



Notice of a meeting of Cabinet

Tuesday, 6 November 2018

6.00 pm

Municipal Offices, Promenade, Cheltenham, GL50 9SA

Membership	
Councillors:	Steve Jordan, Flo Clucas, Chris Coleman, Rowena Hay, Alex Hegenbarth, Peter Jeffries and Andrew McKinlay

Agenda

		SECTION 1 : PROCEDURAL MATTERS	
1.		APOLOGIES	
2.		DECLARATIONS OF INTEREST	
3.		MINUTES OF THE LAST MEETING Minutes of the meeting held on 9 October 2018	(Pages 3 - 10)
4.		PUBLIC AND MEMBER QUESTIONS AND PETITIONS These must be received no later than 12 noon on Wednesday 31 st October	
		SECTION 2 :THE COUNCIL <i>There are no matters referred to the Cabinet by the Council on this occasion</i>	
		SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE <i>There are no matters referred to the Cabinet by the Overview and Scrutiny Committee on this occasion</i>	
		SECTION 4 : OTHER COMMITTEES <i>There are no matters referred to the Cabinet by other Committees on this occasion</i>	
		SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS	
5.		IMPLEMENTATION OF ADOPTED WAV POLICY FOR HACKNEY CARRIAGES	(Pages 11 - 40)

		Report of the Cabinet Member Development and Safety	
6.		LOCAL COUNCIL TAX SUPPORT SCHEME Report of the Cabinet Member Finance	(Pages 41 - 84)
7.		QUARTERLY BUDGET MONITORING REPORT JULY- SEPTEMBER 2018 Report of the Cabinet Member Finance	(Pages 85 - 96)
8.		BUDGET STRATEGY AND PROCESS 2019/20 Report of the Cabinet Member Finance	(Pages 97 - 112)
		SECTION 6 : BRIEFING SESSION • Leader and Cabinet Members	
9.		BRIEFING FROM CABINET MEMBERS	
		SECTION 7 : DECISIONS OF CABINET MEMBERS Member decisions taken since the last Cabinet meeting	
		SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION	
10.		BRIEFING NOTES Briefing notes are circulated for information with the Cabinet papers but are not on the agenda	

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

Cabinet

Tuesday, 9th October, 2018
6.00 - 6.40 pm

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

Minutes

1. APOLOGIES

None.

2. DECLARATIONS OF INTEREST

There were none.

3. MINUTES OF THE LAST MEETING

The minutes of the meetings held on 4 and 11 September were approved and signed as a correct record.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

There were none.

5. COMMUNITY PRIDE GRANTS

The Leader introduced the report and explained that this had been a positive process. This year the fund was being used to support the place vision and ambitions for Cheltenham through community owned projects that build community pride and enable local groups to be more influential in supporting their communities and neighbourhoods.

The Leader reported that up to £30k was made available for community pride grants to be match funded up to the value of £5k. 19 bids had been submitted up to the value of £80k and he was pleased to report that 14 of those could be supported, albeit not to the full value requested. The bids addressed a wide range of issues across the town. He wished to place on record his thanks to the panel comprising himself, the Cabinet Member Healthy Lifestyles, Angela Gilbert from GRCC, and members of the strategy engagement team.

A Member asked whether Whaddon Bowls Club had discussed the installation of disabled toilet facilities with the football club given that the properties backed on to each other. In response the Leader undertook to raise this given that the council were still awaiting clarification from them

on certain issues. In the meantime the Member suggested she could also take this up as ward member.

RESOLVED THAT

the list of projects to be funded from the Community Pride Fund as set out in Appendix 2 be approved.

the Participation and Engagement Team Leader, in consultation with the Leader of the Council, be authorised to consider how best to award any remaining funds.

6. DISPOSAL OF PUBLIC OPEN SPACE - SURPLUS LAND AT KING GEORGE V PLAYING FIELD

The Cabinet Member Finance introduced the report and explained that the strip of land highlighted in red of the plan formed part of King George V Playing Field which was designated as 'public open space'. The strip of land contained overgrown vegetation and did not form part of the main recreational area.

She reported that the developer New Dawn Homes had acquired the land adjacent to the strip and had recently submitted a planning application for 18 residential homes. The site was likely to be developed in the near future and would significantly limit access to the strip of land in our ownership. She explained that the planning team had advised that selling the land would not impact the planning decision.

The Cabinet Member added that in the past the land was retained by the Council as a pedestrian access route, this was now no longer usable due to the surrounding land having been developed. She explained that to have such a narrow strip of land bordered on both sides by private housing would make it very difficult to manage, and the land would soon become even more derelict with tree management and surgery very difficult to achieve. Therefore it would be preferable to incorporate this strip of land into rear gardens of the proposed plots thereby giving more generous plot sizes as well as negating CBC's responsibilities. The Cabinet Member explained that the land also carried a risk of becoming a sheltered, enclosed area that may encourage anti-social behaviour.

As the property was public open space the Council must advertise the proposed disposal for 2 consecutive weeks in a local newspaper and consider relevant objections. It had been agreed that the purchaser would be liable for these costs.

RESOLVED THAT

1. the Head of Property & Asset Management (in consultation with the Cabinet Member for Finance) be authorised to dispose of the land for best consideration and upon such other terms as are deemed appropriate.
2. **the Borough Solicitor be authorised to prepare and conclude the necessary documentation.**

7. CHELTENHAM SPA BOWLS CLUB-AUTHORITY TO DISPOSE OF PUBLIC OPEN SPACE

The Cabinet Member Finance introduced the report and explained that Cheltenham Spa Bowls Club had been in place at St Georges Square since 1925. The club's previous lease expired on the 23rd June 2017 and was for a term of 20 years, with a 6 months rolling break notice.

She reported that the tenant wished to renew their Landlord & Tenant Protected Lease and there were no reasons to oppose the renewal on statutory grounds. Draft heads of terms had therefore been agreed for a new lease for a new term of 15 years with a Landlord & Tenant rolling 6 months break notice.

She explained that as the land was deemed Public Open Space the appropriate notices detailing the proposed leasehold disposal was advertised as per the Local Government Act 1972 and no objections were received.

