cabinet and now requires council approval.

## 5. Treasury Management / Prudential Indicators

- 5.1 Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services. This Council has adopted the code and complies with its requirements, one of which is the receipt by Cabinet and Council of an Annual Review Report after the financial year end. The detailed treasury report, as approved by the Treasury Management Panel at its meeting on 4<sup>th</sup> June 2018, is attached at Appendix 7.
- 5.2 The prudential indicators have been monitored regularly and there were no material departures from the indicators arising during the year. The outturn indicators are reported to Cabinet and Council as part of the capital and treasury management outturn in accordance with the arrangements determined at the February 2017 council meeting.
- 5.3 The council diversified some of its investments into a Pooled Property Fund during the course of 2017/18 which saw returns of over 4% which significantly contributed to the overall surplus of £70,800.

## 6. Business Rates Retention Scheme (BRRS)

- 6.1 One of the key documents in the budget setting process is the estimate of business rates yield which is reported in the National Non Domestic Rates return (NNDR1) which is submitted to the Ministry of Housing, Communities and Local Government (MHCLG), formerly DCLG. The NNDR1 return was submitted to the (then) DCLG by the deadline of 31st January 2017 and the budget was based on the figures within that return.
- 6.2 The table below reflects the actual performance against the revised budget with an overall positive variance of £23,720 when taking into account the pool surplus distribution.

	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
Redistributed Business Rates	(21,470,254)	(21,470,254)	-
Tariff	17,818,354	17,972,189	153,835
Share of Collection Fund Deficit	444,425	444,425	-
<b>Retained Business Rates</b>	<b>(3,207,475)</b>	<b>(3,053,640)</b>	<b>153,835</b>
Section 31 Grants	(1,156,858)	(1,181,468)	(24,610)
Levy paid over to Government	634,172	756,568	122,396
<b>Retained Income</b>	<b>(3,730,161)</b>	<b>(3,478,540)</b>	<b>251,621</b>
Pool Surplus distribution	(200,000)	(475,341)	(275,341)
<b>Total</b>	<b>(3,930,161)</b>	<b>(3,953,881)</b>	<b>(23,720)</b>

- 6.3 A transfer of £411,783 (as budgeted) has been made to the Business Rates Retention Equalisation reserve in respect of the pool surplus distribution. This will be used to fund future budget gaps which arise as a result of the accounting arrangements for the Retained Business Rates Scheme as reported to Cabinet / Council previously.
- 6.4 The Government's policy of phasing out revenue support grant and in due course potentially allowing councils to benefit from a higher share of business rates creates a need for this Council to develop a long-term strategy which is significantly different from that followed in past years.

Since 2013 the Council has had a direct financial interest in economic and business growth in the district, and will have a larger stake in it under the Government's proposals for reforming business rates. The balance held in the Business Rates Retention Equalisation reserve will go some way to supporting these aspirations.

### **7. Capital Outturn 2017/18**

- 7.1 The outturn position in respect of General Fund capital is contained in Appendix 8. Members are asked to note the outturn position and, where there is slippage, approve the carry forwards into 2018/19 requested by officers.

### **8. Reserves**

- 8.1 The Section 151 Officer has, under delegated powers (financial rule B11.4), authority to make transfers to and from these operational reserves in accordance with the intention of the reserve as determined by the Council's Reserves Policy and Protocol. The transfers approved by the Section 151 Officer for 2017/18 are set out in the outturn performance position schedules at Appendix 2 and 3.
- 8.2 Members will recall that as part of the budget proposals agreed in February 2018, a growth bid was supported to install contactless donation points within the town, with the money raised to support homelessness charities, in partnership with the BID. An additional £15k is requested, to be funded via a contribution from the Homelessness earmarked reserve, to fund a marketing campaign. It is anticipated that we would engage a marketing company with expertise in the charity sector to ensure engagement both across the town and from visitors.
- 8.3 Appendix 6 also details the reserves held by the Council, states their purpose and indicates the balance at 31<sup>st</sup> March 2018. In setting the budget for 2018/19 a review of reserves was undertaken to assess whether the levels were appropriate and in line with the policy for reserves and balances; and also whether they took into account the needs and risks of the organisation and the prevailing economic conditions. At the year end this process has been repeated.
- 8.4 In assessing the adequacy of reserves and balances for 2018/19 the Section 151 Officer used a risk based approach to assess the appropriate level of general balances which calculated the optimum level to be £1.313m and this included allowance of £200k for Ubico Ltd. operations and £50k for the Cheltenham Transport Plan, both of which will be utilised in 2018/19. At the year end, the General Fund Balance stands at £1.409m and therefore remains above the optimum level recommended by the Section 151 Officer.
- 8.5 An assessment of the Council's earmarked reserves has been made in line with the fiduciary duty of the Section 151 Officer at the year end. Accepting that the front-loaded cuts to core government funding could leave the council exposed without clear decision-making in delivering a balanced budget, the level of reserves appears adequate at this point in time and no other changes are currently recommended. However, it is important to make Members aware of the following points.
- 8.6 The current Medium Term Financial Strategy (MTFS) supports all windfalls and underspends being earmarked towards the Budget Strategy Support Reserve (BSSR).
- 8.7 Given the risks arising from Business Rates volatility, both through appeals and the future proposals for full business rates retention, it should be noted that wherever possible, the Business Rates Retention Equalisation Reserve should also be strengthened to mitigate these risks.

### **9. Section 106 receipts**

- 9.1 A position statement in respect of the activity of Section 106 receipts is contained in Appendix 9.

- 9.2 The following summarises the activity in respect of Section 106 for 2017/18, compared to 2016/17.

	2016/2017	2017/2018
Balance of unused Section 106 receipts	2,076,509	2,187,758
Net additional receipts in year	813,191	2,277,586
Receipts used to finance projects in year	(701,942)	(1,703,311)
Balance outstanding at year end	2,187,758	2,762,033

## 10. Council tax and business rates collection

- 10.1 The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 10. This shows the position at the end of March 2018.

## 11. Sundry debt collection

- 11.1 The monitoring report for the collection of sundry debt income is shown in Appendix 11. This shows the position at the end of March 2018.

## 12. Housing Revenue Account (HRA)

### HRA income and expenditure (Appendix 12)

- 12.1 The revised budget for the HRA, presented to Council in February 2018, anticipated a net increase to revenue reserves of £768,200 leaving a balance of £7,635,800 at 31<sup>st</sup> March 2018.
- 12.2 The outturn statement at Appendix 12 shows a net increase for the year of £1,733,876, a positive variance of £965,676 increasing revenue reserves to £8,601,476 at year end.
- 12.3 An explanation of variances exceeding £50,000 is shown below:-

Detail	£'000
Reduction in bad debt requirement – reflects delay in rollout of Universal Credit and effective arrears management	60
Revenue contribution to capital outlay – reduced requirement reflects lower capital expenditure and use of alternative funding sources	901
Other net variances	5
<b>Total Variance</b>	<b>966</b>

### Major Repairs Reserve (Appendix 13)

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

**HRA Capital Programme (Appendix 13)**

- 12.5** Appendix 13 shows actual spend of £9,015,605 compared to the revised budget of £10,080,700, an underspend of £1,065,095. The programme includes a number of projects where expenditure plans span financial years and are delivered through more than one contract. Where delays are incurred, for example through extended consultation with leaseholders, Cheltenham Borough Homes seek opportunities for advancing other projects within overall available funding. Costs remain controlled at both contract and project level. Significant project variations from revised budget exceeding £50,000 are shown below:-

<b>Project</b>	<b>Revised Budget</b>	<b>Actual</b>	<b>Under Spend</b>	<b>Reason for Underspend</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	
External Improvements	719	636	83	Procurement delays
Major refurbishment of voids	551	477	74	Properties requiring option appraisal to be completed in 2018/19
Window & Door Replacement	3,478	3,286	192	Revised budget assumed additional work (£278k) could be brought forward from 2018/19 but only part of this was completed
Neighbourhood Works	202	12	190	Procurement delays
Door Entry Schemes	163	34	129	Procurement still subject to legal review
Fire Protection	139	70	69	Works carried out as part of another project budget
Disabled Adaptations	300	160	140	Delays in referrals from Occupational Health

Having reviewed contract commitments and the proposed programme for the current year the amount of rolled forward funding to be earmarked for additional spend in 2018/19 is estimated at £582,000.

**13. 2018/19 Revenue and Capital budget monitoring to June 2018**

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

**13.2 Salary Vacancies**

The council carries a salary vacancy target saving of £372,800 per annum allocated to individual service areas and achieved via staff turnover or vacant posts being held open.

A review of salary underspend against this target for the first three months of the financial year shows that this target is likely to be delivered, although this will be carefully monitored throughout the year.

**13.3 Car Parking - Income**

There is a shortfall in income of £30k in the first quarter of 2018/19. However, the implementation



of the car parking strategy is expected to result in this shortfall being recovered in the remainder of the year, with the expected outturn being in line with budget.

### **13.4 Cemetery & Crematoria – income**

Due to reduced capacity issues, pending the completion of the new facilities in January 2019 it is expected that the Cemetery & Crematoria income will be reduced by £400k in the current year. However there is a budgeted transfer of £373.5k into the Cemetery & Crematoria equalisation reserve, which will now not materialise in 2018/19, with a minimal expected impact on the revenue budget for the year.

### **13.5 Ubico Ltd. Operations**

In October 2017, a new waste and recycling scheme was introduced across the Borough. The roll-out has seen increases of around 25% of kerbside recycling collections. This exceeds the projections made as part of the project / financial parameters. The Council was advised that considerable fluctuations occur in recycling / waste habits during the first few months of any significant change to the service. It was therefore prudent not to make longer term assumptions until patterns were embedded. It was important to effectively analyse whether the levels will be sustained, and where the recycle now being collected is coming from (landfill waste or other recycling facilities). To this end a financial provision amounting to £200,000 to reflect the volatility was recognised in the working balance, agreed by Full Council in February 2018, to ensure collections are maintained to the expected standard during this interim period.

Several assumptions built into the business model presented to Cheltenham Borough Council for the kerbside recycling scheme could not be realised and this has resulted in Ubico requiring two additional vehicles with associated staffing resources which are not included in the current contract sum. It is therefore recommended that a contract variation of an additional £200,000 be approved for 2018/19 to reflect the true anticipated cost of the Ubico contract.

Work has been commissioned to fully inform how this cost can be mitigated in future financial years, the results of which will be subject to a formal decision-making process by Cabinet / Council by December 2018.

## **14. Section 151 Officer advice**

- 14.1** The Government expects councils to make a significant contribution to reducing the national budget deficit and the Council will continue to face unprecedented public sector funding cuts over the next few years. Future budgets will contain some difficult decisions and may require some sources of 'one off' finance to enable savings to be delivered through efficiency savings and cost / staffing reductions. In this situation, any opportunity to fund future investment requirements from one-off sources rather than impacting on future year's budgets should be taken.
- 14.2** The Local Government Association has said that any reforms to business rates must change the process for appeals against property valuations in order to protect councils from "speculative" reviews. In its submission to the Treasury's business rates review, the umbrella group of local authorities said that the current regime, whereby councils had to meet any refunds following successful appeals, undermines local services. It exposes councils to financial risk even though the property valuations themselves were undertaken by the independent Valuation Office Agency.
- 14.3** In agreeing the recommendations in this report, members need to be mindful of the prevailing challenging financial climate and in view of the budget pressures already potentially facing the Council in the current year to ensure that any carry forwards recommended for approval (even those for which the Section 151 Officer has the delegation to approve) are the most effective use of scarce resources.

## 15. Conclusion

- 15.1** The outturn position for 2017/18 demonstrates that, despite another challenging year, the Council has managed to deliver services within budget. There are number of windfall income streams from car parking, investment income and investment properties.
- 15.2** If approved, the carry forward requests will assist in the delivery of corporate objectives, help to complete projects started in 2017/18 and support initiatives which help to bridge the medium term funding gap.
- 15.3** Members should note that the outturn position has been used to prepare the Statement of Accounts for approval by the Audit Committee in July 2018.

## 16. Consultation

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

<b>Report author</b>	<b>Contact officer: Paul Jones, Executive Director Finance and Assets paul.jones@cheltenham.gov.uk, 01242 775154</b>
<b>Appendices</b>	<ol style="list-style-type: none"> <li>1. Risk assessment</li> <li>2. Summary outturn performance position - General Fund</li> <li>3. Service level outturn performance position - General Fund</li> <li>4. Significant variances</li> <li>5. Carry forward requests</li> <li>6. Movement on earmarked reserves and general balances</li> <li>7. Annual Treasury Management review</li> <li>8. Capital programme - General Fund</li> <li>9. Section 106 receipts statement</li> <li>10. Council tax and NNDR collection</li> <li>11. Sundry debt collection</li> <li>12. HRA Operating account</li> <li>13. HRA Capital programme and Major Repairs Reserve</li> </ol>
<b>Background information</b>	<ol style="list-style-type: none"> <li>1. Section 25 Report – Council 24<sup>th</sup> February 2017</li> <li>2. Final Budget Proposals for 2017/18 – Council 24<sup>h</sup> February 2017</li> <li>3. Budget Strategy and MTFS – Cabinet 12<sup>th</sup> December 2017</li> </ol>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible Officer	Transferred to risk register
CR3	If the Council is unable to come up with long term solutions which close the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision.	Cabinet	01/09/2010	5	3	15	Reduce	The budget strategy projection includes 'targets' for work streams to close the funding gap which aligns with the council's corporate priorities.	Ongoing	Chief Finance Officer	01/09/2010
CR105	If the Budget Deficit (Support) Reserve is not suitably resourced insufficient reserves will be available to cover anticipated future deficits resulting in the use of General Balances which will consequently fall below the minimum required level as recommended by the Chief Finance Officer in the council's Medium Term Financial Strategy	Chief Finance Officer	01/04/2016	4	3	12	Reduce	The MTFS is clear about the need to enhance reserves and identifies a required reserves strategy for managing this issue. In preparing the budget for 2018/19 and in ongoing budget monitoring, consideration will continue to be given to the use of fortuitous windfalls and potential future under spends with a view to strengthening reserves whenever possible.	Ongoing	Chief Finance Officer	
1.02	If income streams from the introduction of the business rates retention scheme in April 2013 are impacted by the loss of major business and the constrained ability to	Chief Finance Officer	14/09/12	4	3	12	Accept & Monitor	The Council joined the Gloucestershire pool to share the risk of fluctuations in business rates revenues retained by the Council.	Ongoing	Chief Finance Officer	

	grow the business rates in the town then the MTFS budget gap may increase.							The Gloucestershire S151 Officers continue to monitor business rates income projections and the performance and membership of the pool / pilot.  Work with members and Gloucestershire LEP to ensure Cheltenham grows its business rate base.			
1.03	If the robustness of the income proposals is not sound then there is a risk that the income identified within the budget will not materialise during the course of the year.	Chief Finance Officer	15/12/10	3	3	9	Reduce	Robust forecasting is applied in preparing budget targets taking into account previous income targets, collection rates and prevailing economic conditions. Professional judgement is used in the setting / delivery of income targets. Greater focus on cost control and income generation will be prioritised to mitigate the risk of income fluctuations.	Ongoing	Chief Finance Officer	
1.04	If when developing a longer term strategy to meet the MTFS, the Council does not make the public aware of its financial position and clearly articulates why it is making changes to	Chief Finance Officer	15/12/10	3	3	9	Reduce	As part of the delivery of the BTG / commissioning programmes a clear communication strategy is in place. In adopting a commissioning culture	Ongoing	Communications team to support the BTG programme	

	service delivery then there may be confusion as to what services are being provided and customer satisfaction may decrease.							the council is basing decisions on customer outcomes which should address satisfaction levels.			
1.07	If the assumptions around government support, business rates income, impact of changes to council tax discounts prove to be incorrect, then there is likely to be increased volatility around future funding streams.	Chief Finance Officer	13/12/10	5	3	15	Reduce	Work with Publica and county wide CFO's to monitor changes to local government financing regime including responding to government consultation on changes Business Rates and the Fair Funding review. The assumptions regarding government support have been mitigated to a certain extent by the acceptance of a multi-year settlement agreement.	Ongoing	Chief Finance Officer	

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## GENERAL FUND REVENUE OUTTURN 2017/18

GROUP	A	B	C	overspend / (underspend) before adjustments	D	D	E	F	G	H
	2017/18 Original Budget	2017/18 Current Budget	2017/18 Outturn per Ledger		Trf to / (from) Programme Mtce Reserve	Trf to / (from) Other Reserves	C/F requests approved by S151 Officer Appendix 5	Variance net of S151 c/f approvals	C/F requests to be approved Members Appendix 5	Variance net of all c/f requests
	£	£	£	£	£	£	£	£	£	£
Chief Executive	7,649,723	9,148,731	8,744,810	(403,921)	31,853	161,517	196,260	(14,291)	7,000	(7,291)
Regulatory & Environmental Services	3,130,023	3,858,919	3,698,987	(159,932)	17,718	20,000	2,000	(120,214)	0	(120,214)
Resources Directorate	6,852,883	8,106,119	6,884,649	(1,221,470)	738,179	269,119	103,064	(111,107)	0	(111,107)
	<b>17,632,629</b>	<b>21,113,769</b>	<b>19,328,446</b>	<b>(1,785,323)</b>	<b>787,750</b>	<b>450,636</b>	<b>301,324</b>	<b>(245,612)</b>	<b>7,000</b>	<b>(238,612)</b>
Capital Charges	(1,337,500)	(3,966,922)	(3,810,229)	156,693		(206,530)		(49,837)		(49,837)
Interest and Investment Income	(1,394,400)	(1,544,500)	(1,620,864)	(76,364)				(76,364)		(76,364)
Use of balances and reserves - Appendix 6	(1,046,332)	(1,068,267)	271,913	1,340,180		(244,106)				
Net underspend			403,179							
<b>NET BUDGET</b>	<b>13,854,397</b>	<b>14,534,080</b>	<b>14,572,446</b>							
Deduct:										
New Homes Bonus	(1,750,000)	(1,777,900)	(1,777,902)	(2)				(2)		(2)
Council Tax support Grant	(74,197)	(74,197)	(74,197)	0				0		0
S31 NDR compensation grant	(676,296)	(1,156,858)	(1,181,468)	(24,610)				(24,610)		(24,610)
Other Government Grants	0	0	(14,592)	(14,592)				(14,592)		(14,592)
Revenue Support Grant	(544,030)	(544,030)	(544,027)	3				3		3
National Non-Domestic Rate	(2,602,082)	(2,773,303)	(2,772,438)	865				865		865
<b>NET SPEND FUNDED BY COUNCIL TAX</b>	<b>(8,207,792)</b>	<b>(8,207,792)</b>	<b>(8,207,821)</b>	<b>(29)</b>				<b>(29)</b>		<b>(29)</b>
<b>TOTAL INCOME</b>	<b>(13,854,397)</b>	<b>(14,534,080)</b>	<b>(14,572,446)</b>					<b>(410,179)</b>		<b>(403,179)</b>
					<b>Total budget underspend</b>			<b>(410,179)</b>		<b>(403,179)</b>

## KEY

A - Original budget for 2017/18 approved by Council - February 2017

B - Current budget for 2017/18 - including budget revisions approved by Council during 2017/18 and approved carry forwards from 2016/17