RESOLVED THAT

- 1. the land and buildings edged in red on the plans that accompany this report be leased to the trustees of Cheltenham Spa Bowling Club for a period of 15 years at market rent and**
- 2. authority be delegated to the Head of Property and Asset Management, in consultation with the Borough Solicitor, to agree the terms of the leases**

8. RENOVATION OF CORNISH TYPE PROPERTIES-APPOINTMENT OF CURTINS CONSULTING

The Cabinet Member Finance introduced the report and explained that the council owned a number of Cornish type built properties that had significant structural issues. She reported that several specialist structural surveys had been carried out since 2005 and a presentation to the asset management working group was made giving consideration to the business case to renovate or demolish the properties and their recommendation to cabinet was to renovate.

The Cabinet Member reported that budget provision had been made for the whole project totaling £2.98m. This comprised up of £2m from the Non-Traditional Homes budget and £980k from the External Improvements budget. The capital budget was approved by Council in February this year.

Consideration was given to undertake the services in-house, but this had been rejected due to a lack of the specialist expertise required, therefore a competitive tendering exercise had been carried out. She sought Cabinet approval to agree that Curtins Consulting Ltd be awarded the contract as set out in the report. She explained that this appointment would enable the most suitable and cost effective long term solution for the renovation of the Cornish type properties to be delivered and would extend the life of these properties for at least a further 40 years.

RESOLVED THAT

1. Curtins Consulting Ltd be appointed to provide the professional service of civil and structural engineer and contract administrator for the project to renovate Cornish type properties. The service would be awarded under the NHS' Standard Call-off Terms and Conditions for the Supply of Services for the period until 31st October 2023.
2. **It is considered the contract will provide good value as it was secured through competitive tendering and importantly through the expertise and experience Curtins have in renovating Cornish type properties and in administering contracts.**

9. UPDATE REGARDING BUSINESS CONTINUITY ISSUES AT CHELTENHAM CREMATORIUM

The Cabinet Member Clean and Green Environment introduced the report which provided an update in respect of ongoing challenges regarding the reliability of the cremators at Cheltenham crematorium. He explained that the council was now at a point where a decision should be made regarding suspending cremations, temporarily stop taking new bookings and phasing the shutdown of the cremation operation. For those who had existing bookings services and cremations would be assured although it may be necessary to arrange for cremations at alternative locations should there be any further technical failure of the plant. The Cabinet Member paid tribute to the staff involved who had done all they could to maintain the operation of the crematorium to date. Sadly the risk to staff, customers, contractors and the fabric of the building was now deemed to be too high to continue its operation. This was a very sad and brave decision and he wished to put on record his thanks to staff and officers. The financial implications of this decision was at the forefront and an alternative interim service offer and related charges would be made available until the new crematorium became operational in Spring 2019. He wished to highlight however that the crematorium building remained open for services and burials. He also emphasised that this decision did not represent a threat to the employment of current staff neither individually or collectively as there were ample other functions necessary in preparation for the opening of the new operation.

The Cabinet Member Finance informed that the issues arising from the cremators would have a significant impact on budgets next year as officers were anticipating that the net position may be up to £450k below target. Fortunately, the council had the foresight to construct a new facility.

Members agreed that this was a necessary decision, particularly in view of the health and safety aspects of the operation where the risk assessment was unacceptable.

The Leader wished to thank all the staff who had been operating in extremely difficult circumstances. The situation was far from ideal but managing the consequences of this decision was already in hand.

RESOLVED THAT

1. the ongoing technical issues which the Director of Environment and the bereavement services team are managing in relation to the existing cremator plant be noted;
2. the decision taken by the Crematorium Business Continuity Management Group (CBCMG) to temporarily stop taking new bookings for cremation services be endorsed.
3. the phased shutdown of the cremation operation at the Bouncers Lane site be approved, noting that it may be necessary to arrange for cremations at alternative locations, should there be any further technical failure of the plant;
4. the development of an alternative interim service offer and related charges be approved, subject to consultation with funeral directors, which will be made available until the new crematorium becomes operational in Spring 2019;
5. authority be delegated to the Director of Environment, in consultation with the Cabinet Member for Clean and Green Environment, to finalise details of the revised service offer and take any other actions necessary to optimise service delivery arrangements and any associated contractual changes.
6. the projected financial impact arising from these recommendations, as set out under the 'Financial implications' section below be noted.

10. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Healthy Lifestyles informed Members that on 11 November, Remembrance Sunday, Evenlode productions would be projecting a short film on to the Municipal Offices. A promotional video about this would shortly be made available on their website. In order not to cause upset to partners of the Cheltenham Remembers project they had been involved and were fully supportive. She referred to the march which would be held on 10 November and explained that more participants were sought. 450 people had already registered to take part and it was hoped that 1000 would participate in order to represent each soldier killed. She wished to put on record her thanks to support those Members and organisations involved to date.

The Cabinet Member Development and Safety reminded Members that the new John Lewis store would open on 18 October. The pedestrian works on the High Street were going well.

He also reported that the traffic modelling data in relation to the Cheltenham Transport Plan was due back at the end October.

The Cabinet Member Clean and Green Environment stated that the cemetery and crematorium project was running on time and within budget. He paid tribute to those officers involved. He had visited the site the previous day and commended the new building. The two new cremators were now on site which represented a key milestone in the project. He was disappointed that the failure of the current cremators and the success of this project was happening simultaneously but this was a good news story and a significant project resulting in a facility for generations to come. He envisaged that the public would have

the opportunity to see the new facility before it became operational via a series of open days.

The Cabinet Member Corporate Services introduced the newly appointed Executive Director-People and Change, Darren Knight.

The Leader updated Members on Gloucestershire 2050. Three reports had now been received 1) the validity framework, 2) the consultants report on delivery 3) feedback on the main 2050 public consultation. They would all be discussed at Leadership Gloucestershire on Thursday. The documents had been circulated to all Members and there would be an opportunity for the council to discuss this with one option being to reinstate the devolution task group.

The Cabinet Member Healthy Lifestyles expressed her concern about the lack of reference to culture in the documents which represented an important economic driver in Cheltenham. She requested that this be raised at Leadership Gloucestershire.

The Leader referred to the bidding process the council had made to the £22m HRA cap. The Prime Minister had just announced that the cap would be abolished but no details of this had emerged yet.

11. LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS RESOLVED THAT

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

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

12. EXEMPT MINUTES RESOLVED THAT

The minutes of the meeting held on 4 September be approved and signed as a correct record.

13. PROPERTY INVESTMENT ACQUISITION - INDUSTRIAL PREMISES- ITEM WITHDRAWN Item withdrawn.

Chairman

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Cheltenham Borough Council

Cabinet – 6 November 2018

Implementation of Taxi Wheelchair Accessible Vehicle Policy

Accountable member	Councillor Andrew McKinlay, Cabinet Member for Development & Safety
Accountable officer	Mike Redman, Director of Environment
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>On the 6th of March 2018, Cabinet adopted a revised licensing policy for taxi and private hire licensing in Cheltenham. The policy revision included the adoption of a revised policy on the suitability of vehicles to be licensed as hackney carriage vehicles.</p> <p>Consultation with the public hire trade has now been undertaken and this report sets out the outcome of that consultation and also recommendations for the adoption on a wheelchair accessible vehicle (“WAV”) specification and other implementation arrangements.</p>
Recommendations	<p>Cabinet is recommended to:</p> <ol style="list-style-type: none"> 1. Adopt the proposed vehicle specification at appendix 4; 2. Approve the proposed mitigation arrangements as set out in paragraph 5; 3. Approve the other changes outlined in paragraph 6; and 4. Delegate authority to the Licensing Team Leader to make the necessary changes to the adopted licensing policy and procedures, subject to the outcome of this report and its recommendations.
Financial implications	<p><i>There are no major financial implications to this paper. It is expected that there will be a turnover of licenses as some people may enter this trade as others may decide to leave as is normally the case</i></p> <p>Contact officer: Andrew Knott, Andrew.knott@cheltenham.gov.uk, 01242264121</p>

Legal implications	<p>The Equality Act 2010 requires the providers of public transport services, including the proprietors and operators of taxis and private hire vehicles, to ensure people with disabilities are not discriminated against (or treated less favourably). The Equality Act 2010 amended the Disability Discrimination Act 1995 (DDA) and lifted the exemption in part 3 of that Act for operators of transport vehicles. Therefore taxi drivers, proprietors and operators now have a duty to ensure people with disabilities are not discriminated against or treated less favourably. Licensing authorities must therefore review any practices, policies and procedures that make it impossible or unreasonably difficult for a disabled person to use their services.</p> <p>Contact officer: Vikki.fennell@teWKesbury.gov.uk, 01684 272015</p>
HR implications (including learning and organisational development)	<p>None arising from this report.</p> <p>Contact officer: Clare Jones, Clare.Jones@publicagroup.uk</p>
Key risks	As outlined in Appendix 1
Corporate and community plan Implications	None
Environmental and climate change implications	None
Property/Asset Implications	None

1. Background

- 1.1** On the 6th of March 2018, Cabinet adopted a revised licensing policy for taxi and private hire licensing in Cheltenham. The policy revision included the adoption of a revised policy on the suitability of vehicles to be licensed as hackney carriage vehicles.
- 1.2** The policy adoption was subject to an Overview and Scrutiny Committee call-in the same month. The outcome of the call-in meeting was an endorsement of the Cabinet decision without qualification.
- 1.3** Both Cabinet and the Overview and Scrutiny Committee encouraged further engagement and consultation with the public hire trade on the implementation of the policy and any mitigation that can be put in place with regards to the implementation of the policy.
- 1.4** Consultation with the public hire trade has now been undertaken and this report sets out the outcome of that consultation and also recommendations for the adoption on a wheelchair accessible vehicle ("WAV") specification and other implementation arrangements.

2. Reasons for recommendations

- 2.1** To provide clarity to the public hire trade on the specification of wheelchair accessible that the council will accept as suitable.
- 2.2** To implement mitigation arrangements to assist the trade with the impact of implementing the revised policy.

3. Alternative options considered

- 3.1** Cabinet can choose not to adopt the proposed vehicle specification. However, this will not be advisable as the lack of a clear vehicle specification will leave the public hire trade, manufacturers, officers and vehicle suppliers without clear guidance on the council's requirements.
- 3.2** Cabinet can also choose not to adopt some or any of the proposed mitigation arrangements set out in this report. Doing so may be perceived as a hindrance to the WAV policy adoption.

4. Consultation and feedback

- 4.1** Formal consultation has been undertaken with the public hire trade. The consultation ran for 6 weeks between September and October. 105 respondents submitted the same response. A copy of the aforementioned response is attached at appendix 2. Since the response was the same from all the respondents, officers have only attached one copy of the response but would like to draw attention that this consultation response was submitted by 105 consultees.
- 4.2** There was one additional consultation response also attached at appendix 2.
- 4.3** The consultation was also submitted for comment to the council's Accessibility Working Group who made no comment in relation to the consultation.
- 4.4** The consultation sought views on the draft vehicle specification, transitional arrangements and proposed maximum age limits for WAV vehicles. On the latter point, it is proposed that purpose-built WAVs (as defined in the consultation document) will be licensed for up to 14 years whereas vehicles converted to WAV taxis will be licensed for up to 10 years. The higher age limit for purpose-built WAVs takes into account the fact that these vehicles are, as the term describes, purpose built to last longer than a converted vehicle and also purpose-built WAVs cost more as a consequence.

- 4.5** A number of meetings were held with representatives of the Cheltenham Taxi Drivers Association to inform them of the consultation referred to above. As noted in the Overview and Scrutiny Committee feedback report, attached at appendix 3, the dialogue was challenging and continued to be so throughout the meetings.
- 4.6** Whilst the representatives of the Cheltenham Taxi Drivers Association continued to oppose the policy as a whole, it became clear that there was a need for the public hire trade to be provided with clear guidance on the council's requirements with regards to suitable vehicles to be licensed as hackney carriages under the WAV policy hence the formal consultation.
- 4.7** The draft proposed vehicle specification that was the subject of the formal consultation referred to above is attached at appendix 4.
- 4.8** The consultation document's scope stated:

The council is aware of the implications of its adoption of a WAV policy on affected licence holders. In light of this, the council is seeking views on the implementation arrangements and steps it can take to mitigate the impact of the policy adoption on the licensed trade.

This consultation sets out proposed implementation and mitigation steps.