C - Outturn net expenditure before year end adjustments

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

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

F - Net variance after adjustments in columns D to E

G - Carry forward requests requiring Member approval - Appendix 5

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

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REVENUE OUTTURN 2017/18		Original Budget 17/18 £	Current Budget 17/18 £	Actuals 17/18 £	(Under) / Overspend £	Carry Forwards £	Transfers to (from) Programme Mtce Reserve £	Transfers to to (from) other reserves £	Management Accounts (Under) / Overspend £
COR001	Corporate Management	302,950	533,050	502,262	(30,788)			10,600	(20,188)
EMP001	Emergency Planning	85,350	87,950	84,731	(3,219)				(3,219)
PLP102	Development Task Force	195,500	192,300	184,146	(8,154)				(8,154)
ECD002	Markets	(800)	12,200	13,146	946				946
SUP017	Business Improvement/Transformation	(33,000)	(4,009)	(69,288)	(65,279)				(65,279)
SUP036	Project Management	14,600	(24,700)	42,509	67,209				67,209
CCC001	Climate Change	13,400	21,400	21,400	0				0
COM001	Community Development	149,100	221,435	203,139	(18,296)	18,296			(0)
COM101	Oakley Resource Centre	0	(1,425)	13,367	14,792				14,792
COM102	Springbank Resource Centre	0	36,114	36,114	0				0
COM103	St. Margaret's Hall	0	3,188	3,188	(1)				(1)
COR003	Corporate Policy Making	39,200	(53,900)	(46,527)	7,373				7,373
COR102/3	2020 Vision	0	254,086	164,343	(89,743)			89,743	0
CUL108	Everyman Theatre	133,400	367,900	367,911	11				11
CUL109	Playhouse Theatre	8,700	65,016	65,019	3				3
CUL111	Cheltenham Festivals	12,500	36,600	36,600	0				0
DRM008	Corporate Subscriptions	22,400	19,000	18,044	(956)				(956)
DRM011	Twinning Expenses	31,200	49,000	46,213	(2,787)			2,787	0
GBD001	Community Welfare Grants	139,850	317,250	135,243	(182,007)	177,964			(4,043)
GBD103	SLA Single Advice Contract	109,100	107,800	107,100	(700)				(700)
PLP103	Cheltenham Strategic partnership	194,200	189,000	187,000	(2,000)				(2,000)
SUP018	Press & PR/Communications	10,500	(25,100)	(40,945)	(15,845)				(15,845)
SUP037	Equal Opportunities	1,500	1,500	0	(1,500)				(1,500)
DRM001	Democratic Representation and Management	736,200	532,300	510,528	(21,772)				(21,772)
DRM006	Cabinet Expenditure	25,400	33,000	33,000	0				0
DRM007	O & S Committees	38,300	81,000	81,000	0				0
DRM009	Civic Expenses	39,300	41,100	39,180	(1,920)				(1,920)
DRM010	Civic Car	20,400	23,500	21,007	(2,493)				(2,493)
DRM012	Civic Events	51,800	52,100	46,141	(5,959)				(5,959)
SUP007	Committee Services	800	6,009	(8,640)	(14,649)	7,000			(7,649)
ELE001	Registration of Electors	158,700	156,900	145,767	(11,133)				(11,133)
ELE002	District Elections	197,350	197,450	139,063	(58,387)			58,387	0
ELE003	Elections Support/Overheads	10,600	41,000	29,340	(11,660)				(11,660)
ELE004	Parliamentary Elections	0	0	(10,378)	(10,378)				(10,378)
ELE006	County Elections	0	0	(12,806)	(12,806)				(12,806)
ELE008	Police & Crime Commissioner Elections	0	0	(13,138)	(13,138)				(13,138)
ELE011	Referendum	0	0	(14,928)	(14,928)				(14,928)
RYC002	Green Waste	(214,810)	(223,310)	(250,379)	(27,069)				(27,069)
RYC004	Recycling Centres	340,104	440,004	449,542	9,538		31,853		41,391
RYC005	Bring Sites	99,068	97,868	91,904	(5,964)				(5,964)
RYC006	Recycling Collection Schemes	1,204,516	1,250,882	1,348,182	97,300				97,300

REVENUE OUTTURN 2017/18		Original Budget 17/18 £	Current Budget 17/18 £	Actuals 17/18 £	(Under) / Overspend £	Carry Forwards £	Transfers to (from) Programme Mtcce Reserve £	Transfers to to (from) other reserves £	Management Accounts (Under) / Overspend £
RYC007	Waste & Recycling - Marketing	33,500	35,200	53,972	18,772				18,772
RYC008	Bulking Facility	(231,955)	(118,955)	(154,288)	(35,333)				(35,333)
STC001	Street Cleaning	813,083	815,983	886,075	70,092				70,092
SUP034	Fleet Management	(14,600)	(16,900)	5,557	22,457				22,457
TRW001	Trade Waste	(25,595)	(16,595)	(62,408)	(45,813)				(45,813)
WST001	Household Waste	1,596,212	1,621,920	1,683,469	61,549				61,549
WST004	Bulky Household Waste	(11,200)	(6,700)	(1,467)	5,233				5,233
CSM001	Cultural - Service Management and Support Services	1,050,200	1,258,220	1,205,272	(52,948)				(52,948)
CUL107	Art Gallery & Museum Operations	0	0	678	678				678
TOU002	Tourist/Visitor Information Centre	(9,000)	7,000	532	(6,468)				(6,468)
TOU003	Tour of Britain	0	100,000	96,064	(3,936)				(3,936)
HOM001	Homelessness	362,500	349,500	344,759	(4,741)				(4,741)
SUP004	Legal	(50,800)	(15,400)	(12,502)	2,898				2,898
<b>1HOPS</b>	<b>Chief Executive</b>	<b>7,649,723</b>	<b>9,148,731</b>	<b>8,744,810</b>	<b>(403,921)</b>	<b>203,260</b>	<b>31,853</b>	<b>161,517</b>	<b>(7,291)</b>
BUC001	Building Control - Fee Earning Work	68,350	(23,750)	(88,325)	(64,575)				(64,575)
BUC002	Building Control - Non Fee Earning Work	0	0	1,137	1,137				1,137
BUC004	Land Charges	(45,950)	(107,169)	(86,406)	20,763				20,763
DEV001	Development Control - Applications	158,250	(13,703)	31,391	45,094				45,094
DEV002	Development Control - Appeals	0	0	3,750	3,750				3,750
DEV004	Development Advice	489,200	373,229	382,396	9,167				9,167
PLP001	Planning Policy	163,700	265,300	265,300	0				0
PLP004	Conservation	4,600	124,000	93,654	(30,346)				(30,346)
DEV003	Development Control - Enforcement	175,300	217,000	223,048	6,048				6,048
HOS004	Housing Standards	221,700	225,300	151,547	(73,753)				(73,753)
PSH001	Private Sector Housing Grants	22,000	41,600	42,428	828				828
PSH003	Disabled Facilities Grants	51,900	55,100	55,100	0				0
REG003	Animal Control	39,400	40,900	40,853	(47)				(47)
REG018	Pest Control	26,900	33,715	12,892	(20,823)				(20,823)
SPP002	Community Alarms	(68,700)	(64,640)	(63,847)	793				793
STC011	Abandoned Vehicles	20,500	(1,200)	2,337	3,537				3,537
AIR101	Gloucestershire Airport	50,000	24,300	3,740	(20,560)				(20,560)
ECD001	Economic Development	67,700	71,550	67,847	(3,703)				(3,703)
ENF101	Cheltenham Environmental Fund- Townscape	200	0	0	0				0
FLD001	Flood Defence and Land Drainage	73,700	89,372	89,372	0				0
FRM101	Flood Risk Management	131,627	121,527	101,178	(20,349)			20,000	(349)
PLP006	Trees	50,800	57,300	63,221	5,921				5,921
PLP104	Joint Core Strategy - CBC Contribution	60,200	60,000	60,000	0				0
URB101	Urban Design	10,700	66,400	99,255	32,855	2,000			34,855
PUT102	Shopmobility	91,850	108,587	101,160	(7,427)				(7,427)
TMR101	CBC Highways works	44,800	70,693	70,692	(1)				(1)
CPK001	Car Parks - Off Street Operations	(1,557,750)	(968,022)	(991,263)	(23,241)		4		(23,237)

REVENUE OUTTURN 2017/18		Original Budget 17/18 £	Current Budget 17/18 £	Actuals 17/18 £	(Under) / Overspend £	Carry Forwards £	Transfers to (from) Programme Mtce Reserve £	Transfers to to (from) other reserves £	Management Accounts (Under) / Overspend £
CPK101	Car Parks - Off Street R&M	150,100	67,300	77,056	9,756		4,598		14,353
CPK103	Sandford Lido car park	300	9,800	8,479	(1,321)				(1,321)
PUT101	Royal Well Bus Node	26,800	28,791	20,933	(7,858)				(7,858)
ENA001	Housing Enabling	40,300	31,900	31,900	0				0
HOS001	Housing Strategy	51,400	47,500	47,500	0				0
SPP001	Supporting People	22,500	14,700	14,700	0				0
CCM001	Cemetery, Crematorium and Churchyards	(757,840)	(838,110)	(666,892)	171,218		(874)		170,344
CCM111	Cemetery & Crematorium Repairs & Maintenance	56,400	130,800	141,946	11,146		13,990		25,136
ESR001	Highways Agency Verges & Trees	64,990	61,205	63,204	1,999				1,999
OPS001	Parks & Gardens Operations	1,158,534	1,108,323	1,068,007	(40,316)				(40,316)
OPS002	Sports & Open Spaces Operations	1,113,774	1,182,377	1,055,896	(126,481)				(126,481)
OPS004	Allotments	41,800	27,931	33,221	5,290				5,290
OPS101	Arle Road Nursery Operations	(66,712)	(61,612)	(38,126)	23,486				23,486
OPS102	GCC Schools	700	0	0	0				0
CCR001	Community Safety (Crime Reduction)	248,100	154,300	142,484	(11,816)				(11,816)
CCT001	CCTV	137,000	117,026	101,408	(15,618)				(15,618)
CSS001	Community Safety (Safety Services)	178,500	163,100	119,663	(43,437)				(43,437)
REG001	Environmental Health General	(110,500)	(54,000)	(56,749)	(2,749)				(2,749)
REG002	Licensing	(74,700)	4,467	(20,863)	(25,330)				(25,330)
REG012	Air Quality	33,600	39,200	45,501	6,301				6,301
REG013	Pollution Control	142,200	90,045	103,443	13,398				13,398
REG014	Contaminated Land	31,700	39,700	39,346	(354)				(354)
REG016	Food Safety	171,200	210,200	193,566	(16,634)				(16,634)
REG017	Health & Safety At Work	94,700	101,400	101,400	0				0
REG020	Water Sampling	6,000	3,700	3,291	(409)				(409)
SUP040	Built Environment	68,200	(10,393)	(7,432)	2,961				2,961
SUP140	Regulatory & Environmental Services Transformation	(50,000)	321,880	343,648	21,768				21,768
<b>2BUIENV</b>	<b>Environmental &amp; Regulatory Services</b>	<b>3,130,023</b>	<b>3,858,919</b>	<b>3,698,987</b>	<b>(159,932)</b>	<b>2,000</b>	<b>17,718</b>	<b>20,000</b>	<b>(120,214)</b>
SUP010	Internal Audit	(34,600)	(49,292)	(46,925)	2,367				2,367
SUP105	Corporate Fraud Unit	52,000	52,000	37,940	(14,060)				(14,060)
ADB102	Custodians	700	0	(1,668)	(1,668)				(1,668)
CPK002	Car Park Income Collection	41,400	38,700	30,643	(8,057)				(8,057)
SUP008	Reception/Customer Services	17,800	3,600	(11,084)	(14,684)				(14,684)
SUP014	Cashiers	12,100	84,174	51,499	(32,675)	18,200			(14,475)
SUP022	Printing services	300	0	0	0				0
SUP024	Postal Services	26,900	9,900	9,206	(694)				(694)
SUP103	Business Support Services	20,400	0	(7,896)	(7,896)				(7,896)
COR006	Treasury Management	73,100	82,000	86,290	4,290				4,290
COR105	Corporate Resources	33,900	(8,117)	29,643	37,760				37,760
HAV001	Housing Advances	0	0	(286)	(286)				(286)
NDC001	Non Distributed Costs	51,600	108,499	108,499	(0)				(0)

REVENUE OUTTURN 2017/18		Original Budget 17/18 £	Current Budget 17/18 £	Actuals 17/18 £	(Under) / Overspend £	Carry Forwards £	Transfers to (from) Programme Mtce Reserve £	Transfers to to (from) other reserves £	Management Accounts (Under) / Overspend £
SUP009	Accountancy	(30,000)	(25,674)	(63,105)	(37,431)				(37,431)
SUP011	Creditors	12,800	672	(2,872)	(3,544)				(3,544)
SUP012	Debtors	21,000	1,259	4,893	3,634				3,634
SUP033	Central Purchasing	27,700	1,137	1,422	285				285
SUP035	Insurances	(56,900)	55,364	56,028	664				664
SUP038	Pensions Backfunding	3,283,050	2,992,150	3,000,871	8,721				8,721
SUP003	Human Resources	(3,100)	(7,788)	10,804	18,592				18,592
SUP013	Payroll	(7,900)	950	(2,214)	(3,164)				(3,164)
SUP019	Health & Safety	30,000	858	(6,253)	(7,111)				(7,111)
SUP020	Training & Development	15,950	7,221	9,510	2,289				2,289
HBA001	Housing Benefit Administration	146,700	260,300	262,416	2,116				2,116
HBP001	Rent Allowances	(58,900)	(58,700)	(255,500)	(196,800)			110,000	(86,800)
HBP002	Rent Rebates	(71,960)	(71,960)	(57,766)	14,194				14,194
HBP003	Local Housing Allowance	(33,200)	(33,200)	(195,554)	(162,354)			230,000	67,646
LTC002	Council Tax Support Administration	76,200	79,500	79,583	83				83
SUP005	ICT	6,685	(56,712)	(60,750)	(4,038)				(4,038)
ADB101	Cheltenham Municipal Offices	60,100	26,679	(82,244)	(108,923)		78,060		(30,863)
ADB103	Cheltenham Depot	(89,000)	112,063	120,739	8,676		(3,866)		4,810
CUL002/3	War Memorials/World War 1 Commemoration Projects	36,100	56,000	(16,432)	(72,432)	59,864	69		(12,499)
CUL112	Town Hall Repairs & Maintenance	312,300	753,801	634,658	(119,143)		193,255	(70,881)	3,231
CUL113	Pittville Pump Room Repairs & Maintenance	208,100	342,200	259,235	(82,965)		72,497		(10,468)
CUL117	Art Gallery & Museum Repairs & Maintenance	206,800	417,452	440,785	23,333		36,099		59,432
ECD101	Xmas in Cheltenham	55,700	46,400	56,201	9,801				9,801
ADB104	Miscellaneous Operational properties	0	215,000	81,423	(133,577)	25,000	86,767		(21,810)
OPS111	Arle Road Nursery Repairs Maintenance	27,600	26,100	15,869	(10,231)		18,856		8,625
OPS121	Parks & Gardens Repairs & Maintenance	17,800	17,300	3,554	(13,746)		7,627		(6,119)
OPS122	Sports & Open Spaces Repairs & Maintenance	160,300	154,782	27,208	(127,574)		125,233		(2,341)
REC111	Recreation Centre Repairs & Maintenance	1,374,000	1,675,521	1,449,390	(226,131)		121,673		(104,458)
REC112	Prince of Wales Stadium Repairs & Maintenance	14,200	64,020	95,439	31,419		1,910		33,329
REG019	Public Conveniences	131,858	172,010	167,584	(4,426)				(4,426)
REG119	Public Conveniences R&M	15,800	12,600	5,744	(6,856)				(6,856)
SUP025	Property Services	35,800	(31,650)	14,720	46,370				46,370
LTC001	Council Tax Collection	658,100	580,700	531,469	(49,232)				(49,232)
LTC003	Council Tax Leaflet	0	0	(2,662)	(2,662)				(2,662)
LTC011	NNDR Collection	(26,400)	(10,900)	17,347	28,247				28,247
LTC111	Business Improvement District Administration	0	9,200	(2,751)	(11,951)				(11,951)
<b>4RESDIR</b>	<b>Resources Directorate</b>	<b>6,852,883</b>	<b>8,106,119</b>	<b>6,884,649</b>	<b>(1,221,470)</b>	<b>103,064</b>	<b>738,179</b>	<b>269,119</b>	<b>(111,107)</b>
<b>Total Services</b>		<b>17,632,629</b>	<b>21,113,769</b>	<b>19,328,446</b>	<b>(1,785,323)</b>	<b>308,324</b>	<b>787,750</b>	<b>450,636</b>	<b>(238,612)</b>

REVENUE OUTTURN 2017/18		Original Budget 17/18 £	Current Budget 17/18 £	Actuals 17/18 £	(Under) / Overspend £	Carry Forwards £	Transfers to (from) Programme Mtce Reserve £	Transfers to to (from) other reserves £	Management Accounts (Under) / Overspend £
BAL103	Capital Charges	(1,337,500)	(3,966,922)	(3,803,097)	163,825			(206,530)	(42,705)
OOE100	Gains / (losses) on the disposal of fixed assets	0	0	(7,132)	(7,132)				(7,132)
<b>92CAPC</b>	<b>Capital Charges</b>	<b>(1,337,500)</b>	<b>(3,966,922)</b>	<b>(3,810,229)</b>	<b>156,693</b>	<b>0</b>	<b>0</b>	<b>(206,530)</b>	<b>(49,837)</b>
EIP003	Impairment of Investments	0	0	(6,117)	(6,117)				(6,117)
FIE040	Income and Expenditure on Investment Properties	(1,801,900)	(1,933,700)	(1,933,155)	545				545
FIE010	Interest Payable and Similar Charges	793,200	754,500	749,081	(5,419)				(5,419)
FIE030	Interest and Investment Income	(385,700)	(365,300)	(430,673)	(65,373)				(65,373)
<b>93INT</b>	<b>Interest payable and receivable</b>	<b>(1,394,400)</b>	<b>(1,544,500)</b>	<b>(1,620,864)</b>	<b>(76,364)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(76,364)</b>
BAL104	Balances and Reserves	(1,046,332)	(1,068,267)	271,913	1,340,180	(308,324)	(787,750)	(244,106)	0
<b>93COR</b>	<b>Use of balances and reserves</b>	<b>(1,046,332)</b>	<b>(1,068,267)</b>	<b>271,913</b>	<b>1,340,180</b>	<b>(308,324)</b>	<b>(787,750)</b>	<b>(244,106)</b>	<b>0</b>
<b>TOTAL COST OF SERVICES</b>		<b>13,854,397</b>	<b>14,534,080</b>	<b>14,169,266</b>	<b>(364,814)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(364,814)</b>
<b>Funding-</b>									
OOE200	Parish Council Precepts	199,088	199,088	199,088	(0)				(0)
OOE210	Parish Council Tax Support Grant	10,269	10,269	10,268	(1)				(1)
TGI010	Council Tax income	(8,417,149)	(8,417,149)	(8,417,177)	(28)				(28)
<b>Council Tax Income</b>		<b>(8,207,792)</b>	<b>(8,207,792)</b>	<b>(8,207,821)</b>	<b>(29)</b>				<b>(29)</b>
TGI018	Non-domestic rates income and expenditure	(2,602,082)	(2,773,303)	(2,772,438)	865				865
<b>Other Government Grants:-</b>									
TGI020-R9001	Revenue Support Grant	(544,030)	(544,030)	(544,027)	3				3
TGI020-R9005	New homes bonus grant	(1,750,000)	(1,777,900)	(1,777,902)	(2)				(2)
TGI020-R9007	Transitional Grant - CTS - District	(74,197)	(74,197)	(74,197)	0				0
TGI020-R9009	S31 NDR compensation grant	(676,296)	(1,156,858)	(1,181,468)	(24,610)				(24,610)
TGI020-R9060	Other specific government grants	0	0	(14,592)	(14,592)				(14,592)
<b>Other Government Grants</b>		<b>(3,044,523)</b>	<b>(3,552,985)</b>	<b>(3,592,186)</b>	<b>(39,201)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(39,201)</b>
<b>TOTAL FUNDING</b>		<b>(13,854,397)</b>	<b>(14,534,080)</b>	<b>(14,572,446)</b>	<b>(38,366)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(38,366)</b>
<b>NET OUTTURN POSITION</b>		<b>0</b>	<b>0</b>	<b>(403,179)</b>	<b>(403,179)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(403,179)</b>

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## SIGNIFICANT VARIANCES IN REVENUE OUTTURN FOR 2017/18 (OVER £50,000) BY SERVICE

### HEAD OF PAID SERVICE

There is a net underspend of £404k within the Chief Executive Directorate in 2017/18 including the following significant variances:-

#### Recycling

There is a net overspend of £97.3k in Recycling collection scheme budgets. This includes £172.6k council share of the Ubico deficit for this service as a result of one-off increased operating and vehicle maintenance costs incurred in 2017/18. This is partially offset by an underspend of £33.1k in recycling equipment and a surplus of £42.2k in recycling credits income for the year.

There is also net surplus income of £37k within the bulking facility services as a result of higher than expected sales of paper, cans and other materials.

#### Waste

There is a net overspend in household waste of £61.5k including £65.6k council share of the Ubico deficit for this service as a result of one-off the increased transport costs incurred in 2017/18 and a shortfall of £27.4k in expected income for the year. This is partially offset by an underspend of £31.6k in equipment purchases.

This overspend is partially offset by a net saving of £16.2k in the supplies and services costs of the Trade Waste service and additional trade waste income of £29.6k generated in 2017/18.

#### Street Cleaning

There is a net overspend in Street Cleaning of £71.4k, arising from the council share of the Ubico deficit for this service due to one-off increased transport costs incurred in 2017/18.