For the avoidance of doubt, the scope therefore of this consultation relates to the implementation of the adopted WAV policy. The substantive WAV policy has been adopted and therefore not within scope of this consultation.

- 4.9** A copy of the consultation document is attached at appendix 5 of this report.
- 4.10** Cabinet will note however, that the majority of consultation feedback related to the adoption of the WAV policy as a whole not the implementation of the adopted policy. It was therefore difficult for the officers to extract anything meaningful in relation to the practical suitability of the proposed technical specification for WAV vehicles. On this basis, officers have moved to seek approval of the proposed policy specification.
- 4.11** The trade response did raise the issue of air quality issues in relation to taxis in Cheltenham making the point that there are limited low emission WAVs available on the market. Advice from the lead air quality officer is that Euro 5 as a minimum standard is acceptable locally. However, the draft vehicle specification makes it clear that the minimum standard is Euro 5 leaving the option open to vehicle proprietors to purchase WAVs that comply with a higher emission standard such as Euro 6, ultra-low emission or electric vehicles. The council will actively encourage vehicle proprietors to purchase high standard vehicles as this will, in addition to improving air quality, also ensure the longevity of their investment in a new WAV.
- 4.12** Officers will be in a position to approve vehicles types once the specification has been adopted.

5. Mitigation proposals

- 5.1** In addition to the formal consultation, a number of mitigation arrangements are proposed for Cabinet approval.
- 5.2** The proposed mitigation arrangements are:
- 5.2.1** Clarification on the implementation date was agreed as December 2021 to take into account the time that has elapsed on the policy implementation discussions and agreement of the vehicle specification.
- 5.2.2** The trade representatives have also requested that the council consider waiving new licence fees for proprietors who will be required to change the vehicles.

5.2.3 Exemptions be put in place to allow saloon hackney carriage vehicles to re-license as private hire vehicles. The exemptions referred to above will include the ability for silver hackney carriage saloon vehicles older than 5 years to be licensed as private hire vehicles. The overriding consideration will be the fitness and safety of the vehicle on re-licensing and normal maximum age limits for private hire vehicles will apply.

6. Other matters

6.1 Officers would like to take the opportunity to make a number of changes to the adopted policy document:

6.1.1 The council has now adopted the use of the National Register of Taxi Licence Revocations and Refusals (NR3). The policy document needs to be updated to reflect this.

6.1.2 Officers have now implemented the changes to the local knowledge training day, as was approved by Cabinet in March 2018. The policy document will need updating to reflect this.

7. Performance management –monitoring and review

7.1 None.

Report author	Contact officer: Louis Krog, louis.krog@cheltenham.gov.uk, 01242 262626
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Consultation responses 3. O&S feedback report 4. Proposed draft vehicles specification 5. Consultation document
Background information	<ol style="list-style-type: none"> 1. Reports and minutes from Cabinet, Tuesday, 6th March, 2018 2. Reports and minutes from call-in, Overview & Scrutiny Committee, Wednesday, 28th March, 2018 3. Consultation on implementation and mitigation of the WAV policy 4. Licensing Policy, Guidance and Conditions for Private Hire and Taxis Operating within the Borough of Cheltenham

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 Cabinet does not approve a WAV specification there is a risk that no clear guidance will be available for the trade and officers to implement the policy.	Licensing Team Leader	Oct 18	3	3	9	Accept	Adopt proposed specification			
Explanatory notes Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) Control - Either: Reduce / Accept / Transfer to 3rd party / Close											

Guidance

Types of risks could include the following:

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

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

Risk ref

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

Risk Description

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

Risk owner

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

Risk score

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

Control

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

Action

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

Responsible officer

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

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

Transferred to risk register

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

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Response to WAV Policy Consultation: Implementation and Mitigation

I wish to register an objection to this consultation, on the following grounds:-

1. We are being asked to choose which type of WAV would be most suitable or favourable. As a saloon hackney owner who strongly objected to the policy coming in in the first place, the type of WAV is immaterial: we DO NOT want to change our saloon hackneys to WAVs – and neither do our customers.
2. Consultees are being asked to give their views about a policy that was brought in by Cabinet in March 2018, even though the Licensing Committee was not in favour of it, and neither were most of the (only) 39 respondents to the previous consultation. No notice was taken of the wishes of the vast majority of respondents of that consultation, so I do not believe this consultation will be any more respected or taken seriously.
3. We are going to be expected to purchase a WAV under strict parameters: the silver colour, the age restriction at first licensing, and of course the cost factor. No consideration has been given to clean air issues: the possible list of WAV types, especially the Peugeot Partner type of rear-loading WAV, do not adhere to Euro 5 or Euro 6 emission levels.
4. Also regarding pollution and clean air issues, the vast majority of electric or hybrid vehicles which are currently available – such as the Toyota Prius or the Nissan Leaf - are saloons; they will all be ruled out as future taxis. The only ULEV (ultra low emission vehicle) available as a WAV is the London-style electric “black cab”, which currently costs £56,000 including the battery. Not many taxi drivers that I know in Cheltenham would be able to afford that kind of money.
5. On the basis of emission levels alone, the taxi trade cannot make future plans to purchase a WAV because Cheltenham Borough Council is yet to publish its clean air policy parameters. We could purchase a WAV and then find out that it does not come under the emission requirements. For that reason (amongst many) I believe the whole WAV policy was not thought through.
6. Members of the public are being told that the all-WAV taxi policy was brought in to adhere to national government guidelines. The government is not setting any rules about local authorities having to have all-WAV taxis; they haven’t even recommended a percentage of a district’s taxi fleet to be WAV.
7. The council has published a list of “designated vehicles” on its website – both taxi and private hire – which are currently licensed as WAVs. There are over 40 on that list; this represents 22 per cent of the existing taxi fleet in Cheltenham, and I believe that these are enough. The council has never provided evidence that we need more WAV taxis, and the existing WAV drivers hardly ever carry a wheelchair bound passenger anyway. (By the way, the first vehicle on that designated list is a Ford Mondeo, which is not a WAV but a saloon.)
8. I do not believe that a large number of members of the public will understand some of the questions/points raised about the proposed specification of WAV taxis. Following the last consultation, only two members of the public (out of 118,000 residents in Cheltenham) responded, and neither was in favour of all-WAV taxis.
9. If the rear-loading Peugeot Partner-type of WAV is allowed to be licensed, I believe that these vehicles are a breach of the byelaws because when a wheelchair passenger is in the vehicle, access/egress is blocked to the other passengers. Also, very few of these types of smaller rear-loading WAVs have strengthened floors to carry the weight of passengers in their wheelchair.
10. When the all-WAV taxi policy was voted in, the date was given as “2021” – but there was no actual calendar date. Cllr McKinlay told Gloucestershire Live in an interview that it would come in in “April 2021”, and yet during a meeting with the licensing manager Louis Krog in June, we

asked him and he said "December 31, 2021". What is the actual date?

11. Did the council contact any disabled support groups or care homes during the last consultation? Are they going to do so during this consultation? Surely some evidence must be produced from wheelchair users in order for the council to establish which types of WAVs should be licensed.
12. Has anybody from the council gone round the ranks in Cheltenham to see if they will accommodate an all-WAV taxi fleet? For example, if rear-loading WAVs are to be allowed, there must be ample room for the ramp to be extended for the wheelchair passenger to be loaded at the back; this could cause major safety problems in the smaller rank locations. At the [Montpellier?] rank, wheelchair passengers would have to be loaded on the offside in traffic, because the nearside is blocked by pillars.
13. All Cheltenham hackney carriages and private hire vehicles must be tested at a testing station within the district. Are the current testing facilities in Cheltenham able to accommodate 200 WAVs for testing: is there rising ramp or pit space, garage space, trained personnel to check WAV ramps, anchorage, straps, secure chair position etc.
14. If a roadside enforcement exercise ("swoop") is conducted within the district, do the enforcement officers know what to look for (as regards faults) in a WAV: broken straps, weak ramp, unenforced floor, blocked seat tracks, badly positioned headrests for WAV passengers' protection, etc.

I would ask that – unlike the last consultation – the results of this consultation are published on the council's website so that anyone who is interested may see the responses all together.

Signed _____

Print name _____

Date 27. 9. 2018,

CC to BBC Gloucestershire

Dear Sir / Madam

I am one of the proud Hackney carriage drivers that work under the Cheltenham borough council. After I read the new 'WAV' (wheelchair accessible vehicle) Policy I am very much scared of losing my job and losing the value of my business, as a result of this I am suffering continual stress.

Firstly, If I am luckily enough to get finance for the newly design WAV vehicle, I won't be able to make a repayment as I'm getting older and not capable to working 80/90 hour a week any more.

Mostly I understand that the policy's main focus is of equal opportunity, public safety and environmental friendly vehicle. Only environmental friendly taxi is Euro 6 which are very expensive. I have recently visited Paris (much bigger city than Cheltenham) and I found they are changing their taxi vehicles to Electric/ Hybrid. London want's all their vehicles to change in to Electric / Hybrid. I think other big city will start to follow them soon.

Best I understand, I'm able to buy a Euro 5 WAV at the moment but these are not environmental friendly like Electric / Hybrid, London have already started to minimise the use of Euro 5 there for it's not ideal to buy Euro 5 taxi vehicle.

Secondly, for the safety of public a mixed fleet is the best choice and also recommended by the government, I have experience that a nearly 80 year old senior citizen wanted to enter the WAV vehicle but she couldn't get inside the vehicle because of height. (Buses have facility to get lower down the step but not WAV Taxi) she took saloon Car. Another example of a broken Leg men trying to enter a WAV Vehicle but he couldn't manage it so he took a MPV Vehicle. All I did push backward the front seat and make a room for gentlemen to keep leg strait, He sit first than he put his leg inside. (MPV Have lots of room and easy access compare to WAV and Saloon).

Thirdly, I have attached an incident report for public Safety. I wish the council would take this seriously.

Finlay I would recommend for the Safety of passenger/ Public, equal opportunity and the environment that a Mixed fleet of Taxis is the best solution and avoid discrimination against any individual regardless of their needs, The council should follow the lead of the big city's like London, Paris, Hong kong Etc and encourage the Introduction of vehicles of the future which would be Electric / Hybrid Etc and not only 'WAV'.

28/09/2018

<https://mail.google.com/mail/ca/u/0/#inbox/FMfgxvzKkmZFdfHppGFbpdMnpHmxplX?projector=1>

From: **Louis.Krog@cheltenham.gcsx.gov.uk** >

Details

RE: Springbank community centre



14 September 2018 at 09:19

Since this is an accident involving a Tewkesbury plated WAV, the questions need to be put to Tewkesbury Borough Council.

Louis Krog

Licensing Team Leader

Public Protection

Cheltenham Borough Council

Municipal Offices, Promenade, Cheltenham

External: **01242 262626** Internal: 4177

Stay up to date with licensing in Cheltenham on [Twitter](#).

This email may contain information which is privileged and confidential. Please do not forward to anyone else without my consent.

From: Taxi Driver [<mailto:ctda2016@mail.com>]

Sent: 13 September 2018 12:49

To: Internet - Democratic Services

Cc: Louis Krog

Subject: Springbank community centre

Dear all,

It's has come to our attention, an accident took place with a Tewkesbury plated WAV, at springbank community center yesterday afternoon. An elderly lady fell whilst trying to gain access to the said vehicle. Witnessed by 2 council officers.

Could you provide the following details.

Hopefully the lady in question has not sustained any serious physical injury or mental scarring over the incident and we wish her a full and speedy recovery.

Has the driver undertaken any safety training in regards to the carriage of his passengers. ?

Has the drivers vehicle been checked to see if it complies to the fitness standard. ?

What lessons can be learned from this accident. ?

Is there any onus on the operator having to report a safety breach to whoever they have their operators licence with. Or to the authority in which the accident, with a passenger took place. Particularly if the booking, pick up and drop off, falls inside one authority's boundaries. ?

These are the safety concerns which have been raised by our members.

A formal thanks

Dear sir

Re the proposal that all Cheltenham taxis should be wheelchair accessible, I wish to register a protest. Clearly it is desirable that an adequate number of taxis should be wheelchair accessible.

However the small grey vehicles approved for this function are NOT accessible for older customers, like myself, who are frequent users of taxis:

- a) The legroom in the front seat of these vehicles is inadequate for anyone over 5 feet tall.
- b) Getting into the rear seats involves stepping up while bent right over, then several steps in hunched over position - all while trying to hang onto the shopping! This might not be a problem for anyone young, short and supple, but it is nigh on impossible for older residents.