#### Leisure & Culture management

There is a net underspend of £52.9k in the council's budget for Leisure & Culture in 2017/18. This includes a saving of £48.6k in the Local Government pension scheme superannuation costs payable in respect of ex council staff tupe transferred to The Cheltenham Trust in 2014.

### ENVIRONMENTAL & REGULATORY SERVICES

There is a net underspend of £159.9k within the Environmental & Regulatory Services Directorate for 2017/18 including the following significant variances:-

#### Development Control

There is a shortfall of £58k in planning fee income for the year. This is due to reduced applications within 17/18.

#### Building Control

There is a surplus of £62.k in building control fee earning work for the year. This is due to increased fee income of £26k generated from additional resources employed

towards the end of the financial year. The remaining surplus was due to management staff cost savings of £36k during the year.

### **Housing Standards**

There is a net underspend of £73.7k in the Housing Standards. This is due to £15.1k additional licensing income for houses with multiple occupancy, £48.9k of staff savings during the year and £9.7k underspend of supplies & services budgets.

### **Cemetery & Crematoria**

There is a net overspend in this service of £170.3k. This is made up of £123k of reduced income due to reduced capacity for cremations from February 2018. The remaining overspend was due to cost incurred ensuring that the cremations in February could take place in alternative locations.

### **Sports & Open Spaces**

There is a net underspend of £126.5k in the Sports & Open Spaces budget, This includes £49k additional income from hirers and rentals and £74k council share of the Ubico operations saving in service expenditure in 2017/18.

## **RESOURCES DIRECTORATE**

There is a net underspend within the Corporate Resourcing Directorate of £111.1k, including the following significant variances:-

### **The Wilson Repairs & Maintenance**

There is an overspend in The Wilson premises costs falling under the responsibility of the Council of £59.4k including £52.6k overspend in mechanical repairs and other reactive repair and premises related costs during the year.

There is an underspend of £36k in planned maintenance schemes within the Wilson. This is a timing issue only and the budget has been transferred back to the Repairs & Renewals reserve, to be spent in 2018/19.

### **Leisure Repairs & Maintenance**

There is a net underspend of £71k in the Leisure centre and Prince of Wales Stadium utility costs for the year.

There is an underspend of £123.4k in planned maintenance schemes within these leisure centres. This is a timing issue only and the budget has been transferred back to the Repairs & Renewals reserve, to be spent in 2018/19.

### **Rent Rebates and Rent Allowances**

There is a net underspend in rent allowances and rent rebates of £345k for the year. This includes a saving of £152k in the budget for the rent allowances bad debt provision. A review of the level of related debtor balances at 31<sup>st</sup> March 2018 has resulted in a lower than expected increase to the provision at the year end.

There is a surplus of £162k for the year in the Local Housing Allowance budget, including additional one off Local Housing Allowance grant income received during the year.

A transfer of £340k has been made into the rent allowances equalisation reserve to cover the cost of future fluctuations in levels of activity.



**Ubico**

Overall there is net additional contract costs payable by the council of £323.4k within the recycling and waste collection and street cleaning services that fall within the Chief Executives Department of the council as a result of the share of the Ubico deficit for the year.

There is an overall net saving in contract costs payable to Ubico in respect of the Parks & Gardens operations of £100.6k, falling within the council's Environmental & Regulatory Services budgets.

There is a net saving in contract costs payable to Ubico of £19.6k for public conveniences, falling within the council's Resources Directorate Services and a net saving of £4.5k for Housing Forecourts, falling within the Housing Revenue Account.

These total a net overspend of £198.7k across the general fund and Housing Revenue Account, which is included in the net outturn position for 2017/18 and, where significant, detailed above.

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# 2017/18 CARRY FORWARD REQUESTS

APPENDIX 5

Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Detail Code	Reason for carry forward	A (i)	A (ii)	B
					Base Budgets Amounts agreed by S151 Officer under delegated powers	One-Off Budgets Amounts agreed by S151 Officer under delegated powers	Amounts for member approval
18,296	R6280	COM001	CPN007	Request to carry forward external funding for continued expenditure on the Inspiring Families project in 2018/19		18,296	
44,261	R6280	GBD001	CPN002	External HWB Partnership GCC grant - Carry forward to fund health grants		44,261	
41,729	R6280	GBD001	CPN003	Community Pride Carry forward to fund community pride grants already committed		41,729	
24,762	R6280	GBD001	CPN009	Positive activities grant Carry forward to fund positive activity grants already committed		24,762	
9,800	R6280	GBD001	GRA003	Community Development Grants Carry forward to fund community grants already committed		9,800	
206	R6280	GBD001	GRA031	External DCLG grant income received in 2015/16 requested to be carried forward to fund pocket parks projects in 2018/19		206	
57,206	R6280	GBD001	GRA029	Local Big Trust grant - Funding for various committed projects to be carried forward to cover planned programme of expenditure straddling three years.		57,206	
59,864	R6280	CUL103	WW1001	Balance of grant for war memorial restoration project carried forward to fund remaining committed expenditure on various commemerative projects in 2018/19		59,864	
7,000	R4531	SUP007	NA	Underspend in Democratic services budgets requested to be carried forward to fund identification software and identification cards as part of the new sound system equipment being installed in the council chamber, for use at democratic meetings.			7,000
<b>263,124</b>	<b>TOTAL HEAD OF PAID SERVICE DIRECTORATE</b>				<b>-</b>	<b>256,124</b>	<b>7,000</b>
18,200	R4531	SUP014	NA	Civica upgrade deferred until 2018/19	18,200		
25,000	R4400	FIE040	R4400	Underspend in backfilling costs required to fund a Property Administrator, to provide temporary administrative support in 2018/19 relating to the Council's property portfolio data in order to facilitate Property Services' compliance with GDPR legislation.	25,000		
<b>43,200</b>	<b>TOTAL RESOURCES DIRECTORATE</b>				<b>43,200</b>	<b>-</b>	<b>-</b>
2,000	R2086	URB101	NA	Request to Carry forward spend on maintenance with Place area as unable to complete work in 2017/18 and work to be carried out in 2018/19	2,000		
<b>2,000</b>	<b>TOTAL ENVIRONMENT &amp; REGULATORY SERVICES</b>				<b>2,000</b>	<b>-</b>	<b>-</b>
<b>308,324</b>	<b>TOTAL CARRY FORWARD REQUESTS</b>				<b>45,200</b>	<b>256,124</b>	<b>7,000</b>

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7,000

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		31/3/17	2017/18	2017/18	2017/18	31/3/18	2018/19	Proposals	2018/19	31/3/19
			Movement	Reserve	Movement		Movement	to Support	Movement	
		£	Revenue	Re-alignment	Capital	£	Revenue	2018/19 Budget	Capital	£
		£	£	£	£	£	£	£	£	£
<b><u>EARMARKED RESERVES</u></b>										
<b><u>Other</u></b>										
RES002	Pension Reserve	(0)	(210,600)			(210,600)	(70,200)			(280,800)
RES003	Economic Development & Tourism Reserve	(104,200)	100,000			(4,200)				(4,200)
RES006	Cultural Development Reserve	(22,361)				(22,361)				(22,361)
RES008	House Survey Reserve	(78,616)	36,500			(42,116)	36,500			(5,616)
RES026	Social Housing Marketing Assessment (SHMA) Reserve	(43,534)	(2,500)			(46,034)	(2,500)			(48,534)
RES009	Twinning Reserve	(5,579)	(2,787)			(8,366)				(8,366)
RES010	Flood Alleviation Reserve	(122,127)	(15,773)			(137,900)	50,000			(87,900)
RES014	GF Insurance Reserve	(91,606)				(91,606)				(91,606)
RES016	Joint Core Strategy Reserve	(18,780)				(18,780)				(18,780)
RES018	Civic Pride Reserve	(301,188)	105,100			(196,088)	105,100			(90,988)
RES020	Ubico Reserve	(94,000)				(94,000)				(94,000)
RES021	Cheltenham Leisure & Culture Trust	(120,000)	120,000			0				0
RES022	Homelessness Reserve	(41,100)				(41,100)		35,000		(6,100)
RES023	Transport Green Initiatives Reserve	(33,825)				(33,825)				(33,825)
RES024	New Initiatives reserve	(850,000)	164,343			(685,657)	120,200			(565,457)
RES025	Budget Strategy (Support) Reserve	(2,034,053)	479,026			(1,555,027)		913,058		(641,969)
		<b>(3,960,968)</b>				<b>(3,187,660)</b>				<b>(2,000,502)</b>
<b><u>Repairs &amp; Renewals Reserves</u></b>										
RES201	Commutated Maintenance Reserve	(203,207)	59,000			(144,207)	59,000			,207)
RES204	I.T. Repairs & Renewals Reserve	(0)	(37,200)			(37,200)	(50,000)			,200)
RES206	Delta Place Reserve	(100,000)	(100,000)			(200,000)	(100,000)			,000)
RES205	Property Repairs & Renewals Reserve	(1,287,137)	(265,768)			(1,552,905)				,905)
		<b>(1,590,345)</b>				<b>(1,934,313)</b>				<b>,313)</b>
<b><u>Equalisation Reserves</u></b>										
RES101	Rent Allowances Equalisation	(110,000)	(370,100)			(480,100)	(41,000)			,100)
RES102	Planning Appeals Equalisation	(207,932)				(207,932)				(207,932)
RES105	Local Plan Equalisation	(107,230)				(107,230)				(107,230)
RES106	Elections Equalisation	(137,100)	(58,387)			(195,487)				(195,487)
RES107	Car Parking Equalisation	(330,000)				(330,000)	(400,000)		400,000	(330,000)
RES108	Business Rates Retention Equalisation	(355,642)	(411,783)			(767,425)	112,254			(655,171)
RES109	Cemetery income Equalisation reserve	0	(373,550)			(373,550)	(373,550)			(747,100)
		<b>(1,247,904)</b>				<b>(2,461,724)</b>				<b>(2,764,020)</b>
<b><u>Reserves for commitments</u></b>										
RES301	Carry Forwards Reserve	(376,700)	68,376			(308,324)	308,324			0
<b><u>CAPITAL</u></b>										
RES402	Capital Reserve - GF	(269,778)			41,011	(228,767)	(200,000)		115,500	(313,267)
<b>TOTAL EARMARKED RESERVES</b>		<b>(7,445,695)</b>				<b>(8,120,788)</b>				<b>(7,103,102)</b>
<b><u>GENERAL FUND BALANCE</u></b>										
B8000 - B8240	General Balance - RR	(1,408,591)				(1,408,591)		250,000		(1,158,591)
		<b>(1,408,591)</b>				<b>(1,408,591)</b>				<b>(1,158,591)</b>
<b>TOTAL GENERAL FUND RESERVES AND BALANCES</b>		<b>(8,854,287)</b>	<b>(716,103)</b>	<b>0</b>	<b>41,011</b>	<b>(9,529,379)</b>	<b>(445,872)</b>	<b>1,198,058</b>	<b>515,500</b>	<b>(8,261,693)</b>

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# Treasury Management Outturn Report 2017/18

## 1. Introduction

In February 2011 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve a treasury management annual report after the end of each financial year.

This report fulfils the Authority's legal obligation to have regard to the CIPFA Code.

The Authority's treasury management strategy for 2017/18 was approved at a meeting on 10<sup>th</sup> February 2017. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

## 2. Economic commentary

2017-18 was characterised by the push-pull from expectations of tapering of Quantitative Easing (QE) and the potential for increased policy rates in the US and Europe and from geopolitical tensions, which also had an impact.

The UK economy showed signs of slowing with latest estimates showing GDP, helped by an improving global economy, grew by 1.8% in calendar 2017, the same level as in 2016. This was a far better outcome than the majority of forecasts following the EU Referendum in June 2016, but it also reflected the international growth momentum generated by the increasingly buoyant US economy and the re-emergence of the Eurozone economies.

The inflationary impact of rising import prices, a consequence of the fall in sterling associated with the EU referendum result, resulted in year-on-year CPI rising to 3.1% in November before falling back to 2.7% in February 2018. Consumers felt the squeeze as real average earnings growth, i.e. after inflation, turned negative before slowly recovering. The labour market showed resilience as the unemployment rate fell back to 4.3% in January 2018. The inherent weakness in UK business investment was not helped by political uncertainty following the surprise General Election in June and by the lack of clarity on Brexit, the UK and the EU only reaching an agreement in March 2018 on a transition which will now be span Q2 2019 to Q4 2020. The Withdrawal Treaty is yet to be ratified by the UK parliament and those of the other 27 EU member states and new international trading arrangements are yet to be negotiated and agreed.

The Bank of England's Monetary Policy Committee (MPC) increased Bank Rate by 0.25% in November 2017. It was significant in that it was the first rate hike in ten years, although in essence the MPC reversed its August 2016 cut following the referendum result. The February *Inflation Report* indicated the MPC was keen to return inflation to the 2% target over a more conventional (18-24 month) horizon with 'gradual' and 'limited' policy tightening. Although in March two MPC members voted to increase policy rates immediately and the MPC itself stopped short of committing itself to the timing of the next increase in rates, the minutes of the meeting suggested that an increase in May 2018 was highly likely.

In contrast, economic activity in the Eurozone gained momentum and although the European Central Bank removed reference to an 'easing bias' in its market communications and had yet to confirm its QE intention when asset purchases end in September 2018, the central bank appeared some way off normalising interest rates. The US economy grew steadily and, with its policy objectives of price stability and maximising employment remaining on track, the Federal Reserve Open Market Committee (FOMC) increased interest rates in December 2017 by 0.25% and again in March, raising the policy rate target range to 1.50% - 1.75%. The Fed is expected to deliver two more increases in 2018 and a further two in 2019. However, the imposition of tariffs on a broadening range of goods initiated by the US, which has led to retaliation by China, could escalate into a deep-rooted trade war having broader economic consequences including inflation rising rapidly, warranting more interest rate hikes.

### **3. Financial markets**

The increase in Bank Rate resulted in higher money markets rates: 1-month, 3-month and 12-month LIBID rates averaged 0.32%, 0.39% and 0.69% and at 31<sup>st</sup> March 2018 were 0.43%, 0.72% and 1.12% respectively.

Gilt yields displayed significant volatility over the twelve-month period with the change in sentiment in the Bank of England's outlook for interest rates. The yield on the 5-year gilts which had fallen to 0.35% in mid-June rose to 1.65% by the end of March. 10-year gilt yields also rose from their lows of 0.93% in June to 1.65% by mid-February before falling back to 1.35% at year-end. 20-year gilt yields followed an even more erratic path with lows of 1.62% in June, and highs of 2.03% in February, only to plummet back down to 1.70% by the end of the financial year.

The FTSE 100 had a strong finish to calendar 2017, reaching yet another record high of 7688, before plummeting below 7000 at the beginning of 2018 in the global equity correction and sell-off.

### **4. Credit background**

In the first quarter of the financial year, UK bank credit default swaps reached three-year lows on the announcement that the Funding for Lending Scheme, which gave banks access to cheaper funding, was being extended to 2018. For the rest of the year, CDS prices remained broadly flat.

The rules for UK banks' ring-fencing were finalised by the Prudential Regulation Authority and banks began the complex implementation process ahead of the statutory deadline of 1st January 2019. The rating agencies had slightly varying views on the creditworthiness of the restructured entities.

### **5. Money Market Fund regulation**

The new EU regulations for Money Market Funds (MMFs) were finally approved and published in July and existing funds will have to be compliant by no later than 21st January 2019. The key features include Low Volatility Net Asset Value (LVNAV) Money Market Funds which will be permitted to maintain a constant dealing NAV, providing they meet strict new criteria and minimum liquidity requirements. MMFs will not be prohibited from having an



external fund rating (as had been suggested in draft regulations). Arlingclose expects most of the short-term MMFs it recommends to convert to the LVNAV structure and awaits confirmation from each fund.

## **6. Local Authority Regulatory Changes**

### **6.1 Revised CIPFA Codes**

CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The required changes from the 2011 Code are being incorporated into Treasury Management Strategies and monitoring reports.

The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. Where this strategy is produced and approved by full Council, the determination of the Treasury Management Strategy can be delegated to a committee. The Code also expands on the process and governance issues of capital expenditure and investment decisions.

The Council has prepared the Capital Strategy for 2018/19 as part of the Treasury Management Strategy, and was approved by full Council.

In the 2017 Treasury Management Code the definition of 'investments' has been widened to include financial assets as well as non-financial assets held primarily for financial returns such as investment property. These, along with other investments made for non-treasury management purposes such as loans supporting service outcomes and investments in subsidiaries, must be discussed in the Capital Strategy or Investment Strategy. Additional risks of such investments are to be set out clearly and the impact on financial sustainability is to be identified and reported.

### **6.2 MiFID II**

As a result of the second Markets in Financial Instruments Directive (MiFID II), from 3<sup>rd</sup> January 2018 local authorities were automatically treated as retail clients but could "opt up" to professional client status, providing certain criteria was met which includes having an investment balance of at least £10 million and the person(s) authorised to make investment decisions on behalf of the council have at least a year's relevant professional experience. In addition, the regulated financial services firms to whom this directive applies have had to assess that that person(s) have the expertise, experience and knowledge to make investment decisions and understand the risks involved.

The Council has met the conditions to opt up to professional status and has done so in order to maintain its erstwhile MiFID II status prior to January 2018. The Authority will continue to have access to products including money market funds, pooled funds, treasury bills, bonds, shares and to financial advice.

## 7. Local Context

On 31<sup>st</sup> March 2018, the Authority had net borrowing of £53.569m arising from its revenue and capital income and expenditure, an increase on 2016/17 of £10.45m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table 1 below.

Table 1: Balance Sheet Summary

	<b>31.3.17 Actual £m</b>	<b>2017/18 Movement £m</b>	<b>31.3.18 Actual £m</b>
General Fund CFR	39.310	3.341	42.651
HRA CFR	44.750	-	44.750
<b>Total CFR</b>	<b>84.060</b>	<b>3.341</b>	<b>87.401</b>
Less: Usable reserves	30.150	(1.968)	32.118
Less: Working capital	10.791	(9.077)	1.714
<b>Net borrowing</b>	<b>43.119</b>	<b>10.450</b>	<b>53.569</b>

The Council's strategy was to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31<sup>st</sup> March 2018 and the year-on-year change in show in table 2 below.

Table 2: Treasury Management Summary

	<b>31.3.17 Balance £m</b>	<b>2017/18 Movement £m</b>	<b>31.3.18 Balance £m</b>	<b>31.3.18 Rate %</b>
Long-term borrowing	64.830	(0.544)	64.286	3.76
Short-term borrowing	0	7.80	7.80	0.63
<b>Total borrowing</b>	<b>64.830</b>	<b>7.256</b>	<b>72.086</b>	<b>3.42</b>
Long-term investments	-	3.000	3.000	4.14
Short-term investments	21.000	(9.000)	12.000	0.63
Cash and cash equivalents	0.226	2.017	2.243	0.43
Icelandic	0.485	(0.011)	0.474	-
<b>Total investments</b>	<b>21.711</b>	<b>(3.194)</b>	<b>18.517</b>	<b>1.20</b>
<b>Net borrowing</b>	<b>43.119</b>	<b>10.450</b>	<b>53.569</b>	

### Borrowing Activity

At 31<sup>st</sup> March 2018, the Authority held £72.086m of loans, an increase of £7.256m on the previous year, as part of its strategy for funding the current years' capital programme and maintaining cashflow. The year-end borrowing position and the year-on-year change in show in table 3 below.

Table 3: Borrowing Position

	31.3.17 Balance £m	2017/18 Movement £m	31.3.18 Balance £m	31.3.18 Rate %
Public Works Loan Board	48.930	(0.544)	48.386	3.68
Banks (LOBO)	15.900	(8.900)	7.000	4.24
Banks (fixed-term)	0	8.900	8.900	3.82
Local authorities (short-term)	0	7.800	7.800	0.63
<b>Total borrowing</b>	<b>64.830</b>	<b>7.256</b>	<b>72.086</b>	<b>3.42</b>

The council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

In furtherance of these objectives, no new long term borrowing occurred in 2017/18 apart from temporary borrowing. This strategy enabled the Authority to reduce net borrowing costs and reduce overall treasury risk.

The Authority continues to hold £7m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during 2017/18.

## 8. Investment Activity

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2017/18, the Authority's investment balance ranged between £15.641 and £30.218 million due to timing differences between income and expenditure. The year-end investment position and the year-on-year change in show in table 4 below.