Local taxi drivers tell me that most firms already have several wheelchair accessible vehicles on their roster. Also, people needing to use a wheelchair are more likely to phone for a cab (& can thus request a suitable vehicle) rather than pick one up on the rank.

This appears to be a poorly thought out change to the taxi situation in Cheltenham, and is far from helpful to older

PRIVATE HIRE and TAXIS POLICY CONSULTATION

The Trade, The Government and many interested parties say a mixed fleet is recommended.

1. Implementations.

1.1 Propose WAV specification

The clean air act will come in to effect and drivers will have to purchase Electric or Hybrids vehicles with zero emissions. Manufactures are already going down the Electric route and Councils are preparing for this and telling The Trade that they have a certain amount of years to comply. Forward thinking

The Trade, The Government and many interested parties say a mixed fleet is recommended.

Licensing a New Hackney Carriage Vehicle.

- a) Either you have specification or none. If a License Officer can chose the vehicle one uses, what's the point of specification.
- b) Silver was chosen for safety.
- c) The Trade, The Government and many interested parties say a mixed fleet is recommended.
- d) The Trade, The Government and many interested parties say a mixed fleet is recommended.
- e) Get rid of the 30 inch Top Lights as these make you use at least 10% more fuel because of wind drag.
- f) The Council gone down to Euro 5 when Euro 6 was purposed originally. What's happened to clean air. Most Councils are going for Hybrids and Electric. This is the way forward.
- g) Agree.

Specification for Replacement Wheelchair Accessible Vehicles.

The Trade, The Government and many interested parties say a mixed fleet is recommended.

- a) Either you have specification or none. If a License Officer can chose the vehicle one uses, what's the point of specification.

- b) Some back loading vehicles. You have to fold up the back seat up to secure the Wheelchair in. So these vehicles can only take one other passage in the front.
- c) Silver was chosen for safety.
- d) Agree.
- e) The Trade, The Government and many interested parties say a mixed fleet is recommended.
- f) Get rid of the 30 inch Top Lights as these make you use at least 10% more fuel because of wind drag.e)
- Get rid of the 30 inch Top Lights as these make you use at least 10% more fuel because of wind drag.
- g) The Council gone down to Euro 5 when Euro 6 was purposed originally. What's happened to clean air. Most Councils are going for Hybrids and Electric. This is the way forward.
- h) Agree.
- i) Some back loading vehicles. You have to fold up the back seat up to secure the Wheelchair in. So these vehicles can only take one other passage in
- j) Some Wheelchair Accessible Vehicles do not have opening windows at the back for the Wheelchair user, also the back door cannot be opened from the inside.
- k) The Trade, The Government and many interested parties say a mixed fleet is recommended.
- l) Some Wheelchair Accessible Vehicles have not got 4 opening doors and you cannot be opened from the inside.
- m) Agree.
- n) Agree.

Anchorage & Restraints.

The Trade, The Government and many interested parties say a mixed fleet is recommended.

- o) This must be up to a minimum standard that has been tested and approved by a recognised body. Not just the manufactures of the vehicle.
- p) This must be up to a minimum standard that has been tested and approved by a recognised body. Not just the manufactures of the vehicle.
- q) There must be some kind of training given to the drivers of these vehicles to prove that they are competent of doing this by a professional body. Customer safety.
- r) Agree.
- s) Agree.
- t) Agree.

Ramps.

The Trade, The Government and many interested parties say a mixed fleet is recommended.

- u) This must be up to a minimum standard that has been tested and approved by a recognised body. Not just the manufactures of the vehicle.
- v) This must be up to a minimum standard that has been tested and approved by a recognised body. Not just the manufactures of the vehicle.

Renewing a Hackney Carriage Vehicle License.

The Trade, The Government and many interested parties say a mixed fleet is recommended.

- a) Purpose built wheelchair accessible vehicles must meet all safety standards The Council has made to has made to this new policy. If they don't, they are not fit for purpose and will be unsafe for the customer to use. They have to be updated or changed.
- b) Wheelchair accessible vehicles must meet all safety standards The Council has made to has made to this new policy. If they don't, they are not fit for purpose and will be unsafe for the customer to use. They have to be updated or changed.

The age of vehicles will make no difference. The clean air act will come in to effect and drivers will have to purchase Hybrids or Electric vehicles with zero emissions. Manufactures are already going down the Electric route and Councils are preparing for this and telling The Trade that they have a certain amount of years to comply. Forward thinking.

1.2 Proposed transitional arrangement for existing WAVs

a) Purpose built wheelchair accessible vehicles must meet all safety standards The Council has made to this new policy. If they don't, they are not fit for purpose and will be unsafe for the customer to use. They have to be updated or changed.

b) Wheelchair accessible vehicles must meet all safety standards The Council has made to this new policy. If they don't, they are not fit for purpose and will be unsafe for the customer to use. They have to be updated or changed.

The Trade, The Government and many interested parties say a mixed fleet is recommended.

The Trade should be allowed to keep their vehicles or change them if they need to. They should not be over 5 years old. The Council should give the at least 5 years or more notice The Trade that they are going down The clean air route. The Government will also bring in what a Hackney Licensed Vehicle should be and drivers and The Council will have to change as it will become The Law. All will have to comply to this.

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Information/Discussion Paper

Overview & Scrutiny Committee - 29th October 2018

Feedback on WAV Taxi Policy Implementation

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1. Introduction

1.1 On the 6th of March 2018, Cabinet approved the adoption of a new licensing policy in respect of taxi and private hire licensing in Cheltenham.

1.2 The Cabinet decision was subject of an Overview & Scrutiny ("O&S") call-in review which was heard on the 28th of March 2018. The O&S Committee resolved unanimously to:

1. Support the decision made by Cabinet on 6 March 2018 regarding the review of taxi and private hire licensing policy without qualification;
2. Note that there will be further consultation with the taxi drivers on appropriate mitigation issues and request that these be in a spirit of constructive dialogue;
3. Request the Chair to send a letter to Alex Chalk MP and Laurence Robertson MP requesting them to raise the matter with government and ask when the minister would be clarifying government policy on this issue; and
4. Request a report is brought back to O&S in the Autumn 2018 on the results of the consultation in 2 above.

1.3 This briefing note is to update Members on the progress and outcome of resolution 2 above as requested.

2. Progress and Outcome

2.1 Following the outcome of the O&S call-in meeting, a number of meetings were scheduled to discuss the implementation of the policy and any mitigation measures to be proposed.

2.2 In total 4 meetings were held between officers and committee members of the local taxi association.

Appendix 3

2.3 It is fair to say that the meetings between officers and the trade representatives were challenging and difficult. The trade representatives continued to raise objections in relation to the adoption of the revised taxi policy as a whole on a number of grounds. On the other hand, officers were of the view that their remit was to discuss the implementation of the policy that had already been adopted and subsequently endorsed, without qualification, by the O&S committee.

2.4 The trade representatives were primarily of the view that the new policy requirement that all licensed Hackney Carriage vehicles are to be wheelchair accessible by 2021 (“the WAV policy”) was a disproportionate and retrograde step. Their view was that the council should instead focus on implementing an electric and ultra-low emission vehicle policy to safeguard the future of the trade and their investment.

2.5 As previously stated however, officers were clear on their remit which was limited to the policy that was adopted and subsequently endorsed by O&S.

2.6 It was evident from the start, and throughout the meetings, that the trade representatives and officers were approaching the meetings from very different places which made meaningful progress on issues and “constructive dialogue” difficult to achieve.

2.7 Notwithstanding this however, a number of practical issues were agreed or put forward by the trade:

- a. The council will not mandate that any currently licensed hackney carriage vehicle be replaced – provided it remains safe, suitable and in good condition – until a specification has been agreed.
- b. Clarification on the implementation date was agreed as December 2021 to take into account the time that has elapsed on the policy implementation discussions and agreement of the vehicle specification.
- c. The trade representatives have also requested that the council consider waiving new licence fees for proprietors who will be required to change the vehicles.
- d. The trade representatives have requested that the council abandon the rule that all hackney carriage vehicles be silver in colour as this places an additional restriction on choice for them.

2.8 These will be subject to Cabinet approval in November.

2.9 Officers were aware that the trade was seeking clarification on the specific vehicle requirements that the council will accept as suitable wheelchair accessible vehicles (“WAV”). Feedback through the trade representatives and the wider trade generally was that they did not want to spend money on a new WAV for it then not to be a compliant vehicle.

2.10 As a consequence, a consultation was launched in September 2018 on a proposed specification for WAVs. This consultation has now ended and a report will be taken to Cabinet in November to formally ratify a specification.

Appendix 3

2.11 It is clear from the consultation feedback that sections of the public hire trade continue to oppose the WAV policy. These issues will be highlighted to Cabinet in November.

Background Papers	Reports and minutes from Call-in, Overview & Scrutiny Committee, Wednesday, 28th March, 2018 6.00 pm
Contact Officer	Louis Krog, licensing@cheltenham.gov.uk , 01242262626
Accountability	Councillor Andrew McKinlay
Scrutiny Function	

DRAFT

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Proposed specification

Vehicle Licences

Hackney Carriage Vehicles

Licensing a New Hackney Carriage Vehicle

The following requirements are applicable to all applications for new hackney carriage vehicle licences. The vehicle must:

- a) Be disabled accessible as per London Public Carriage Office Specification, Eurocab M1 Specification or such other nationally accepted specification as is agreed by the Council;
- b) Be silver in colour (as identified on the vehicle's registration document);
- c) Be less than 5 years from date of manufacture;
- d) Comply with vehicle specifications (see Appendix B);
- e) Be fitted with an approved roof sign bearing the word "TAXI";
- f) Be compliant with the council's emission standards;
- g) Be fitted with a meter of an approved type with the fares charged as determined by the Council.

Replacing a Licensed Hackney Carriage Vehicle

On the 6th of March 2018, the council's Cabinet approved changes to the hackney carriage vehicle licensing policy. Under the policy change, all licensed hackney carriage vehicles must be wheelchair accessible by 2021 ("the WAV policy").

The standards below apply to existing hackney carriage vehicle proprietor licence holders who have to replace their licensed hackney carriage vehicles in order to comply with the WAV policy.

Specification for Replacement Wheelchair Accessible Vehicles

Vehicle requirements, safety and comfort

- a) All vehicles will be licensed on their individual merit and designed or adapted to the London Public Carriage Office Specification, Eurocab M1 Specification or such other nationally accepted specification as is agreed by the council.
- b) The vehicle must be capable of accommodating at least one "reference wheelchair"¹ in either a forward or rear facing position whilst they remain seated in the wheelchair allowing adequate space to ensure the safety and comfort of the wheelchair user, and without interfering with the safety and comfort of any other passengers.
- c) Be silver in colour (as identified on the vehicle's registration document).

¹ As defined in Schedule 1 of the Public Service Vehicle Accessibility Regulations 2000

- d) Be right-hand drive.
- e) Be less than 5 years from date of manufacture (as identified in the vehicle's registration document).
- f) Be fitted with an approved roof sign bearing the word "TAXI" (integrated or freestanding).
- g) Be manufactured to EU Emissions Standard 5 or a higher standard.
- h) Be fitted with a meter of an approved type with the fares charged as determined by the council.
- i) Be capable of carrying not less than 4² and not more than 8 passengers with the provision of a seatbelt and head restraint for each passenger.
- j) Windows must be provided at the rear and sides along with means of opening and closing not less than one window on either side.

Access

- k) In the case of all vehicles which are built or adapted for disabled passengers, the design of the vehicle should ensure that any wheelchair is loaded from the side or the rear of the vehicle.
- l) Should have a minimum 4 doors, which are capable of being opened from the inside. The rear passenger compartment must have an openable door on either side of the vehicle.
- m) The vertical distance between the highest part of the floor and the roof in the wheelchair passenger area must be no less than 1.3 metres.
- n) Rear doors to have mechanism to positively hold them open.