Table 4: Investment Position (Treasury Investments)

	31.3.17 Balance £m	2017/18 Movement £m	31.3.18 Balance £m	31.3.18 Rate %
Banks & building societies (unsecured)	20.000	(11.000)	9.000	0.62
Government (incl. local authorities)	1.000	2.000	3.000	0.78
Money Market Funds/Call Accounts	300	1.646	1.946	0.43
Property Funds	0	3.000	3.000	4.14
<b>Total investments</b>	<b>21.300</b>	<b>(4.354)</b>	<b>16.946</b>	<b>1.20</b>

Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

In furtherance of these objectives, and given the increasing risk and low returns from short-term unsecured bank investments, the council diversified into higher yielding asset classes during 2017/18. £3m that is available for longer-term investment was moved from bank and building society deposits into the CCLA Property Fund. As a result, investment risk was lowered, while the average rate of return has increased from 0.54% to 0.80%.

The £3m portfolio of externally managed pooled property fund generated a total return of £53k (4.25%). Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives is regularly reviewed. In light of their strong income generation performance and the Authority's latest cash flow forecasts, investment in these types of pooled funds has been targeted for the 2018/19 financial year.

## 9. Financial Implications

The outturn for debt interest paid in 2017/18 was £2.434 million (3.67%) on an average debt portfolio of £66.357 million against a budgeted £2.439 million on an average debt portfolio of £65m million at an average interest rate of 3.75%.

The outturn for investment income received in 2017/18 was £431k (0.80%) on an average investment portfolio of £23.507 million against a budgeted £365k on an average investment portfolio of £22 million at an average interest rate of 0.45%.

Net loans and investments budget for 2017/18 was a cost of £389,200 but made an actual return of £318,407, a surplus of £70,793.

## 10. Compliance Report

The Chief Finance Officer is pleased to report that all treasury management activities undertaken during 2017/18 complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management. Compliance with the authorised limit and operational boundary for external debt is demonstrated in table 5 below.

Table 5: Debt Limits

	2017/18 Maximum £m	31.3.18 Actual £m	2017/18 Operational Boundary £m	2017/18 Authorised Limit £m	Complied
Borrowing	72.560	72.086	112.000	122.000	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash

flow, and this is not counted as a compliance failure. Total debt was never above the operational boundary during 2017/18.

## 11. Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

### 11.1 Security

The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.18 Actual	2017/18 Target	Complied
Portfolio average credit rating	AA-	A	✓

### 11.2 Maturity Structure of Borrowing

This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing were:

	31.3.18 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	11.58%	50%	0%	✓
12 months and within 24 months	0.79%	50%	0%	✓
24 months and within 5 years	2.51%	100%	0%	✓
5 years and within 10 years	5.78%	100%	0%	✓
10 years and above	79.34	100%	0%	✓

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

### 11.3 Principal Sums Invested for Periods Longer than 364 days

The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2017/18	2018/19	2019/20
Actual principal invested beyond year end	4m	8m	8m
Limit on principal invested beyond year end	10m	10m	10m
Complied	✓	✓	✓

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## GENERAL FUND CAPITAL PROGRAMME 2017/18

Code	Fund	Scheme	Scheme Description	Original Budget 2017/18 £	Revised Budget 2017/18 £	Outturn 2017/18 £	(Underspend)/ Overspend 2017/18 £	Budget 2018/19 £	Revised Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £
<b>RESOURCES</b>											
<b>Property Services</b>											
CAP601/2/3	PB/PPMR/HCR/GCR/R	Crematorium Scheme	Construction of new chapels	7,008,100	8,203,236	2,657,413	(5,545,823)	-	5,545,823	-	-
CAP505	GCR	Town Centre acquisitions	Works on shopfitters' site	-	47,406	49,906	2,500	-	-	-	-
CAP506	GCR	Enterprise Way Phase 2	Industrial units to complete development	-	60,000	-	(60,000)	525,000	585,000	-	-
CAP700	PB/GCR	Enhancing Investment Property Portfolio	To increase the Council's property portfolio.	10,200,000	9,615,000	-	(9,615,000)	-	9,615,000	-	-
CAP605	PB	Loan to St. Margaret's Hall Trust	Towards cost of capital works	-	50,000	50,000	-	-	-	-	-
CAP402	P	West Cheltenham \ Cyber Hub	Infrastructure to support cyber hub	-	1,000,000	-	(1,000,000)	21,000,000	22,000,000	-	-
<b>Financial Services</b>											
CAP010	GCR	GO ERP	Development of ERP system within the GO Partnership	-	14,700	-	(14,700)	-	14,700	-	-
<b>ICT</b>											
CAP026	GCR	IT Infrastructure	5 year ICT infrastructure strategy	100,000	133,600	99,493	(34,107)	100,000	134,107	100,000	100,000
CAP028	HCR	Telephony	Infrastructure plus the handsets/one off licences	-	16,400	-	(16,400)	-	16,400	-	-
<b>CHIEF EXECUTIVE</b>											
<b>Leisure &amp; Culture</b>											
CAP126	GCR/R	Town Hall redevelopment scheme	Preliminary work, subject to Council approving a detailed scheme and a business case	360,000	400,000	70,881	(329,119)	-	329,119	-	-
CAP127	PPMR/P/GCR/PB	Sports and Play Hub Phase 1	Capital improvements to the leisure centre changing rooms, extension of gym facilities and creation of new spashpad area scheme, in partnership with the Cheltenham Trust	-	2,508,228	343,112	(2,165,116)	-	2,165,116	-	-
<b>Waste &amp; Recycling</b>											
CAP301	PB/GCR	Vehicles and recycling equipment	Replacement vehicles and recycling equipment	3,063,000	3,259,000	3,243,830	(15,170)	1,000,000	1,800,000	1,000,000	400,000
CAP303	C	Recycling receptacles	Heavy duty blue recycling bags, sacks and boxes	-	200,000	195,499	(4,501)	-	-	-	-
<b>Other</b>											
CAP304	C	Other vehicles	Replacement vehicle for car park income collectors	-	11,050	11,031	(19)	-	-	-	-
<b>REGULATORY &amp; ENVIRONMENTAL SERVICES</b>											
CAP152	GCR	Public Realm - Promenade pedestrianised area	Upgrade of Promenade pedestrianised area including remodelling of tree pits, providing seating, re-pointing existing Yorkstone.	46,900	44,500	9,668	(34,832)	-	34,832	-	-
CAP154	GCR	Public Realm - St. Mary's Churchyard	Public Art Scheme	39,600	56,900	-	(56,900)	-	56,900	-	-
CAP155	P/GCR	Pedestrian Wayfinding	GCC Pedestrian Wayfinding	-	48,000	-	(48,000)	-	48,000	-	-
CAP156	S106	Hatherley Art Project	Public Art - Hatherley	-	11,800	-	(11,800)	-	11,800	-	-
CAP204	GCR	Public Realm - Improvements to Grosvenor terrace car park (Town Centre East)	Improving linkages to the High Street, signage and decoration.	110,500	115,500	-	(115,500)	-	115,500	-	-
CAP201	GCR	CCTV	Additional CCTV in order to improve shopping areas and reduce fear of crime	300,000	300,000	32,480	(267,520)	50,000	317,520	50,000	50,000
CAP202	GCR	Car park management technology	The upgrade of the car park management technology at selected sites such as Regent Arcade is essential as the existing management systems and hardware have now reached the end of their life cycle. From 2017/18 revised budget consolidated with Cap park Investment scheme.	37,100	-	-	-	-	-	-	-
CAP205	GCR	Public Realm Improvements - High St.	High Street & Town Centre public realm improvement including repaving work in the High Street and town centre	406,000	450,700	-	(450,700)	-	450,700	-	-
CAP205	GCR	Public Realm Improvements - fees	High Street & Town Centre public realm improvement including repaving work in the High Street and town centre	-	204,000	84,810	(119,190)	-	119,190	-	-
CAP206	GCR	Car Park Investment	Car park strategy priority actions: improvements to Regent Arcade payment system and refresh payment machines across the estate.	250,000	287,100	-	(287,100)	-	287,100	-	-
<b>Housing</b>											
CAP221	BCF	Disabled Facilities Grants	Mandatory Grant for the provision of building work, equipment or modifying a dwelling to restore or enable independent living, privacy, confidence and dignity for individuals and their families.	500,000	500,000	323,213	(176,787)	500,000	635,666	500,000	500,000
CAP222	GCR	Adaptation Support Grant	Used mostly where essential repairs (health and safety) are identified to enable the DFG work to proceed (e.g. electrical works). Or where relocation is the more cost effective solution.	15,000	15,000	-	(15,000)	15,000	30,000	15,000	15,000

Code	Fund	Scheme	Scheme Description	Original Budget 2017/18 £	Revised Budget 2017/18 £	Outturn 2017/18 £	(Underspend)/ Overspend 2017/18 £	Budget 2018/19 £	Revised Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £
CAP223	PSDH	H&S, vacant property & renovation grants	Assistance available under the council's Housing Renewal Policy	175,200	374,000	162,575	(211,425)	-	211,425	-	-
CAP224	PSDH	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems	58,400	58,400	20,000	(38,400)	-	38,400	-	-
CAP228	S106	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Homes and Communities Agency (HCA)	670,000	669,300	453,780	(215,520)	-	252,746	-	-
		<b>Parks and Gardens</b>									
CAP101	S106	S.106 Play area refurbishment	Developer Contributions	50,000	50,000	67,850	17,850	50,000	50,000	50,000	50,000
CAP102	GCR	Play Area Enhancement	Ongoing programme of maintenance and refurbishment of play areas to ensure they improve and meet safety standards	80,000	80,000	41,585	(38,415)	80,000	80,000	80,000	80,000
CAP125	GCR	Pittville Park play area	Investment in the play area	12,500	12,500	(1,854)	(14,354)	-	-	-	-
CAP501	GCR	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infra-structure.	559,600	567,900	3,996	(563,904)	-	563,904	-	-
CAP102	P	Clyde Scooter Skate Park		-	-	-	-	-	33,979	-	-
<b>TOTAL CAPITAL PROGRAMME</b>				<b>24,041,900</b>	<b>29,364,220</b>	<b>7,919,268</b>	<b>(21,444,952)</b>	<b>23,320,000</b>	<b>45,542,927</b>	<b>1,795,000</b>	<b>1,195,000</b>
		<b>Funded by:</b>									
	BCF	Better Care Fund (DFG) / government grant		500,000	500,000	323,213	(176,787)	500,000	635,666	500,000	500,000
	LAA	LAA Performance Reward Grant		58,400	58,400	6,719	(51,681)	-	-	-	-
	P	Partnership Funding		-	1,257,000	18,744	(1,238,256)	21,000,000	22,265,327	-	-
	PSDH	Private Sector Decent Homes Grant		175,200	374,000	27,813	(346,187)	-	249,825	-	-
	PPMR	Property Planned Maintenance Reserve		474,500	634,500	-	(634,500)	-	634,500	-	-
	S106	Developer Contributions S106		759,600	731,100	517,537	(213,563)	50,000	314,546	50,000	50,000
	HCR	HRA Capital Receipts		-	36,400	-	(36,400)	-	36,400	-	-
	GCR	GF Capital Receipts		5,403,394	5,795,536	2,064,900	(3,730,636)	1,357,000	5,110,360	832,000	645,000
	PB	Prudential Borrowing		16,670,806	19,393,234	4,682,931	(14,710,303)	413,000	15,923,303	413,000	-
	R	Revenue/(RCCO)/other revenue reserves		-	373,000	70,881	(302,119)	-	373,000	-	-
	C	GF Capital Reserve		-	211,050	206,530	(4,520)	-	-	-	-
				<b>24,041,900</b>	<b>29,364,220</b>	<b>7,919,268</b>	<b>(21,444,952)</b>	<b>23,320,000</b>	<b>45,542,927</b>	<b>1,795,000</b>	<b>1,195,000</b>



## Capital Grants and Contributions 2017/18

Detail	Contributions	YEAR of receipt	Balance @ 1/4/17 £	Receipts/ Refunds in year £	Amounts Applied to fund Cap expend £	Transfers £	Developer Contributions @ 31/3/18 £	Memo Ward details for S106
<b>RECEIPTS IN ADVANCE</b>								
<b>PARTNERSHIP FUNDING</b>								
<b>Short Term</b>								
DEV006	HCA grant - JCS Infrastructure	16/17	(224,000)	-	-	169,299	(54,701)	
	<b>Revenue</b>		<b>(224,000)</b>	<b>-</b>	<b>-</b>	<b>169,299</b>	<b>(54,701)</b>	
<b>SECTION 106/PARTNERSHIP FUNDING</b>								
<b>Short Term</b>								
DEV002	Berkeley Homes - Thirlestaine Hall	14/15	-	-	-	(252,746)	(252,746)	
PAR019	Clyde Scooter Skate Park	17/18	-	(33,979)	-	-	(33,979)	
CGR001	Disabled Facilities Grant (DFG)	17/18	-	(135,666)	-	-	(135,666)	
	<b>Capital</b>		<b>-</b>	<b>(169,645)</b>	<b>-</b>	<b>(252,746)</b>	<b>(422,391)</b>	
<b>SECTION 106</b>								
<b>Long Term</b>								
DEV002	Berkeley Homes - Thirlestaine Hall	14/15	(103,133)	-	-	103,133	-	College
DEV002	Berkeley Homes - Thirlestaine Hall	14/15	(603,393)	-	-	603,393	-	College
DEV003	205 Leckhampton Rd - Affordable Housing Contrib'n	15/16	(465,000)	-	-	-	(465,000)	Leckhampton
DEV004	Pegasus Life - John Dower House	17/18	(470,550)	-	-	470,550	-	Lansdown
DEV005	High St, Brewery phase 3 - affordable housing	17/18	-	(47,332)	-	-	(47,332)	
	<b>Capital</b>		<b>(1,642,076)</b>	<b>(47,332)</b>	<b>-</b>	<b>1,177,076</b>	<b>(512,332)</b>	
DEV403	Cold Pool Lane Grounds Maintenance	11/12	(53,304)	-	-	-	(53,304)	Up Hatherley
DEV406	Rosebay Gardens Grounds Maintenance	13/14	(41,836)	-	-	-	(41,836)	Springbank
DEV407	Portland St & North Place MSCP repairs & insurance	14/15	(100,000)	-	-	-	(100,000)	
DEV408	Portland St & North Place compensation claims	14/15	(80,000)	-	-	-	(80,000)	
	<b>Revenue</b>		<b>(275,140)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(275,140)</b>	
<b>CAPITAL GRANTS UNAPPLIED</b>								
<b>SECTION 106</b>								
<b>Housing Enabling</b>								
DEV002	Berkeley Homes - Thirlestaine Hall		-	(453,780.00)	453,780.00	-	-	
DEV004	Pegasus Life - John Dower House	17/18	-	(470,550)	-	-	(470,550)	Lansdown
DEV007	S106 Moss Construction - Hatherley Lane & Leckhampton Road		-	(1,066,982)	-	-	(1,066,982)	
	<b>Total Housing Enabling</b>		<b>-</b>	<b>(1,991,312)</b>	<b>453,780</b>	<b>-</b>	<b>(1,537,532)</b>	
<b>Public Art</b>								
DEV101	Dunalley St-Public Art	10/11	(7,000)	-	-	2,750	(4,250)	St Pauls
DEV102	Rosemullion-Public Art	07/08	(1,341)	-	-	-	(1,341)	Leckhampton
DEV103	75-79 Rowanfield Road-Public Art	08/09	(5,342)	-	-	-	(5,342)	St Marks
DEV104	Hatherley Lane (ASDA) - Public Art	10/11	(20,908)	-	20,908	-	-	Benhall & The Reddings
DEV106	12/13 Hatherley Lane (B&Q) - Public Art	12/13	(50,126)	-	-	2,475	(47,651)	Benhall & The Reddings
DEV107	Devon Avenue - Public Art	12/13	(22,654)	-	-	1,350	(21,304)	St Marks
DEV110	Spirax Sarco St Georges Road	13/14	(14,000)	-	-	2,122	(11,878)	St Peters

## Capital Grants and Contributions 2017/18

Detail	Contributions	YEAR of receipt	Balance @ 1/4/17 £	Receipts/ Refunds in year £	Amounts Applied to fund Cap expend £	Transfers £	Developer Contributions @ 31/3/18 £	Memo Ward details for S106
DEV111	Public Art - Midwinter site	14/15	(50,000)	-	-	-	(50,000)	Pittville
DEV112	Wayfinding - University Pittville Campus	14/15	(25,683)	-	-	-	(25,683)	Pittville
DEV113	Taylors Yard, Gloucester Road - Public Art	14/15	-	(30,000)	-	-	(30,000)	St Peters
<b>Total Public Art</b>			<b>(197,054)</b>	<b>(30,000)</b>	<b>20,908</b>	<b>8,697</b>	<b>(197,449)</b>	
<b>PlaySpaces</b>								
DEV201	S106 Playspace-Adult/Youth	07/08 - 11/12	(47,451)	(7,726)	38,901	(10,208)	(26,484)	Borough wide. Remaining balance committed to capital Playspace
DEV203	58-60 St Pauls-Adult/Youth	09/10	(3,756)	-	-	3,756	-	St Pauls
DEV204	Dunalley Street-Adult/Youth	10/11	(2,720)	-	-	2,720	-	St Pauls
DEV206	Merrowdown-Adult/Youth	10/11	(202)	-	-	202	-	Park
DEV207	Charlton Lane-Adult/Youth	10/11	(1,840)	-	-	1,840	-	Leckhampton
DEV212	07/08 S106 Playspace-Fairview		(1,690)	-	-	1,690	-	All Saints
DEV233	S106 Play area - Beeches	14/15	(485)	-	10	-	(475)	Charlton Kings
DEV252	S106 Playarea - Lansdown Crescent	10/11 + 11/12	(270)	-	-	-	(270)	Lansdown
DEV261	S106 Playarea - Prestbury Playing Field	09/10	(760)	-	-	-	(760)	Prestbury
DEV262	S106 Playarea - Priors Farm	10/11	(86)	-	-	-	(86)	Prestbury
DEV263	S106 Playarea - Queen Elizabeth II	11/12	(28)	-	-	-	(28)	Battledown
DEV267	S106 Playarea - St. Peters/Chelt Walk	17/18	(10,261)	-	-	-	(10,261)	St Peters
DEV271	S106 Playarea - Winston Churchill Gardens	11/12	(3,939)	-	3,939	-	-	St Peters
DEV277	S106 Playarea - Starve Hall Farm	11/12	-	(201,216)	-	-	(201,216)	Prestbury
<b>Total PlaySpaces</b>			<b>(73,488)</b>	<b>(208,942)</b>	<b>42,850</b>	<b>-</b>	<b>(239,580)</b>	
<b>Total -Section 106</b>			<b>(2,187,758)</b>	<b>(2,277,586)</b>	<b>517,538</b>	<b>1,185,773</b>	<b>(2,762,033)</b>	
<b>CAPITAL GRANTS</b>								
CGG001	Private Sector Decent Homes Grant (PSDH)		(290,772)	-	27,813	-	(262,959)	
CGG002	LPSA Grant		(6,719)	-	6,719	-	-	
CGR001	Disabled Facilities Grant (SCG)		-	(323,213)	323,213	-	-	
CGR003	DCLG Council Tax Support/new burdens		(220,571)	-	-	-	(220,571)	
<b>Total Capital Grants</b>			<b>(518,062)</b>	<b>(323,213)</b>	<b>357,745</b>	<b>-</b>	<b>(483,530)</b>	
<b>PARTNERSHIP FUNDING</b>								
PAR001	CCTV contributions		(3,744)	-	3,744	-	-	
PAR015	GCC Pedestrian Wayfinding		(22,349)	-	-	-	(22,349)	
PAR017	Friends of Winston Churchill Memorial Gardens		(5,000)	-	-	-	(5,000)	
PAR020	Burrows Pump Track		-	(15,000)	15,000	-	-	
<b>Total Partnership Funding</b>			<b>(31,093)</b>	<b>(15,000)</b>	<b>18,744</b>	<b>-</b>	<b>(27,349)</b>	
<b>TOTAL CAPITAL GRANTS UNAPPLIED</b>			<b>(819,697)</b>	<b>(2,568,467)</b>	<b>894,027</b>	<b>8,697</b>	<b>(2,485,440)</b>	

**Council Tax and Business Rates  
Collection Rates 2017-2018**

**Business Rates 2017/2018**

Current Year Charges - 2017/2018		
Monitoring Period	% Collected at 31.03.2018	2017/2018 Target
	98.74%	98.88%
<b>Comparison with 2017/2018</b>	<b>31.03.2017</b>	<b>% Collected 31.03.2017</b>
	98.86%	98.86%

The yearend collection rate is slightly below the target. This is partly due to increased bills as a result of rateable value changes in March but 98.74% is still a very good achievement. We are continuing to collect the balances due and are working with any businesses having difficulty in paying.

Previous Years Charges Outstanding in 2017/2018		
Monitoring Period	Amount outstanding at 31.03.2018	2017/2018 Target
	£613,964	£570,000
<b>Comparison with 2017/2018</b>	<b>Amount outstanding at 31.03.2017</b>	<b>Amount outstanding at 31.03.2017</b>
	£585,832	£585,832

The arrears level has not quite reduced to the yearend target. We are continuing to collect balances due and are working with any businesses having difficulty in paying.

**Council Tax 2017/2018**

Current Year Charges - 2017/2018		
Monitoring Period	% Collected at 31.03.2018	2017/2018 Target
	98.30%	98.35%
<b>Comparison with 2017/2018</b>	<b>As at 31.03.2017</b>	<b>% Collected 31.03.2017</b>
	98.32%	98.32%

The yearend collection rate is very slightly below the target but 98.30% is still a very good achievement. We are continuing to collect balances due and are working with council tax payers having difficulty in paying.

Previous Years Charges Outstanding in 2017/2018		
Monitoring Period	Amount outstanding at 31.03.2018	2017/2018 Target
	£1,146,742	£1,155,000
<b>Comparison with 2017/2018</b>	<b>As at 31.03.2017</b>	<b>Amount o/s 31.03.2017</b>
	£1,159,253	£1,144,562

The level of arrears outstanding has reduced to below the yearend target level.

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CostC	CostC (T)	No. Outstanding Invoices	Value of Invoices in Payment Plans	Value of Invoices with Halted Recovery *	Value of Invoices with Legal	Value of Invoices awaiting Credit Notes **	Customer Credits ***	Not Due	0-30 days	1-3 Mths	3-6 Mths	6 mth - 1 Yr	1 - 2 Yrs	2 Yrs+	Total
ADB101 Total	Cheltenham Municipal Offices	1	-	-	-	-	-	-	5,052.95	-	-	-	-	-	5,052.95
ADB103 Total	Cheltenham Depot	2	-	-	-	-	-	147,600.00	-	-	-	-	-	12.48	147,612.48
AIR101 Total	Gloucestershire Airport	2	-	-	-	-	-	-	113,323.52	-	-	-	-	-	113,323.52
BAL100 Total	General Fund Balance Sheet	61	2,405.80	-	4,351.00	-	23,529.89	7,362.26	5.00	1,751.04	-	60.75	360.00	-	9,165.08
BUC001 Total	Building Control - Fee Earning Work	5	630.76	-	-	-	-	492.00	-	708.00	-	-	-	-	1,830.76
CAP127 Total	Sports & Play Hub Phase 1	1	-	-	-	-	-	-	12,660.00	-	-	-	-	-	12,660.00
CCM001 Total	Cemetery, Crematorium and Churchyards	129	-	-	-	-	250.00	14,695.50	52,294.00	34,409.00	2,685.50	4,042.00	-	-	107,876.00
COM101 Total	Oakley Resource Centre	3	1,200.00	-	-	-	-	-	-	-	720.00	-	-	-	1,920.00
CPK001 Total	Car Parks - Off Street Operations	3	-	-	-	-	-	-	52,213.20	-	-	-	-	-	52,213.20
CSM001 Total	Cultural - Service Management and Support Services	1	-	-	-	-	-	-	-	-	6,912.00	-	-	-	6,912.00
CUL003 Total	World War 1 Commemoration Projects	1	-	-	-	-	-	1,500.00	-	-	-	-	-	-	1,500.00
DEV001 Total	Development Control - Applications	1	-	-	-	-	-	-	20,000.00	-	-	-	-	-	20,000.00
ENF101 Total	Cheltenham Environmental Fund - Townscape	1	-	-	-	-	-	-	-	-	-	-	-	360.00	360.00
FIE040 Total	Income and Expenditure on Investment Proproties	42	24,740.69	4,875.00	-	-	-	11,483.00	7,252.79	3,601.66	1,551.66	4,551.83	-	-	58,056.63
GBD001 Total	Community Welfare Grants	1	-	-	-	-	-	300.00	-	-	-	-	-	-	300.00
HLD101 Total	CBH Intercompany Account	1	-	-	-	-	-	169,800.00	-	-	-	-	-	-	169,800.00
HLD110 Total	Prestbury Parish Council Salaries	1	-	-	-	-	-	10,164.91	-	-	-	-	-	-	10,164.91
HLD111 Total	Holst Museum Salaries	1	-	-	-	-	-	4,737.06	-	-	-	-	-	-	4,737.06
HLD170 Total	Cheltenham Trust Intercompany Account	1	-	-	-	-	-	23,783.71	-	-	-	-	-	-	23,783.71
HOM001 Total	Homelessness	1	-	-	-	-	-	-	184.20	-	-	-	-	-	184.20
HOS004 Total	Housing Standards	7	-	637.50	1,005.30	-	-	-	-	-	-	-	-	-	1,642.80
LTC003 Total	Council Tax Leaflet	2	-	-	-	-	-	-	23,269.56	-	-	-	-	-	23,269.56
OPF001 Total	Parks & Gardens Operations	11	853.33	-	-	-	920.00	16,913.93	-	-	40.00	-	-	-	16,887.26
OPS002 Total	Sports & Open Spaces Operations	23	977.40	-	420.15	-	-	-	5,611.67	2,386.47	3,125.00	1,300.00	19.20	-	13,839.89
OPS004 Total	Allotments	131	-	55.14	-	18.03	91.20	-	-	6,733.81	-	-	274.37	-	6,990.15
OPS101 Total	Arle Road Nursery Operations	14	-	170.07	-	-	-	7,893.34	23,011.79	-	-	1,363.63	-	-	32,438.83
PLP006 Total	Trees	3	-	-	874.00	-	-	-	-	-	-	-	-	-	874.00
PLP102 Total	Development Task Force	2	-	-	-	-	-	-	14,737.82	-	-	-	-	-	14,737.82
REC101 Total	Recreation Centre Operations	1	-	181.30	-	-	-	-	-	-	-	-	-	-	181.30
REG001 Total	Environmental Health General	2	3,595.00	-	-	-	-	-	693.00	-	-	-	-	-	4,288.00
REG002 Total	Licensing	37	-	-	-	-	-	2,765.17	3,082.75	855.00	180.00	-	-	-	6,882.92
REG003 Total	Animal Control	1	-	-	-	-	-	-	-	-	-	320.00	-	-	320.00
REG013 Total	Polution Control	3	-	-	-	-	-	-	-	79.00	-	382.00	-	-	461.00
REG016 Total	Food Safety	1	-	-	-	-	-	4,697.98	-	-	-	-	-	-	4,697.98
REG018 Total	Pest Control	30	-	250.00	-	-	275.00	-	1,430.00	540.00	140.00	50.00	-	-	2,135.00
RYC004 Total	Recycling Centres	1	-	-	-	-	-	-	-	-	-	-	354.08	-	354.08
RYC008 Total	Bulking Facility	5	-	-	-	-	-	57,904.51	4,575.60	-	1,381.68	-	-	-	63,861.79
SPP002 Total	Community Alarms	996	158,366.80	828.41	-	407.30	279.33	183.53	1,857.96	14.38	28.76	115.06	-	-	161,522.87
STC011 Total	Abandoned Vehicles	14	-	192.00	2,144.00	-	-	-	-	-	192.00	384.00	-	-	2,912.00
SUP005 Total	ICT	2	-	-	-	-	-	125,160.00	-	-	-	-	-	-	125,160.00
SUP009 Total	Accountancy	1	-	-	-	-	-	10,800.00	-	-	-	-	-	-	10,800.00
SUP025 Total	Property Services	1	-	-	-	-	-	17,910.00	-	-	-	-	-	-	17,910.00
TGI040 Total	Capital Grants and Contributions	2	-	-	-	-	-	-	30,000.00	-	66,982.16	-	-	-	96,982.16
TOU002 Total	Tourist / Vistor Information Centre	2	-	-	-	-	-	-	-	3,600.00	3,600.00	-	-	-	7,200.00
TRW001 Total	Trade Waste	467	82,996.98	1,961.90	476.61	1,305.00	631.50	134.75	43,964.00	429.00	2,345.20	1,616.70	103.35	-	134,701.99
<b>Grand Total General Fund</b>		<b>2018</b>	<b>270,955.16</b>	<b>9,151.32</b>	<b>9,271.06</b>	<b>1,730.33</b>	<b>25,976.92</b>	<b>636,281.65</b>	<b>415,219.81</b>	<b>55,107.36</b>	<b>89,883.96</b>	<b>14,185.97</b>	<b>1,111.00</b>	<b>372.48</b>	<b>1,480,173.74</b>
HRA100 Total	Repairs and Maintenance	714	94,151.99	75,981.17	4,542.45	20.01	-	5,211.52	8,343.67	13,607.70	11,240.63	34,449.27	22,148.90	25,113.58	294,810.89
HRA110 Total	Supervision and Management	2	-	-	-	-	-	-	-	5.00	-	-	461.61	-	466.61
HRA200 Total	Dwelling Rents	1	-	-	-	-	-	-	-	-	-	-	3.00	-	3.00
HRA210 Total	Non-dwelling Rents	121	7,673.40	1,011.60	60.00	10.00	-	3,200.00	23,907.61	20.00	2,168.75	310.00	210.00	325.50	38,896.86
HRA221 Total	Service Charges to Leaseholders	429	206,751.03	58,921.42	3,289.73	427.86	-	378.22	4,998.58	48,186.39	15,169.09	23,189.17	29,019.95	39,381.80	429,713.24
HRA235 Total	HRA Other Income	8	-	-	-	-	-	-	-	-	-	-	-	160.00	160.00
<b>Grand Total HRA</b>		<b>1275</b>	<b>308,576.42</b>	<b>135,914.19</b>	<b>7,892.18</b>	<b>457.87</b>	<b>-</b>	<b>8,789.74</b>	<b>37,249.86</b>	<b>61,819.09</b>	<b>28,578.47</b>	<b>57,948.44</b>	<b>51,843.46</b>	<b>64,980.88</b>	<b>764,050.60</b>
<b>Grand Total</b>		<b>3293</b>	<b>579,531.58</b>	<b>145,065.51</b>	<b>17,163.24</b>	<b>2,188.20</b>	<b>- 25,976.92</b>	<b>645,071.39</b>	<b>452,469.67</b>	<b>116,926.45</b>	<b>118,462.43</b>	<b>72,134.41</b>	<b>52,954.46</b>	<b>65,353.36</b>	<b>2,244,224.34</b>

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

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

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

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## HRA OPERATING ACCOUNT

	2017/18	
	Revised Budget	Actual
	£	£
<b>EXPENDITURE</b>		
General & Special Management	2,164,900	2,152,231
ALMO Management Fee	5,083,000	5,094,059
Rents, Rates, Taxes and Other Charges	49,000	46,705
Repairs & Maintenance	3,684,000	3,733,040
Provision for Bad Debts	200,000	140,365
Interest Payable	1,684,700	1,684,665
Depreciation & Impairment of Dwellings	4,368,900	4,368,874
Depreciation of Other Assets	295,300	296,811
Debt Management Expenses	80,000	80,000
<b>TOTAL</b>	<b><u>17,609,800</u></b>	<b><u>17,596,751</u></b>
<b>INCOME</b>		
Dwelling Rents	18,805,400	18,811,695
Non Dwelling Rents	449,700	468,885
Charges for Services and Facilities	847,600	858,934
Supporting People Grant	62,400	57,400
Feed in Tariff from PV Installations	230,000	237,365
<b>TOTAL</b>	<b><u>20,395,100</u></b>	<b><u>20,434,280</u></b>
<b>NET INCOME FROM SERVICES</b>	<b>2,785,300</b>	<b>2,837,529</b>
Interest Receivable	43,400	56,061
<b>NET OPERATING SURPLUS</b>	<b>2,828,700</b>	<b>2,893,590</b>
<b>Appropriations</b>		
Revenue Contributions to Capital	<u>-2,060,500</u>	<u>-1,159,714</u>
<b>Net Increase in reserves</b>	<b>768,200</b>	<b>1,733,876</b>
<b>Revenue Reserve brought forward</b>	6,867,600	6,867,600
<b>Revenue Reserve carried forward</b>	<b><u>7,635,800</u></b>	<b><u>8,601,476</u></b>

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**MAJOR REPAIRS RESERVE**

	<b>2017/18</b>	
	<b>Revised Budget £</b>	<b>Actual £</b>
Balance brought forward	0	0
Depreciation of Dwellings	4,368,900	4,368,874
Depreciation of Other Assets	295,300	296,811
	<u>4,664,200</u>	<u>4,665,685</u>
Used to fund Capital Programme	-4,664,200	-4,665,685
Balance carried forward	<u>0</u>	<u>0</u>

**HRA CAPITAL PROGRAMME**

	<b>2017/18</b>	
	<b>Revised Budget £</b>	<b>Actual £</b>
<b><u>EXPENDITURE</u></b>		
<b>EXISTING STOCK</b>		
Property Improvements & Major Repairs	7,916,100	7,023,206
Adaptions for the Disabled	300,000	159,644
Environmental Works (Tenant Selection)	10,000	1,103
Repurchase of Shared Ownership Dwellings	85,000	84,741
	<u>8,311,100</u>	<u>7,268,693</u>
<b>NEW BUILD &amp; ACQUISITIONS</b>	1,769,600	1,746,911
<b>TOTAL</b>	<u><u>10,080,700</u></u>	<u><u>9,015,605</u></u>
<b><u>FINANCING</u></b>		
Capital Receipts	2,906,000	2,827,293
HRA Revenue Contribution	2,060,500	1,159,714
Leaseholder & Other Contributions	450,000	362,913
Major Repairs Reserve	4,664,200	4,665,685
<b>TOTAL</b>	<u><u>10,080,700</u></u>	<u><u>9,015,605</u></u>

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**Cheltenham Borough Council  
Council – 23 July 2018**

**Consultation on Local Council Tax Support Scheme for 2019/20**

<b>Accountable member</b>	<b>Councillor Rowena Hay, Cabinet Member Finance</b>
<b>Accountable officer</b>	<b>Jayne Gilpin, Head of Revenues and Benefits</b>
<b>Ward(s) affected</b>	<b>All</b>
<b>Significant Decision</b>	<b>Yes – when adopted</b>
<b>Executive summary</b>	<p>Since 2013 councils have been responsible for adopting their own council tax support scheme to help working age people on low incomes pay their council tax. The Council is required to undertake public consultation on any proposed changes to its scheme. Cheltenham's scheme has remained largely unchanged since 2013 and approval is being sought to consult on proposals for a revised scheme for 2019/20.</p> <p>The local scheme is for working age people only. The national scheme for pension age customers is set by Government and administered by the council</p>
<b>Recommendations</b>	<b>That Council endorses the proposed public consultation in Appendix 2 to be undertaken between 23<sup>rd</sup> July and 7<sup>th</sup> September 2018</b>

<b>Financial implications</b>	<p>Since 2013/14 The Local Council Tax Support (LCTS) scheme operates in a similar way to discounts, such as for empty properties or single person occupiers. Rather than being accounted for as a benefit cash payment, the council tax base is reduced. Whilst this has no impact for the individual council tax payer, a lower council tax base reduces the tax yield to this Council, Gloucestershire County Council, Gloucestershire Police Authority and town and parish Councils. To offset this impact, the Government paid a cash grant to all local authorities which was 10% less than the funding for the previous council tax benefit scheme. This funding was rolled in to revenue support grant from 2014/15 and has therefore been subject to further cuts. From 2018/19 this council no longer receives revenue support grant and must fund its share of the cost of the scheme. Moving to a scheme as proposed in the consultation should reduce the cost of the scheme, based on current caseload. It will also reduce the administrative burden which is increasing as the Universal Credit rollout continues.</p> <p><b>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 264365</b></p>
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<b>Legal implications</b>	<p>The Welfare Reform Act 2012 abolished council tax benefit and instead required each authority to design a scheme specifying the reductions which are to apply to amounts of council tax.</p> <p>The Local Government Tax Support ‘LCTS’ scheme is required under Section 13A of the Local Government Finance Act 1992 (“the Act”) (updated in 2012). The Act states that for each financial year, councils must consider whether to revise their LCTS scheme or replace it with another scheme. The prescribed regulations set out the matters that must be included in such a scheme. Before making any changes, under Section 40 of the Act, the Council must, in the following order:</p> <ol style="list-style-type: none"> <li>1. consult with any major precepting authorities</li> <li>2. publish the draft scheme</li> <li>3. consult other parties likely to have an interest in the scheme</li> </ol> <p>The deadline for making decisions is now the 11 March in the financial year preceding that for which the revision or replacement scheme is to take effect (under Para 5, Schedule 1A of the Act). If the Council does not make/revise a LCTS scheme by 11 March 2019, a default scheme will be imposed on the Council which will be effective from April 2019.</p> <p><b>Contact officer: peter.lewis@tewkesbury.gov.uk 01684 272012</b></p>
<b>HR implications (including learning and organisational development)</b>	<p>No direct HR implications arising from the content of the report</p> <p><b>Contact officer Julie McCarthy, julie.mccarthy@cheltenham.gov.uk, 01242 264355</b></p>
<b>Key risks</b>	<b>See appendix 1</b>
<b>Corporate and community plan Implications</b>	None
<b>Environmental and climate change implications</b>	None
<b>Property/Asset Implications</b>	There are no implications with regard to the council’s property assets

## 1. Background

- 1.1 Since 2013 the Council has been required to establish a local council tax Support scheme to help working age people on a low income to pay their council tax. This scheme replaced the national Council Tax Benefit scheme.
- 1.2 The Council is also required to administer the government determined council tax support scheme for pension age customers but is not able to make any changes to this scheme.
- 1.3 Funding for the council tax support was cut by 10% in 2013/14 compared to funding for the previous benefit scheme. The contribution from Government towards the scheme is no longer separately identified so the design of local council tax support schemes will dictate how much funding is allocated. The majority of councils have changed the design of their scheme to reduce the cost and generate savings, as mandated by Central Government.
- 1.4 The local council tax support scheme since 2013/14 in Cheltenham has continued to mirror the previous council tax benefit scheme which has ensured the most vulnerable customers have not been impacted upon. The council has so far absorbed any shortfall in funding, assisted by utilising our local powers to reduce the council tax discounts on empty properties.
- 1.5 Council tax support is currently provided to around 6,000 households in Cheltenham at an annual cost of just under £6m. This includes working and pension age claimants. Approximately 3,600 of these households are of working age and the cost for these is £3.7m. The cost of the council tax support scheme is met by this council and the precepting authorities in proportion to the share of the council tax.

## 2. Reasons for recommendation

- 2.1 Each year the Council has to decide whether to make changes to its council tax support scheme for working age customers.
- 2.2 Funding received from Central Government to support the local working age scheme has continued to reduce in line with the other central funding cuts and is expected to continue to reduce over the coming years. Based on 2017/18 data, Cheltenham Borough Council is one of 37 councils whose local council tax support scheme has so far not been amended to reflect reduced funding, or increase the contribution that people receiving help must make towards their council tax bills.
- 2.3 Cheltenham became a full Universal Credit area in January 2018. As the number of customers receiving Universal Credit increases the administrative burden of calculating local council tax support entitlement becomes greater.
- 2.4 Universal Credit is reassessed on a monthly basis and any changes in income under Universal Credit will mean that a different level of income also needs to be taken into account for assessing council tax support. A change in the level of council tax support, however small, means a revised council tax bill needs to be issued changing the payable amount.
- 2.5 Issuing revised council tax bills on a monthly basis is costly and makes it difficult to progress recovery action where payment is not being made. It also makes it very difficult for those customers to manage their finances when their monthly instalment amounts are not consistent.
- 2.6 Approval is being sought to consult on proposals for a revised scheme for 2019/20 based on income bands with some changes to how we calculate entitlement.

### 3. Council Tax Support Scheme Consultation

- 3.1 In order to change its local council tax support scheme the council is required by law to consult with major precepting authorities and anyone else it considers likely to have an interest in the operation of the scheme.
- 3.2 The proposed consultation asks a number of questions to seek views on a new style of scheme based on income bands, whether we should ask everyone to pay something or protect the most vulnerable, whether we should restrict the maximum amount of support based on the council tax band and how we should treat certain types of income.
- 3.3 A banded income scheme would mean that the level of council tax support paid would only need to change if income goes above or below the band threshold. This would reduce the number of revised council tax bills that need to be issued.
- 3.4 Making the type of changes proposed in the consultation would simplify administration and deliver a reduction in the overall cost of the council tax support scheme. The level for savings will depend on the type of changes adopted following the consultation.
- 3.5 The proposed consultation will be available on the Council's website for a 6 week period from 25th July to 7th September 2018 and a paper copy will be made available to anyone who requires one. Visitors to the council tax and benefits desks in the reception area will be made aware of the consultation and a flyer will be issued with correspondence to benefit and council tax customers. The Revenues and Benefits team will contact the precepting authorities, all partner organisations and stakeholders to make them aware of the consultation. A message about the consultation with a link to the relevant page on the website will be added to all emails sent to council tax and benefit customers.
- 3.6 Once the results of the consultation have been analysed a report will be brought to council in October with recommendations for a revised scheme for 2019/20.

### 4. Alternative Options Considered

- 4.1 Due to the way Universal Credit operates the Council needs to consider making some changes to the current council tax support scheme to simplify administration and reduce the volume and frequency of changes to council tax bills.

<b>Report author</b>	<b>Contact officer: Jayne Gilpin, Head of Revenues and Benefits</b> <b>Jayne.gilpin@cheltenham.gov.uk, 01242 264323</b>
<b>Appendices</b>	1. Risk Assessment 2. Council Tax Support Scheme 2019/20 Consultation
<b>Background information</b>	1. The Local Government Finance Act 2012; <a href="http://www.legislation.gov.uk/ukpga/2012/17/contents/enacted">http://www.legislation.gov.uk/ukpga/2012/17/contents/enacted</a>

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If there is a delay in consulting on a proposed scheme it may result in a revised scheme not being approved for 2019/20	Jayne Gilpin	2706/2018	3	2	6	Accept	Commence consultation	07/09/2018	Jayne Gilpin	
	Any environmental risks										
<p><b>Explanatory notes</b></p> <p><b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p><b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p><b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

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## Local Council Tax Support Scheme consultation 2019-20

### Background

Council tax support is provided to around 6,000 households in Cheltenham at an annual cost of just under £6m. This includes working and pension age claimants. Approximately 60% of these households are of working age. The cost of the council tax support scheme is met by this council and the precepting authorities which are the county council and the police. The share of the cost is the same as the share of the council tax.

Prior to April 2013, council tax payers on a low income could apply for council tax benefit to help pay their council tax. Under this national scheme and in accordance with the regulations, council tax payers could receive benefit of up to 100% of their council tax liability. The Council then received full funding from the government for all council tax benefit awards made.

From April 2013, Councils became responsible for designing their own local council tax support (CTS) scheme for working age people only. The Government also reduced the funding given to Councils to pay for the scheme. Cheltenham Borough Council introduced its local council tax support scheme in April 2013 which more or less replicated the council tax benefit scheme. Council tax support for pensioners was not localised and continues to be provided for by a national scheme.

Since 2013/14 the funding received from Central Government to support the local working age scheme has continued to reduce in line with the other central funding cuts and is expected to continue to reduce over the coming years. To date, Cheltenham Borough Council has not amended its local council tax support scheme to reflect this reduced funding and has not increased the contribution that people receiving help must make towards their council tax bills. However, the Council is now in the position of considering making changes to the local council tax support scheme with effect from 1 April 2019. The Council wants to hear your views regarding the changes that it could implement.

### What is local council tax support?

Council tax support is a council tax discount and if awarded it will reduce a person's council tax payments. Any person who is liable for council tax can apply. The level of discount awarded is currently based on the income and capital the claimant and partner has, whether they have dependent children or other grown ups living in the household, referred to as non dependants. Other factors such as certain expenses to assist with childcare payments, disabilities and whether a person falls into a group considered to need more support is also taken into consideration .

All, some, or none of these factors can be taken into consideration when devising a council tax support scheme.

### Why is a change to the council tax support scheme being considered?

Each year the Council has to decide whether to make changes to the administration of its council tax support scheme for working age applicants in the borough. This year we are consulting on changes that could be made to the scheme from 1 April 2019. As previously mentioned, the Council, and precepting authorities are facing funding cuts year on year. We also need to modernise and make changes to the current scheme so that it works

together with the changes that are being made at a national level with the introduction of Universal Credit. People who have made the transition to Universal Credit have their entitlement to this recalculated each month, taking into account any fluctuations in income. As Universal Credit is income for the purposes of council tax support, a change also has to be made to the person's council tax support. This then results in revised changes to council tax instalments every month which can make budgeting very difficult for those customers.

Cheltenham became a full Universal Credit area in January 2018 and as more people claim Universal Credit or transfer to it, the need to revise the council tax support scheme and simplify the administration, make the claiming process easier and simpler becomes more pressing.

### **Who will be affected by any changes?**

It is important to note that any proposed changes to the council tax support scheme will not affect pensioners. People of pension age are protected and their council tax support will continue to be awarded on the basis of the scheme prescribed by Central Government.

The proposed changes will apply from 1<sup>st</sup> April 2019 to working age people only who receive council tax support or apply in the future for help to have their council tax discounted. There will be no exceptions and any new scheme will apply to all working age people from 1 April 2019.

### **Are there any alternatives to changing the existing council tax support scheme?**

The Council could increase the level of council tax for every council tax payer to increase revenue and continue to fund the existing council tax support scheme. However there are also limitations to this. The preferred option is to modernise and amend the existing scheme.

### **Options to change the current local council tax support scheme**

There are currently 3,600 working age people in Cheltenham who receive council tax support. Many are unemployed or unable to work due to illness and will receive 100% council tax support meaning that they do not pay any council tax. Other current recipients receive council tax support based on the income they have. Any increase or decrease in income has an effect on the amount of council tax support awarded and every time a reassessment is carried out a new council tax bill is issued with revised instalments.

There are a number of changes being considered which will reduce the administrative burden, simplify the claim process, provide customers with vital financial support and reduce the number of in year reassessments carried out. These options form the consultation questions which you are being invited to answer, to help the Council shape its new scheme.

Below are some examples to illustrate how certain changes to the council tax support will affect those receiving help.

#### **Example 1**

##### **Introduce a scheme where all working age applicants pay a % of the charge**

The Council currently allows all working age customers to claim up to 100% support towards their council tax, depending on their income and household circumstances.

This option would require all applicants who claim council tax support to pay a minimum of 10%, 15% or 20% of the Council Tax. Reducing this support would mean that some working age applicants would need to make payments whereas they do not currently have to.

The Council is mindful that any minimum payment should be affordable given the household's circumstances so that the Council will be able to collect payments due.

### Example 2

#### **Introduce an income banded scheme**

The Council currently carries out a means test and compares the applicant's income to a range of allowances and premiums set annually by Central Government. The lower a person's income the more council tax support they will receive. However every change of income results in an adjustment to the applicant's council tax support which then generates a revised council tax bill with different instalments to pay.

Introducing a scheme based on income bands would avoid multiple changes to the amount of council tax support and therefore reduce the number of council tax bills issued throughout the year (providing the income remained in the same income band).

This will be less confusing for council tax payers receiving council tax support, particularly those who receive Universal Credit, as their income is reassessed by the DWP every month. This currently results in a reassessment of their council tax support, despite how small the change is.

It is a clear and simple change to the current scheme, potentially making administrative savings and it would help people budget over longer periods.

### Example 3

#### **Introduce a capital limit of £6,000**

Currently a working age applicant can have capital (cash savings, money in the bank and investments, but not including the value of a person's house) up to £16,000 and still qualify for council tax support. The applicant may receive up to 100% council tax support and not have to pay any council tax.

If the capital limit was reduced to £6,000 those with modest capital would still be able to apply for and receive assistance. However those applicants who have capital in excess of £6,000 would no longer qualify for any support and would have to pay 100% of their council tax liability.

### Example 4

#### **Introduce changes to the income that is disregarded in the calculation**

The Council currently ignores certain income (either in part or in full) in its council tax support scheme. For example, child benefit and maintenance payments in respect of a

child are disregarded in full in the calculation of council tax support.

If changes were made to how much income was used in the calculation and certain types of income were taken into account, it would mean that the applicant receives less council tax support and would result in them having to pay more council tax.

### Example 5

#### **Discontinue the payment of Second Adult Rebate**

If a single applicant does not qualify for council tax support themselves, there is a provision for them to claim something called Second Adult Rebate. This can be awarded up to 25% of the council tax liability and is based on other people's income in household, for example an elderly relative or grown up children still living in the applicant's home.

If Second Adult Rebate is discontinued it will result in some people having an increase in their council tax payments of between 7.5% and 25%. Second Adult Rebate is a lesser known benefit and is paid to less than 40 working age applicants by the Council. It can be more difficult to administer as it is not based on the applicant's income and as a result applicants often fail to notify changes to the other people's income to the Council.

### **Who are we consulting?**

The consultation in respect of changes to the council tax support scheme for 2019-20 is open to everyone who lives in Cheltenham, regardless of whether they currently claim benefits and/or council tax support, work or study in the town and want to have their views heard. The Council is keen to hear the views of a cross section of Cheltenham residents.

### **When and how are we consulting?**

The consultation will run for a period of six weeks, commencing on Monday 23 July and ending on Friday 7 September 2018.

We encourage people to complete our on line survey as this will capture answers to the key questions we are asking. The link to the survey on the Council's website is [www.chelttenham.gov.uk/](http://www.chelttenham.gov.uk/)

However if you are unable to complete the on line survey or would like to convey your comments to us please either:

- Email your views to [ctsconsultation@chelttenham.gov.uk](mailto:ctsconsultation@chelttenham.gov.uk), or
- Request a paper copy of the survey and then post back to us, or
- Write to us at the address below

Revenues and Benefits Service, Cheltenham Borough Council, Municipal Offices, The Promenade, Cheltenham. GL50 9SA

**What happens after the consultation period has ended?**

The information collected from this consultation will be used by the Council to assist in making its decision on the changes to the council tax support scheme from 1 April 2019.

The results from the consultation will be published later this year on our website. Work will take place to design a revised council tax support scheme which will be considered as a full council meeting in October 2018. The scheme will then be reflected as a discount on council tax bills for 2019/20.

**Council tax support Scheme 2019/20 – consultation questions**

**1. The Council is considering an income banded scheme which would be a simple flat rate percentage discount awarded depending on what income band the person's total weekly income falls into. Do you agree that this would be a fair way to help people on a low income?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**2. Currently council tax payers can have capital of up to £16,000 and still receive council tax support.**

**Do you think that the capital limit should be reduced?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**If you think it should be reduced what do you think the new limit should be?**

- £3,000
- £6,000
- Other – please specify

**3. Currently a person can receive 100% council tax support and do not have to make any contribution towards their council tax payments.**

**Do you think that people should continue to receive 100% help towards their council tax?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**If you have answered no, what do you think the maximum amount of help should be?**

- 90%
- 80%
- 75%

- 50%
- 25%
- Other – please specify

**4. Should the Council provide protection for some groups from any changes made to the council tax support scheme from April 2019?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**If you have answered yes, please tick which group(s) you think should receive protection.**

- People with responsibility for children
- People who pay for child care so they can go to work
- People who receive Personal Independence Payments for them or their partner
- People who receive Disability Living Allowance for a child or children

**5. The current scheme ignores 100% of child benefit income. Do you agree that this income should be ignored for the purposes of calculating a person's weekly income?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**6. The current scheme ignores 100% of child maintenance payments received by the person. Do you agree that this income should be ignored for the purposes of calculating a person's weekly income?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**7. A non dependant is a person living as part of someone's home but is not responsible for the household bills, like an elderly relative or a grown up son or daughter.**

**Do you think that the non dependant should make a contribution to the running of the household which results in the council tax payer receiving less council tax Support?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**8. Currently council tax support is available to residents in Cheltenham regardless of the council tax band their property is in.**

**Do you agree that there should be a restriction placed on the council tax support awarded to those in higher bands F, G and H? For example: the maximum council tax support payable to someone in a band G property would be based on the charge for a band E property.**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**9. Currently a person can have their new council tax support claim backdated for a period of 6 months if they provide a good reason. Do you agree that this period should be shortened to one calendar month?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**10. If a single applicant does not qualify for council tax support themselves, there is a provision for them to claim something called Second Adult Rebate. This can be awarded up to 25% of the council tax liability and is based on other people's income in household, for example an elderly relative or grown up children still living in the applicant's home. As Second Adult Rebate is not based on the council tax payer's ability to pay do you agree that this should be discontinued?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**11. The current council tax support scheme allows people to be temporarily absent from their homes, living elsewhere in the world and still receive help towards their council tax. Do you agree that the period for which a person can be absent from their home should be reduced to 4 weeks for them to still qualify for help?**

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

**12. How do you think the Council should continue to fund its council tax support scheme from April 2018?**

- By reducing the level of council tax support paid
- By increasing the amount of council tax paid by all of Cheltenham's residents
- Reduce funding for Council services
- Other – please specify

**About you**

**Are you a resident of the Cheltenham Borough area?**

- Yes
- No

**Are you registered for council tax?**

- Yes
- No

**Do you currently receive council tax support?**

- Yes
- No

**Are you in employment?**

- Yes
- No

Thank you for taking the time to complete this survey. The results of the survey will be used when determining a revised council tax support scheme from April 2019. The results will be published on the Council's website in due course.

A proposed council tax support scheme for 2019/20 will be considered by Cheltenham Borough Council in October 2018 and will be published on the Council's website.



**Cheltenham Borough Council**  
**Council – 23 July 2018**  
**Protocol for Member / Officer Relations**

<b>Accountable member</b>	<b>Standards Committee Chairman, Councillor Max Wilkinson</b> <b>Cabinet Member, Corporate Services, Councillor Alex Hegenbarth</b>
<b>Accountable officer</b>	<b>Borough Solicitor</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	The Protocol for Member / Officer Relations which was adopted by the Council in 2010 has been reviewed and amended by a Working Group of Members and approved by the Standards Committee for adoption by the Council. The draft revised Protocol for Member / Officer Relations is attached at Appendix 1 and reflects changes to legislation and the Code of Members' Conduct which have taken place since 2010 together with amendments arising from consultation with Members and Officers. The Council is asked to adopt the revised Member-Officer Protocol for inclusion as Part 5C of the Constitution.
<b>Recommendations</b>	<b>To adopt the revised Member-Officer Protocol attached at Appendix 1 to be included as Part 5C of the Council's Constitution.</b>

<b>Financial implications</b>	No financial implications. <b>Contact officer: <a href="mailto:paul.jones@cheltenham.gov.uk">paul.jones@cheltenham.gov.uk</a>, 01242 775154</b>
<b>Legal implications</b>	None specifically arising from the report. <b>Contact officer: <a href="mailto:sara.freckleton@teWKesbury.gov.uk">sara.freckleton@teWKesbury.gov.uk</a>, 01684 272011</b>
<b>HR implications (including learning and organisational development)</b>	Employees of the Council and employees from Publica Group working on behalf of the Council will need to be made aware of the revised Protocol and adhere to it. <b>Contact officer: <a href="mailto:julie.mcarthy@cheltenham.gov.uk">julie.mcarthy@cheltenham.gov.uk</a>, 01242 264355</b>

## 1. Background

- 1.1 The current Member-Officer Protocol (within part 5 of the Council's Constitution) was adopted by the Council in 2010. Its purpose is to guide Members and Officers of the Council in their relations with one another.
- 1.2 The Standards Committee formed a Working Group of its membership to review the Protocol to take into account changes to the Code of Members' Conduct since 2010 and views of Members and Officers arising from their experiences in using the Protocol.
- 1.3 All Members of the Council and the Council's Senior Leadership Team of Officers were invited to comment on the current Protocol and to provide suggestions to the Working Group for changes / revisions. The Working Group revised the Protocol to take into account responses received and produced the revised document attached at Appendix 1. In March / April 2018, consultation on the revised draft Protocol (Appendix 1) took place with Members, Officers and Trade Unions.

## 2. Revised Protocol for Member / Officer Relations

- 2.1 Having considered the recommendations of the Working Group and all consultation responses, the Standards Committee has approved the draft revised Member-Officer Protocol attached at Appendix 1 which is recommended to the Council for adoption and inclusion within the Constitution.

## 3. Reasons for Recommendations

- 3.1 To ensure that the Protocol for Member / Officer Relations is up to date and fit for purpose.

## 4. Consultation and feedback

- 4.1 Consultation has taken place with Members, the Officer Senior Leadership Team, and with the Trade Unions. The Protocol has been revised taking into consideration all responses received.

<b>Report author</b>	<b>Contact officer: sara.freckleton@teWKesbury.gov.uk</b> <b>01684 272011</b>
<b>Appendices</b>	Draft Protocol for Member / Officer Relations – Appendix 1
<b>Background information</b>	Cheltenham Borough Council Code of Members' Conduct Cheltenham Borough Council Protocol for Member / Officer Relations

## **Part 5C – Protocol for Member/Officer Relations**

### **1. Introduction - Respective Roles of Members and Officers**

- 1.1 The purpose of this Protocol is to guide Members and Officers of the Council in their relations with one another.
- 1.2 This Protocol reflects the principles underlying the Code of Members' Conduct and the Code of Conduct for Employees. The object of those Codes is to enhance and maintain the integrity (real and perceived) of local government and demand high standards of personal conduct.
- 1.3 The Code of Members' Conduct (Constitution Part 5A) provides, inter alia, at Part IV – Rules of Conduct that:

6. Members shall base their conduct on a consideration of the public interest, avoid conflict between personal interest and the public interest and resolve any conflict between the two, at once, and in favour of the public interest.

7. Members shall observe the following rules:-

#### General Requirements

- (1) Do treat others with respect.
- (2) Do not bully any person.
- (3) Do not do anything which may cause your Authority to breach any of the equality enactments.
- (4) Do not use your position improperly, to confer on or secure for yourself or any other person, an advantage or disadvantage.
- (5) Do not do anything which compromises, or is likely to compromise, the impartiality of those who work for, or on behalf of, your Authority.
- (6) Do not disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where –
  - (i) you have the consent of a person authorised to give it;
  - (ii) you are required by law to do so;
  - (iii) the disclosure is made to a third party for the purpose of obtaining professional legal advice provided that the third party agrees not to disclose the information to any other person; or
  - (iv) the disclosure is –
    - (a) reasonable and in the public interest; and
    - (b) made in good faith and in compliance with the reasonable requirements of the Authority.

- (v) before making any disclosure under the provision and (iv) above, the written advice of the Borough Solicitor must be sought and considered.
- (7) Do not prevent another person from gaining access to information to which that person is entitled by law.
- (8) Do promote and support high standards of conduct when serving in your public post by leadership and example.

When using the resources of the Authority, or authorising the use of those resources by others:

- (9) Do act in accordance with the Authority's reasonable requirements including the requirements of the Authority's IT Policy;
- (10) Do make sure that such resources are not used improperly for political purposes (including party political purposes); and
- (11) Do have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986;
- (12) Do not improperly use knowledge gained solely as a result of your role as a Member for the advancement of your own interests.

When making decisions on behalf of, or as part of, the Authority:

- (13) Do ensure that decisions are made on merit, particularly when making public appointments, awarding contracts, or recommending individuals for rewards or benefits.
- (14) Do have regard to any relevant advice provided to you by the Council's Chief Financial Officer and Monitoring Officer where such advice is offered pursuant to his or her statutory duties.
- (15) Do be as open as possible about your own decisions and actions and those of your authority and be prepared to give reasons for those decisions and actions.
- (16) Do ensure that you are accountable for your decisions and co-operate fully with whatever scrutiny is appropriate to your office.

1.4 In line with the Code's reference to "*respect*" it is important that in any communications/dealings between Members and Officers the parties should be courteous and that neither party should seek to take unfair advantage of their position.

1.5 The fundamental principles essential for ensuring proper relationships between Members and Officers are:

- (i) the political neutrality of Officers; and
- (ii) a clear understanding of, and respect for, their distinct roles.

## 2. **Political Neutrality**

- 2.1 The primary responsibility of any Officer is to serve the Council as a corporate body. Where this duty conflicts with any duty to individual Members of the authority then the duty to the Council shall prevail.
- 2.2 Officers must act apolitically, whether or not they hold politically restricted posts, and Members must try to avoid putting Officers, whether intentionally or otherwise, in situations where their political neutrality might be compromised or appear to be compromised. This would include actions such as applying pressure on an Officer to alter the presentation or substance of their advice in reports.

## 3. **Officers as Employees**

- 3.1 Officers are employed by the Council as a corporate body.
- 3.2 The Employment Rules (Part 4F of the Constitution) deal with the appointment, disciplining and dismissal of officers. In general terms Members shall not be involved in such matters other than in respect of Chief Officers, Deputy Chief Officers, Statutory Officers and Political Assistants.
- 3.3 Members can expect Officers to:
  - Maintain confidentiality where necessary and lawful
  - Perform their duties effectively, efficiently and with political neutrality
  - Behave in a professional and courteous manner
  - Be helpful to Members and respect their role
  - Avoid close personal familiarity with Members and not use their relationship with Members to advance their personal interests or to influence decisions improperly
  - Report to the relevant Director any time a Member asks or pressurises the Officer to deal with a matter outside of Council procedure or policy
  - Demonstrate an understanding of and support for respective roles, workloads and pressures
  - Comply with any relevant Code of Conduct
- 3.4 Officers can expect from Members:
  - Leadership within the political sphere and direction
  - Respect, dignity and courtesy
  - An understanding of and support for respective roles, workload and pressures
  - Not to be subjected to bullying or undue pressure, including through written and verbal communications

- Not to use their position or relationship with Officers to advance their personal interests or those of others to improperly influence decisions
- Compliance with the relevant code of conduct

#### 4. **Relationship between the Leader and Officers**

- 4.1 The Leader will be at the centre of the Cabinet and will need the close working support of a number of Officers. The relationship between the Leader and those Officers must never be, or give the appearance of being, so close as to bring into question the Officers' ability to deal impartially with other Members, especially those belonging to other party political groups.

#### 5. **Relationships between Members of the Cabinet and Chairmen and Officers**

- 5.1 It is clearly important that there should be a close working relationship between Members of the Cabinet (whether or not they exercise personal executive powers), Chairs of Overview and Scrutiny and other Committees and the Senior Officers who support them in their respective roles.

However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the Officer's ability to deal impartially with other Members and other party political groups.

- 5.2 Whilst Officers should always seek to assist Cabinet Members, a Committee Chair or, indeed, any Member, they must not in so doing go beyond the limits of the authority they have been given by their Manager.

#### 6. **Partnerships et cetera**

- 6.1 The increasing involvement of the Council in various forms of partnerships with other bodies, creates situations where Members and Officers are drawn into new non-traditional working relationships. These could pose difficulties if Members and Officers lose sight of the fundamental principles which define their different roles.

#### 7. **Officer Advice to Party Political Groups (Political Groups)**

- 7.1 Political Groups are a recognised part of the local government structure and their role is recognised and facilitated by statute.

Officers may properly be called upon to support and contribute to deliberations by political groups on matters likely to come before the Council, the Cabinet or Committees. They must do so in ways which do not compromise their political neutrality.

- 7.2 The support provided by Officers can take many forms, ranging from a briefing meeting with a Cabinet Member or a Committee Chair to a presentation to a full political group meeting.

Whilst in practice such Officer support is likely to be most in demand from whichever political group forms the administration of the Council, such support is available to all political groups.

- 7.3 Any request for an Officer to attend a political group meeting should be made through the Chief Executive or the appropriate Director.

- 7.4 The following matters must be understood by all those participating in political group meetings, Members and Officers alike -

- (a) Officer support must not extend beyond providing information and advice in relation to matters of Council business. Officers must not be involved in advising on matters of political party business; the observance of this distinction will be assisted if Officers are not expected to be present at meetings, or parts of meetings, when matters of political party business are to be discussed;
- (b) where Officers provide information to a political group meeting in relation to a matter of Council business, this cannot act as a substitute for the obligation to provide all necessary information and advice to the Council, Cabinet or a Committee when the matter in question is considered;
- (c) any strategy or policy which may emerge from the meeting is that of the political group alone;
- (d) special care needs to be exercised whenever Officers are involved in providing information and advice to a political group meeting which includes persons who are not Members of the Council;

If, at a meeting of a Political Group attended by an Officer, there are other persons who are in attendance who are not Officers or Members of Cheltenham Borough Council and therefore not bound by the relevant Code of Conduct (including the declaration of interests and confidentiality) Officers may not be able to provide the same level of information and advice as they would to a Member only meeting.

- 7.5 Officers must respect the confidentiality of any political group meetings at which they are present in the sense that they should not relay the content of any such discussion to another political group. Officers

should not be requested, by the Overview & Scrutiny Committee to answer questions on such matters.

## **8. Support Services to Members and Party Political Groups**

- 8.1 The only basis on which the Council can provide support services (e.g. stationery, typing, printing, photo-copying, I.T., transport, etc.) to Members is to assist them in discharging their role as Members of the Council. Such support services must therefore only be used on Council business. They should never be used in connection with party political or campaigning activity or for private purposes.

## **9. Members' Access to Information and to Council Documents**

- 9.1 Members are free to approach the Chief Executive or any other Director to provide them with such information, explanation and advice, especially about the functions of the Directorate concerned, as they may reasonably need in order to assist them in discharging their role as Members of the Council. This can range from a request for general information about some aspect of a Directorate's activities to a request for specific information on behalf of a constituent. Such approaches should be made only to the relevant Director, unless the relevant Director has agreed otherwise.
- 9.2 As regards the legal rights of Members to inspect Council documents, these are covered by statute and common law.
- 9.3 Members have a statutory right to inspect any Council document which contains material relating to any business which is to be transacted at a Council, Cabinet or Committee meeting. These rights are summarised in the Access to Information Rules (Part 4E) and extend not only to reports which are to be submitted to the meeting, but also to any relevant background papers. This right does not however apply to documents relating to certain items which may appear as exempt items on the agenda (pink papers), or to documents which are in evolution and have not been finalised.
- 9.4 The common law right of Members is broader; it is based on the principle that any Member has a prima facie right to inspect Council documents so far as his or her access to the documents is reasonably necessary to enable the Member properly to perform his or her duties as a Member of the Council. This principle is commonly referred to as the "need to know" principle.
- 9.5 The exercise of this common law right depends therefore upon the Member's ability to demonstrate that he/she has the necessary "need to know".

In this respect a Member has no right to "a roving commission" to go and examine documents of the Council. Mere curiosity is not sufficient.



The crucial question is the determination of the "need to know". This question must initially be determined by the relevant Director holding the document in question, with advice, if necessary, from the Borough Solicitor/One Legal.

- 9.6 In some circumstances (e.g. a Committee member wishing to inspect documents relating to the functions of that Committee or a member of Overview and Scrutiny Committee wanting to be informed about a matter within the remit of that Committee) a Member's "need to know" will normally be presumed. In other circumstances (e.g. a Member wishing to inspect documents which contain personal information about third parties) a Member will normally be expected to justify the request in specific terms. It is unlikely that a Member will ever have a "need to know" in respect of personal details about individual Officers.
- 9.7 Whilst the term "Council document" is broad and includes for example, any document produced with Council resources, it is accepted by convention that a member of one party political group will not have a "need to know", and therefore a right to inspect, a document which forms part of the internal workings of another party political group.
- 9.8 A Member is not entitled to inspect any document, or have access to any information, about a matter in which
- (1) he/she has, in accordance with the Code of Members' Conduct, a disclosable interest which would restrict participation or
  - (2) he/she is acting in a professional capacity, for example, on behalf of a client negotiating with the Council or involved in litigation against the Council.
- 9.9 A Director may refuse a Member access to a document for the above or other good reasons such as the request being frivolous, vexatious or where a reasonable amount of information has already been provided. The Director must inform the Member in writing of the actual reason.
- 9.10 If a Member is not satisfied with a decision by a Director he/she may refer the matter to the Chief Executive, who having sought such advice as he/she considers appropriate, shall determine finally whether or not the Member should be given the access requested.
- If the original request had been made to the Chief Executive and a Member is not satisfied with the Chief Executive's decision, the matter shall be referred to the Monitoring Officer for determination.
- 9.11 Members have the same rights as any member of the public to access to information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

- 9.12 Further and more detailed advice regarding Members' rights to inspect Council documents may be obtained from the Borough Solicitor/One Legal.

## 10. **Involvement with Ward Councillors**

- 10.1 Wherever a public meeting is organised by the Council to consider a local issue, all the Members representing the ward or wards affected must as a matter of course be invited to attend the meeting. Similarly, whenever the Council undertakes any form of consultative exercise on a local issue, the ward Members must be notified at the outset of the exercise.

## 11. **Public Meetings called by Individual Councillors or Party Political Group**

- 11.1 If an individual Member or a party political group convenes a public meeting, publicity for the meeting must clearly state the basis on which it is being held and should not state or imply that it is a Council meeting.
- 11.2 Any request for an Officer to attend such a meeting must be made through the Chief Executive or the relevant Director.

It must be made clear to those attending such a meeting that any Officer is there in his or her official capacity, is politically neutral and that his or her presence does not signify support for a particular political proposal or initiative. This is essential because of the need for Officers to act, and to be seen to act, impartially and to comply with any political restrictions under which they operate.

## 12. **Member/Officer Dealings and Correspondence**

- 12.1 It is permissible and practical for Members to seek straightforward factual information from any Officer and to enquire as to technical or professional matters of appropriately qualified Officers whose duties include advising Members. In this respect it is important that Members should not take advantage of an Officer less senior in order to make demands which are inappropriate to that level of post. Members should also appreciate that less senior Officers may need to discuss with their line managers any requests made, or information (confidential or otherwise) provided, by the Member. Anything which is contentious, or which requires a complex opinion, or judgment should be directed to the relevant Director.
- 12.2 Correspondence between an individual Member and an Officer should not normally be copied by the Officer to any other Member, unless the Member has himself or herself sent copies to other Members; in this case copies will normally also be sent to those Members as well.

Where, exceptionally, it is necessary to copy the correspondence to another Member, this should be made clear to the original Member.

- 12.3 Official letters on behalf of the Council should normally be sent out in the name of the appropriate Officer, rather than in the name of a Member. It may be appropriate in certain circumstances (e.g. in respect of executive matters or representations to a Government Minister) for a letter to appear in the name of a Member, but this should be the exception rather than the norm.

Letters which create obligations or give instructions on behalf of the Council should never be sent out in the name of a Member.

### 13. **Complaints**

- 13.1 Should a Member have cause to complain about the actions or behaviour of any Officer of the Council he/she should lodge their complaint, preferably in writing with the Director with Management responsibility for that Officer. If the complaint is against a Director, the complaint must be made to the Chief Executive. If the complaint is against the Chief Executive personally the complaint must be made to the Monitoring Officer. The Officer to whom the complaint is made will take appropriate action to resolve it and will notify the Member of the Council who made the complaint of the action which has been, or is intended to be, taken to resolve it.
- 13.2 Should an Officer have cause to complain about the actions or behaviour of any Member of the Council, the Officer should draw his/her concern to the attention of his/her Manager who will consider the matter and, acting through the appropriate Director / Chief Executive, will seek to resolve the issue with the Member concerned or, if this is not possible, with the Member's Political Group Leader. If the complaint is against a Political Group Leader then it should be drawn to the attention of the Deputy Group Leader. The Member to whom the complaint has been referred, will deal with it and will notify the Officer making the referral of the action which has been, or is intended to be, taken to resolve the complaint.

Where the complaint appears to involve an allegation of a breach of the Code of Members' Conduct, the appropriate Director/Chief Executive will consult the Monitoring Officer.

- 13.3 Complaints should not be raised or referred to during Council, Cabinet or Committee meetings, except for those meetings expressly called for that purpose.

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## Cheltenham Borough Council

**Council – 23 July 2018**

### Nominations to Outside Bodies

<b>Accountable member</b>	<b>Leader, Councillor Steve Jordan</b>
<b>Accountable officer</b>	<b>Chief Executive, Pat Pratley</b>
<b>Ward(s) affected</b>	<b>None directly</b>
<b>Key Decision</b>	<b>No</b>
<b>Executive summary</b>	<p>Following each Selection Council, and at other times when vacancies arise, the Leader/Cabinet takes the opportunity to nominate and, in limited cases, appoint persons to various roles within bodies external to the Council. Also the opportunity is taken to nominate persons to other bodies such as Joint Committees and other bodies/groups such as the Cheltenham Development Task Force.</p> <p>Cabinet met on 10 July 2018 and nominated Members to outside bodies. There remains one appointment, namely the Cleeve Common Trust where there were 5 nominations for 3 places and agreement could not be reached between the Group Leaders and therefore this has been referred to Council.</p> <p>The nominations are set out in Appendix 2.</p>
<b>Recommendations</b>	<p><b>Cabinet recommend to Council THAT</b></p> <p style="padding-left: 40px;"><b>1. three persons be nominated to the Cleeve Common Trust</b></p>

<b>Financial implications</b>	<p>There are no financial implications associated with this report.</p> <p><b>Contact officer: Paul Jones</b>  <b>E-mail: paul.jones@cheltenham.gov.uk</b>  <b>Tel no: 01242 264365</b></p>
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<p><b>Legal implications</b></p>	<p>See body of the report.</p> <p>Two general powers are relevant to nomination/appointment to outside bodies, these being the 'Well Being' power found in the Local Government Act 2000 and the power of an authority to do anything conducive, incidental to or facilitative of the discharge of any of their functions found in the Local Government Act 1972.</p> <p>Guidance for Members appointed to outside bodies can be found at Part 5G of the Council Constitution.</p> <p><b>Contact officer: Peter Lewis</b>  <b>E-mail: <a href="mailto:peter.lewis@tewkesbury.gov.uk">peter.lewis@tewkesbury.gov.uk</a></b>  <b>Tel no: 01684 272012</b></p>
<p><b>HR implications (including learning and organisational development)</b></p>	<p>No HR implications arising for the report</p> <p><b>Contact officer: Julie McCarthy , HR Manager –Operations, Payroll &amp; Support Centre. <a href="mailto:julie.mccarthy@publicagroup.uk">julie.mccarthy@publicagroup.uk</a>, 01242 26 4355</b></p>
<p><b>Key risks</b></p>	<p>Members appointed should be aware of their roles and responsibilities.</p>
<p><b>Corporate and community plan Implications</b></p>	<p>Supports all the community priorities and supports community engagement.</p>
<p><b>Environmental and climate change implications</b></p>	<p>None</p>

## **1. Background**

- 1.1** The external bodies to which nominations/appointments are made comprise a variety of organisations and groups. A traditional distinction can be drawn between incorporated and unincorporated bodies; the former being distinct legal entities such as companies, having a legal personality and a framework imposing obligations upon those who become involved by appointment; the latter being bodies which, albeit without formal legal foundation, play an important role in representing interests within the local community. Involvement in these unincorporated organisations will often carry few or no legal obligations on those appointed.
- 1.2** In the majority of cases the authority decides who to nominate to the outside body concerned and it is then for that body to decide on whether to accept the nomination and make the appointment. There are some limited exceptions to this, such as Cheltenham Borough Homes, Gloucestershire Airport and the Cheltenham Trust where the Council has the right (by virtue of its interests in those companies) to make the appointments to the boards of directors.

## **2. Legal context**

- 2.1** With regard to outside bodies, whilst nominations/appointments are made on the general basis that the nominee/appointee is the council's representative on the outside body, it is important to note that in many cases the overriding duty is to the outside body. For example, a company director has a primary duty of care towards the company and to act in the best interests of the company as a whole and a trustee must act in accordance with the trust deed and uphold the trust's objectives.
- 2.2** The council is able to indemnify members (and officers) in the course of their activities on outside bodies provided they are acting within the scope of their authority as council representatives. Outside bodies, such as companies, that are legal entities in their own right must have their own appropriate insurance arrangements in place. It is important that members (and officers) clarify the position in each particular case.
- 2.3** Under the executive functions set out in Part 3E of the Council's constitution, the Leader has the power to make nominations/appointments to outside bodies where they relate to an executive function or revoke such nominations/appointments provided there is Group Leader agreement. Where there is not group leader agreement the decision is referred to Council.

## **3. Nomination/appointment of external persons**

- 3.1** Historically the council has nominated/appointed external persons to some outside bodies. On 29th June 2006 Council specifically agreed that 'All nominees are elected Members of Cheltenham Borough Council unless there are exceptional reasons justifying the appointment of a non Member'. Relevant examples of outside bodies to whom external persons have been appointed are; Gloucestershire Airport, Pate's Grammar School Foundation. The reasons for these appointments have been the specialist knowledge skills and experience that have been brought to the outside body and/or the lack of Member nomination to that body.
- 3.2** External persons are not, of course, subject to the Code of Members' Conduct nor are they under any general obligation to act in the best interests of the council or the broader public interest. Also, they are not covered by the council's insurance. Whilst these factors do not prevent the nomination of external persons they should be borne

in mind when considering whether to make such nominations/appointments.

- 3.3** In the nominations attached in Appendix 2A, Pat Thornton has expressed a wish to continue her role as one of the council's representatives on the Cleeve Common Trust following her retirement from the council in May 2018.

**4. Reasons for recommendations**

- 4.1** It is in the interests of the council to ensure representation on all these bodies.

**5. Alternative options considered**

- 5.1** None

**6. Consultation and feedback**

- 6.1** Appendix 2A was circulated to Group Leaders on 8 May 2018.

<b>Report author</b>	Rosalind Reeves, Democratic Services Manager, 01242 774937 Rosalind.reeves@cheltenham.gov.uk
<b>Appendices</b>	1. Risk Assessment 2. Lists of Bodies
<b>Background information</b>	1. Constitution Part 5G



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 elected members are not aware of their roles and responsibilities they may compromise their position		10 July 2018	3	2	6	Control	Ensure members are aware of guidance set out in Constitution Ensure members understand their role on the outside body and have a copy of relevant constitution or terms of reference of the body concerned		Democratic Services Manager	
<b>Explanatory notes</b>											
<p><b>Impact</b> – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p><b>Likelihood</b> – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p><b>Control</b> - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

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Title	Nominations
<b>Cleeve Common Trust (3)</b>	Pat Thornton
	Councillor Simon Wheeler
	Councillor David Willingham
	Councillor John Payne
	Councillor Matt Babbage

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Council – 23 July 2018

**Gloucestershire 2050 Consultation**

**Report of the Leader of the Council**

<b>Accountable member</b>	Leader of the Council, Cllr. Steve Jordan
<b>Accountable officer</b>	Strategy and Engagement Manager, Richard Gibson
<b>Accountable scrutiny committee</b>	All
<b>Ward(s) affected</b>	All
<b>Key Decision</b>	No
<b>Executive summary</b>	<p>A range of partners across the county have come together to start a conversation, called Gloucestershire 2050, to identify key challenges and explore ambitions and ideas that could shape the county’s long-term future.</p> <p>The consultation on these ambitions and ideas is open to 31 July 2018.</p> <p>Given the potential significance to Cheltenham’s future, and the fact that Council agreed a place vision for Cheltenham in March, Council is asked to consider submitting a formal response to the Gloucestershire 2050 consultation.</p>
<b>Recommendations</b>	<p><b>Council welcomes the Gloucestershire 2050 consultation.</b></p> <p><b>Council agrees to submit a response to the Gloucestershire 2050 consultation using the draft consultation response attached at appendix 3 as the starting point for the response.</b></p> <p><b>Council requests the Leader, in consultation with the two other political group leaders, to agree the final wording of the response and to submit this response by 31 July 2018.</b></p>
<b>Financial implications</b>	<p>None as a direct result of this report.</p> <p><b>Contact officer: Paul Jones, Chief Finance Officer.</b>  <b>E-mail: paul.jones@cheltenham.gov.uk</b>  <b>Tel no: 01242 775154</b></p>
<b>Legal implications</b>	<p>None as a direct result of this report.</p> <p><b>Contact officer: Peter Lewis</b>  <b>E-mail: Peter.Lewis@teWKesbury.gov.uk</b>  <b>Tel no: 01684 272012</b></p>

<b>HR implications (including learning and organisational development)</b>	None as a direct report. <b>Contact officer: Julie McCarthy</b> <b>Strategic HR &amp; Client Manager</b> <b>E-mail: julie.mccarthy@cheltenham.gov.uk</b> <b>Tel no: 01242 264355</b>
<b>Key risks</b>	
<b>Corporate and community plan Implications</b>	The interim corporate strategy action plan 2018-19 contains the commitment that <i>“The council will contribute to shaping the Gloucestershire 2050 Vision.”</i>
<b>Environmental and climate change implications</b>	A number of responses have highlighted the need for the Gloucestershire 2050 project to fully embrace the principle of sustainable development.

**1. Introduction**

- 1.1 In 2016 Leadership Gloucestershire, comprising the Leaders and Chief Executives from the county and district councils together with other key public sector leaders, led a programme of work to negotiate a devolution deal with Government for the county. Although the deal was not successful, the programme generated alignment around areas of common interest such as community safety and strategic planning, and this collective working has formed the foundations of Gloucestershire 2050.
- 1.2 In 2017 Leadership Gloucestershire decided to commission a piece of work to look at the longer term challenges facing the county, and to consider what changes might be needed to address those challenges to deliver improved outcomes for future generations. The feeling was that if it were possible to create a vision for the county around which the various interested parties could align, this could be used with Government and agencies such as Homes England, Highways England, to inform national level investment funding and strategic policy formulation.
- 1.3 Whilst 2050 may seem and feel a long way off, Leadership Gloucestershire felt that such a timeframe would create the right conditions for a more frank debate and open exchange of views. Also when it comes to thinking and planning strategically, with regard to both people and place, we are more accustomed to longer-term, time frames. For example, in terms of spatial planning, our own JCS runs till 2031, and a 2050 time horizon in strategic infrastructure terms is not an unrealistic one.
- 1.4 In addition, the county needs longer-term solutions to address some of our people-based challenges such as an ageing population, health inequalities, access to housing that is affordable, and access to appropriate education, training and skills. Gloucestershire 2050 provides an opportunity to focus thinking on what we need to do, collectively, as a whole system, to address these longer term challenges.

**2. Gloucestershire 2050 big conversation**

- 2.1 Leadership Gloucestershire commissioned the University of Gloucestershire to facilitate a study which could then be put out for wider public consultation. The “Big Conversation” is a result of this initial study. The consultation was launched in February this year and closes on 31 July. In order to prompt a dialogue, the University sought the assistance of an expert panel from which the six projects “ideas” and eight “ambitions” (Appendix 2) emerged which the panel felt would best address the future challenges that the county faces.

- 2.2** The university has also commissioned Demos Localis to undertake an analysis of the options for creating delivery vehicles for implementing large-scale transformational projects such as those represented by the 6 project ideas. Their final report will be considered by Leadership Gloucestershire in September.
- 2.3** The Council's political group leaders have agreed that Council should have an opportunity to debate the Vision 2050 consultation and decide whether or not to submit a response on behalf of the Council.
- 2.4** As far as possible, they wish any such response to be based on a cross-party consensus, and to be reflective of the views of the people of Cheltenham. In order to inform Council's deliberations, invitations have been sent to the following organisations to ask that they share any responses that they make to the 2050 consultation.
- Cheltenham Business Improvement District – response received
  - Vision 21 - response received
  - Place Governance Group –response received
  - Cheltenham Borough Homes - response received
  - Cheltenham Development Task Force –response received
  - Cheltenham Chamber of Commerce - response received
  - Voluntary and Community Sector forum – meeting on 10 July – response awaited
- 2.5** In addition, there has been a meeting with our Joint Core Strategy district partners to formulate a response.
- 2.6** In terms of member engagement; two member seminars were held. The first one on 9<sup>th</sup> January was attended by eight members. The second one, held on 28<sup>th</sup> June was attended by 20 members.

### **3. Summary – partner views**

- 3.1** In terms of responses from our partners; the following issues have been raised:
- 3.2** Cheltenham Business Improvement District (BID) welcomed the Cyber-city project as this international-scale project will make a real difference both to the town and the county and will appeal to young professionals both inside and outside the county and will help tackle the age-group imbalance.
- 3.3** In terms of the super-city, the BID were concerned that what should be a positive attempt for Cheltenham and Gloucester to work more closely together would be side-tracked by the emphasis on creating a “third centre”. Instead the BID felt that the emphasis should be on improving transport links between the two centres so that residents are able to move seamlessly between the two. The BID would encourage investigations into a new light rail link alongside improved bus lanes and services between Cheltenham and Gloucester– but would also support 4-way working at junction 10.
- 3.4** The BID were also concerned that investment into a third centre could be at the expense of the current city and town centres with the fear that any new development would detract from them potentially leading to them losing their own identities.
- 3.5** The BID supports additional investment into Gloucestershire Airport which is ideally placed to service both urban areas and the wider-county, rather than the creation of a new Cotswold Airport. In addition, the BID recognised the need for potential industrial development close to the M5 between the two centres. There is scope for further business parks in addition to the Cyber Park, which could accommodate both related and alternative industries.
- 3.6** Vision 21 felt strongly that by identifying 8 ambitions Glos 2050 fails to appreciate the overarching

need to create a sustainable county. V21 felt that there should be only one ambition and that is to become sustainable. The other ambition is to set intermediate goals to achieve along the way to becoming fully sustainable by 2050.

- 3.7** V21 felt that the people magnet ambition should be replaced by an ambition to develop a low carbon economy with particular emphasis on the growth of energy from renewable sources and recycling.
- 3.8** V21 also wants to see an integrated approach that is based on sustainable development principles, rather than investment in a series of loosely related unrealistic ideas or projects. The focus should be on growing existing communities by servicing their needs and developing their aspirations in line with good sustainable development practice.
- 3.9** The Place Governance Group (PGG) supported the concept of Cheltenham and Gloucester continuing to thrive as separate but inter-connected urban centres that together have sufficient economic and cultural power to be considered as one of the UK's most thriving urban areas.
- 3.10** The PGG felt that the Glos 2050 proposals should offer a compelling future for our young people; and that partners should be working with education settings to ensure our young people are inspired to get the best possible education. At the same time, more investment is needed to make sure our most vulnerable young people are not left behind and that new forms of youth work and alternative education provision might need to be developed to ensure that all young people thrive.
- 3.11** The PGG also wanted to see more emphasis on sustainable development that seeks the highest environmental and social standards from new developments to ensure that fresh thinking is brought to the challenge of building urban extensions.
- 3.12** Cheltenham Borough Homes held a board way day at which an officer from GFirst LEP facilitated a session about Glos 2050. These are some of the comments made:
- There should be a wide spectrum of residential properties in different tenures available at a range of prices.
  - Young people's expectations and aspirations are different now. The inherited desire to own their own home could change and young people may prefer to invest in their job and social life.
  - How do we reconfigure what has already been planned and built to meet their future needs of the population?
  - We need to consider new forms of home construction where the pieces are delivered by crane and these homes may also be more adaptable to meet future needs.
  - Some people might leave Gloucestershire if it changed too much
  - Creating a Super City could also protect the things that add value to Gloucestershire now.
- 3.13** Gloucestershire Airport Ltd (GAL) supports the inclusion of an airport within the vision but feels that this should be located on the Gloucestershire Airport site. GAL understands that Cotswold Airport's location, its limited facilities and services would require substantial investment to bring it up to a standard needed to achieve the 2050 vision. GAL believes that any investment should be directed at the county's already established airport. This is predicated on the fact that the airport is already at the heart of a growing aerospace and technological cluster; is recognised within the GFirst Strategic Economic Plan as an enabler for growth within the wider economy, and the fact that there is a longer-term commitment shown by the two shareholding authorities, CBC and Gloucester City Council to the airport securing its future on the basis of its significant economic impact.
- 3.14** Cheltenham Development Task Force felt that the six project ideas require further investigation with careful attention to their benefits for people, communities and sustainability with a priority



given to those projects that can deliver better transport and affordable housing. CDTF felt that the Cyber Park appears the most desirable but this 'game changer' needs effective resourcing and focused leadership. It is essential that strong links are created with world-class research and HE bodies.

- 3.15** CDTF suggested that the 'super-city' idea should be rethought, recognising the separate identities of Cheltenham and Gloucester, while improving synergies between the two urban areas including appropriate opportunities new development based on the 'garden city/village' model. Planning should be developed around integrated public transport including rapid transit for commuter routes and regional economic linkages, both to the Bristol area and to others such as Oxford and Birmingham.
- 3.16** In term of governance, CDTF felt that whilst unitary local government may be appropriate, the growth agenda will require new forms of partnership for effective delivery. For instance, the task force model based on developing common aims and mutual trust may be appropriate for initial work on the Gloucester/Cheltenham area.
- 3.17** Cheltenham Chamber of Commerce takes the view that insufficient work on the 2050 concept has been undertaken for an opinion to be expressed. Instead the Chamber believes that a comprehensive holistic approach should be taken to the whole county and people with the right skill sets should be engaged to provide a wider perspective in areas such as infrastructure, education, employment, accommodation, leisure, culture and retail.
- 3.18** The chamber believes that constructive dialogue is required with sixth form schools in the county and also the general population through parish and borough councils and that a time period of three years be set to formulate a vision and appropriate ways forward.

#### **4. Summary - JCS leaders and chief executives informal discussions**

- 4.1** We should work more closely with our JCS partners to achieve ambitious economic growth outcomes, including greater connectivity with the potential to act as a "city region"/virtual city to spur on sub-regional growth in the context of the M5 corridor being an economic unit.
- 4.2** The JCS partnership provides a basis for future working and an opportunity to build on that informal public/private aspect to feed into the formal decision making process, for example, building on Cheltenham Development Task Force (and the Gloucester equivalent).
- 4.3** Some form of improved mass transit (e.g. light rail/tram) system, linking the two urban centres via the airport has potential.
- 4.4** A "green corridor/linear park" between Cheltenham and Gloucester could provide a more efficient movement of people between the urban centres through, for example, safer cycling.
- 4.5** Acknowledgement that the cyber park project is already underway and therefore may be seen through the consultation as the least controversial of the key projects.

#### **5. Summary of elected member views – 9th January**

- 5.1** Members who attended the seminar raised the following points:

- The scale of ambition is critical to regional investment.
- Transport connections and links with key destinations need to be improved e.g. Bristol, Birmingham, Oxford, Cambridge, Milton Keynes, Reading. Train journey times are important.
- The supply of housing, of all tenures but with a focus on housing that is affordable is key, but there is recognition of the need to be innovative in how we increase the supply.
- Do we need to give consideration to changes in the way we lead our lives?

## **6. Summary of elected member views – 28th June**

### **6.1 Cyber-park**

**6.2** Members were generally in favour but recognised that it requires significant investment into transport infrastructure to make it successful. Members in particular highlighted the need for 4-way working at jct 10 to unlock the potential and to reduce impacts on residential roads. Members felt that transport infrastructure needs to go in first before any residential development.

**6.3** Alongside road improvements, members also recognised the need for a focus on sustainable travel – walking, cycling, public transport not just cars.

**6.4** Members felt that the cyber-park and associated residential development needs to be properly planned in order that it reaches the highest possible standards and therefore should not be developer-led.

**6.5** Members also wanted to see a link between the cyber-park and the education and skills offer of our local educational establishments, from primary schools to our university. They felt that there is a good opportunity to use the cyber-park idea to excite children about future careers.

### **6.6 Super-city**

**6.7** For CBC members, the super-city project idea remains contentious – particularly in any sense that this would lead to a physical merger of Cheltenham and Gloucester which members are particularly against.

**6.8** Instead members identified the following key elements that will enable the two urban centres of Cheltenham and Gloucester to thrive which is of much greater interest:

- Connectivity both in terms of transport links but also digital / broadband
- Enabling a vibrant cultural and sporting offer;
- Governance of place with focus on democratic leadership
- Being inclusive and ensuring that investment benefits those that are most disadvantaged.
- Based on research we need to learn from Europe's most successful cities about what makes a thriving urban area

### **6.9 Regional Park**

**6.10** Members were interested in how we encourage more sustainable living in our rural areas; eg with an equal focus on connectivity.

### **6.11 Cotswold airport**

**6.12** Members felt that a new airport is generally not really achievable and that there is a sense that we need to retain Gloucestershire Airport.

### **6.13 Development of project ideas**

**6.14** Members suggested that the project ideas felt rather sterile and unimaginative with a focus on big capital projects. They were interested in encouraging fresh thinking and ensuring the voices of young people are heard in the development of project ideas.

**6.15 Consultation**

**6.16** Members wanted to make sure that the voice of young people were being captured and given appropriate weighting to reflect their importance to the future of Gloucestershire.

**6.17** Members also wanted to ensure that the voice of local businesses were captured.

**6.18 Young people**

**6.19** In terms of attracting and retaining young people, members felt that the collective effort should be focused on providing high quality education from early years to FE/HE, affordable housing, access to jobs and vibrant cultures. They wanted Leadership Gloucestershire to test whether all our planning, policies and systems were aligned to enable this to happen.

**6.20 Strategic links**

**6.21** Members wanted to ensure that the 2050 proposals align with CBC's outcomes as set out in the place vision and our corporate strategy. They suggested that the strategic fit needs to be tested. They also felt that the 2050 proposals should be worked up within the parameters set by the JCS (or its successor).

**7. Next Steps**

**7.1** The draft response is attached as appendix 3. Members are invited to discuss the draft response and amend it accordingly. Authority is sought from Council for the Leader, in consultation with the two other political group leaders, to agree the final wording of the response and to submit this response by 31 July 2018.

<b>Report author</b>	Richard Gibson Strategy and Engagement Manager 01242 235354 richard.gibson@cheltenham.gov.uk
<b>Appendices</b>	<ol style="list-style-type: none"><li>1. Risk assessment</li><li>2. Summary of Gloucestershire 2050 ideas and ambitions</li><li>3. Draft CBC response</li></ol>

The risk				Original risk score (impact x likelihood)			Managing risk			
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer
	If CBC does not agree to submit a response to the 2050 consultation, the council's reputation might be at risk as it will be viewed as not representing its partners, businesses and residents views in the development of the next phase of the Gloucestershire 2050 project.	Cllr Steve Jordan	11.7.18	4	3	12	Reduce	Work with council to agree a suitable response that reflects local opinions	31.7.18	Pat Pratley

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**Appendix 2 – Vision 2050 Ambitions and Projects**

Ambitions

**A magnet county**

We would like to see a growing working age population, by keeping and attracting more 18-40 year olds with high level qualifications, who want to live and work in the county.

**An innovative county**

We would like to see more businesses starting up, growing, and investing in research and innovation.

**A skilled county**

We would like to see more people with high-level skills and jobs in skilled occupations.

**A prosperous county**

We would like to see rising productivity and household income, offering higher living standards.

**An inclusive county**

We would like the economic and social benefits of growth to be felt by all.

**A healthy, happy county**

We would like people to have a good work/life balance and to see improved health and wellbeing.

**A connected county**

We would like to see improved transport and internet connections so that people and businesses can connect with each other more easily.

**A sustainable county**

We would like to see more efficient use of resources and more use of sustainable energy.

Projects

**Super City**

Gloucester and Cheltenham could grow and regenerate by developing a third centre connecting the two communities to create a 'super city'.

**Cyber Park**

The development of a National Cyber Security Park, dedicated to cyber-related business and education development, is integral for the Super City.

**Regional Parks**

The Forest of Dean and the Severn Vale are two of the county's main assets, as well as the world-renowned Cotswolds Area of Outstanding National Beauty (AONB). We think they should be designated as Regional Parks, creating a wetlands area for flood management and investing in facilities.

**Lydney - Sharpness**

A new multi-purpose crossing between Lydney and Sharpness will create a single 'destination' with development potential for both, reflecting their individual cultures, landscapes, and heritage.

**Cotswold Airport**

An airport that can accommodate more air travel could be central to the county's economic success – facilitating higher value tourism, enhanced transport links, or as a base for drone technology.

**Cotswold Waterpark**

Cotswold Water Park could become a major tourism destination by redesigning the lake system, maintaining and expanding the range of leisure uses, and developing a 5-star hotel.





**Appendix 3 – Possible draft Cheltenham Borough Council response to the Gloucestershire 2050 big conversation**

Thank you for the opportunity to respond to the Gloucestershire 2050 big conversation consultation. This response is sent on behalf of Cheltenham Borough Council, following discussion and agreement at its meeting on 23rd July.

The Council welcomes and supports the aim of developing a long-term vision for Gloucestershire, and has taken a keen interest in the Gloucestershire 2050 Big Conversation.

As well as engaging internally with councillors and officers, we have also worked with local organisations to encourage them to engage in the big conversation and to express their views. This response captures where possible the views they have expressed back to us.

**In summary, key messages from CBC are as follows**

Overall

The council welcomes the opportunity to contribute to the Big Conversation and the challenge of looking to the future beyond our normal planning timescales. The council also values the opportunity to collaborate on a shared vision for the county. We share the view that it is an important aim to prevent the projected net loss of young people from the county. It is equally important to any suggested projects against the actual likelihood of achieving that.

The council requests that more efforts are made to capture the voices of young people in the next iteration of the Gloucestershire 2050 big conversation. We need to hear their views on how we create the conditions that will retain them in the future.

The council believes strongly in the concept that form follows function and it therefore requests that the Gloucestershire 2050 partners spend more time on developing its strategic outcomes before focusing on delivery models. Whatever delivery models are developed, need to reflect this council's democratic mandate.

Strategic alignment

The council believes it is important that ideas stemming from Gloucestershire 2050 should build on our own agreed plans and policies – with particular emphasis given to the Joint Core Strategy and Cheltenham's place vision. CBC therefore requests that future project ideas respect the agreed development framework up to 2031. The JCS embraces a commitment to sustainable growth with plans for 35,000 new homes and 192 ha of new employment land supporting 39,500 new jobs. The JCS focuses development in and around Gloucester and Cheltenham, including urban extensions to these areas, but retains the green belt boundary between Cheltenham and Gloucester to prevent any physical merger of the two areas.

JCS partners are now starting to think beyond 2031 and we feel that there is an opportunity for JCS mark 2 to set out a democratically agreed vision for the future of the Cheltenham, Tewkesbury, Gloucester area that may well be informed by the feedback from the Gloucestershire 2050 big conversation.

Cheltenham's place vision sets out very clearly the challenges that Cheltenham is facing:

- The need to create a thriving Cheltenham within a thriving county building on our complementarity with Gloucester
- The need to increase economic productivity and job growth and increasing employment opportunities for all
- The need to deliver more affordable, accessible, safe and secure housing
- The need to promote ourselves as a world class visitor and cultural capital.
- The need to improve the life chances of residents living in our most deprived communities and outcomes for our most vulnerable children and young people
- The need to support, attract and retain young people

To respond to these challenges, the council and its partners have developed the vision that Cheltenham is a place where everyone thrives and which emphasises our efforts to work inclusively to ensure that all our residents and businesses have the opportunity to benefit from the growth set out in the JCS.

Our vision also recognises that Cheltenham's longer-term success is predicated on having thriving businesses and workforces, a thriving cultural and creativity sector and offer, and that all our people and communities thrive.

It recognises that to attract and retain young people more joined-up effort is needed on ensuring young people can access housing that is affordable, that there is inspiring education and skills provision, that there are vibrant cultural and sporting opportunities and that there are sufficient jobs and career opportunities.

We therefore feel that the next iteration of Gloucestershire 2050 should more clearly set out how its proposals will help address our challenges and help us deliver our vision.

### The eight ambitions

The council feel that the eight ambitions are all worthwhile and align with the values the council and its partners have agreed to in its place vision. We note the suggestion from Vision 21 that the "sustainable county" ambition could be more explicit in its view that the county could be a "low carbon economy"

### The six projects

The council recognises that the six project ideas are provocations to prompt debate and discussion but remains underwhelmed by the emphasis on big capital infrastructure projects rather than taking the opportunity to think really creatively about projects that will embody the 8 ambitions and that reflect the principles of sustainable development.

**Cyber-Park:** The council is supportive of the Cyber-park project idea recognising the transformational impact its successful implementation will have on Cheltenham and the wider county and the fact that the proposal aligns with the JCS and place vision. However, success implementation is predicated on two key elements that the council wishes to emphasise:

- The absolute requirement for investment into sustainable transport infrastructure and digital connectivity. Enabling 4-way working at junction 10 is seen by the council as an absolute requirement to prevent a substantial increase of traffic onto residential roads. But this needs to be complemented by investment into sustainable travel to improve walking, cycling, public transport connections to the cyber-park.

- The need to put in place education and skills pathways, starting in primary schools, but also encompassing our FE and HE provision to ensure we are inspiring and preparing our young people for the potential that cyber and digital industries can offer.

**Super-city:** The council is not supportive of the super-city project idea particularly the suggestion of a third centre. This does not align with our JCS. The council is supportive of greater collaboration with JCS partners to achieve a democratically agreed vision for the longer-term future of Cheltenham, Gloucester and Tewkesbury beyond 2031. The council support this vision being based on:

- Increased connectivity; both in terms of sustainable travel and digital connectivity
- Enabling a vibrant cultural and sporting offer
- Democratic leadership
- Being inclusive and ensuring that investment benefits those that are most disadvantaged.
- Based on research learning from Europe's most successful cities about what makes a thriving urban area

**Cotswolds Airport:** The council is not supportive of the idea to create a new airport. The council feels that investment should be made into Gloucestershire airport in order that it can benefit from new aviation technologies.

**Lydney – Sharpness:** The council supports idea of a multi-purpose crossing at this point. This would enable significant development for both homes and employment which would probably be important since a new bridge would be a major cost.

**Cotswold Waterpark & Regional Parks:** The council supports the use of the natural environment across the county as a means to further enhance the tourism offer.

### **Summary**

The council looks forward to working with all of its partners and communities to help refine and take forward delivery of the Vision 2050.

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