Anchorage & Restraints

- o) Approved anchorages must be provided for the wheelchair. These anchorages must be either chassis or floor linked and capable of withstanding approved dynamic or static tests.
- p) The anchorage must be of the manufacturer's design and construction and secured in such a position as not to obstruct any emergency exit.
- q) Wheelchair internal anchorage must be installed and fitted by a competent person able to verify in a professional capacity that it has been fitted in accordance with all relevant legislative safety standards and requirements.
- r) Restraints for the wheelchair and occupant must be independent of each other.
- s) All passenger seats to have three point lap fully operational diagonal seatbelts, one for each passenger carried, fully compliant with British Standards except where the law specifically exempts.
- t) Access to and exit from the wheelchair position must not be obstructed in any manner at any time except by wheelchair loading apparatus.

Ramps

- u) A single ramp must be of a suitable design to ensure that it does not slip or tilt when in use and provide a suitable gradient when in use.
- v) Ramps and lifts must be securely stored in the vehicle before it may move.

² The exception to the minimum of 4 passengers will be when the vehicle is carrying a wheelchair

Renewing a Hackney Carriage vehicle licence

Non-wheelchair accessible licensed hackney carriage vehicles will continue to be (re)licensed until 2021. After this date, all licensed hackney carriage vehicles must be wheelchair accessible in accordance with the specification above.

The council will (re)license a hackney carriage vehicle in accordance with the time periods below:

- a) Purpose built wheelchair accessible vehicles³: 14 years (from date of registration)
- b) Vehicles converted or adapted to carry wheelchairs: 10 years (from date of registration)

1.1 Proposed transitional arrangements for existing WAVs

Existing hackney carriage WAVs (i.e. before March 2018) manufactured between 2005 to 2012 will continued to be licensed for 14 years respectively.

Existing hackney carriage vehicles manufactured from 2013 onwards will continue to be licensed in accordance with the time periods below:

- a) Purpose built WAVs: 14 years (from date of manufacture)
- b) Vehicles converted or adapted to carry wheelchairs: 10 years (from date of manufacture)

³ Is a vehicle purpose built that has come off a production line as a taxi capable of carrying a wheelchair.

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“WAV” Policy – Consultation of Implementation and Mitigation

Background to this consultation

In March 2018, the council’s Cabinet approved amendments to the council’s Licensing Policy, Guidance and Conditions for Private Hire and Taxis Operating within the Borough of Cheltenham.

The policy change introduced a requirement that all licensed Hackney Carriage vehicles must be “wheelchair accessible” (“WAV policy”) by 2021.

This consultation is seeking views on the implementation of the WAV policy and cost mitigation measures put in place.

About this consultation

Terms

“WAV” or “WAVs” mean Wheelchair accessible vehicles

“Council” means Cheltenham Borough Council

How to respond

The consultation will be open from 20 August 2018 until 23:59 on 1 October 2018.

You can submit your comments using this consultation document electronically by email to licensing@cheltenham.gov.uk or in person to the Municipal Offices at any time during normal opening hours.

Alternatively, you can submit general comments in writing to licensing@cheltenham.gov.uk or addressed to the Licensing Section, Cheltenham Borough Council, Municipal Offices, Promenade, Cheltenham, GL50 9SA.

Data protection

The council will process the information you supply when responding to this consultation in accordance with the [relevant privacy statement](https://www.cheltenham.gov.uk/your-data) (<https://www.cheltenham.gov.uk/your-data>).

Next steps

At the conclusion of this consultation, a formal report will be submitted to the council’s Cabinet for consideration.

The council is not able to respond to individual consultation responses. If you would like to track the progress and outcome of this consultation, please visit the council democracy pages where the Cabinet report, minutes and outcome will be published.

Scope

The council is aware of the implications of its adoption of a WAV policy on effected licence holders. In light of this, the council is seeking views on the implementation arrangements and steps it can take to mitigate the impact of the policy adoption on the licensed trade.

This consultation sets out proposed implementation and mitigation steps.

For the avoidance of doubt, the scope therefore of this consultation relates to the *implementation* of the adopted WAV policy. The substantive WAV policy has been adopted and therefore not within scope of this consultation.

1. Implementation

1.1 Proposed WAV specification

The council has prepared a draft set of specifications to guide hackney carriage proprietors when replacing their existing non-WAV licensed hackney carriage vehicles with WAVs. The proposed specification outlines the requirements that council will apply when determining the suitability of WAV to be licensed.

The council has taken the view that consideration should reflect whole vehicle types, rather than specific models at this stage. Once a final set of specifications has been adopted, the council will proceed with an approved list.

Proposed specification

Vehicle Licences

Hackney Carriage Vehicles

Licensing a New Hackney Carriage Vehicle

The following requirements are applicable to all applications for new hackney carriage vehicle licences. The vehicle must:

- a) Be disabled accessible as per London Public Carriage Office Specification, Eurocab M1 Specification or such other nationally accepted specification as is agreed by the Council;
- b) Be silver in colour (as identified on the vehicle's registration document);
- c) Be less than 5 years from date of manufacture;
- d) Comply with vehicle specifications (see Appendix B);
- e) Be fitted with an approved roof sign bearing the word "TAXI";
- f) Be compliant with the council's emission standards;
- g) Be fitted with a meter of an approved type with the fares charged as determined by the Council.

Replacing a Licensed Hackney Carriage Vehicle

On the 6th of March 2018, the council's Cabinet approved changes to the hackney carriage vehicle licensing policy. Under the policy change, all licensed hackney carriage vehicles must be wheelchair accessible by 2021 ("the WAV policy").

The standards below apply to existing hackney carriage vehicle proprietor licence holders who have to replace their licensed hackney carriage vehicles in order to comply with the WAV policy.

Specification for Replacement Wheelchair Accessible Vehicles

Vehicle requirements, safety and comfort

- a) All vehicles will be licensed on their individual merit and designed or adapted to the London Public Carriage Office Specification, Eurocab M1 Specification or such other nationally accepted specification as is agreed by the council.
- b) The vehicle must be capable of accommodating at least one "reference wheelchair"¹ in either a forward or rear facing position whilst they remain seated in the wheelchair allowing adequate space to ensure the safety and comfort of the wheelchair user, and without interfering with the safety and comfort of any other passengers.
- c) Be silver in colour (as identified on the vehicle's registration document).
- d) Be right-hand drive.
- e) Be less than 5 years from date of manufacture (as identified in the vehicle's registration document).
- f) Be fitted with an approved roof sign bearing the word "TAXI" (integrated or freestanding).
- g) Be manufactured to EU Emissions Standard 5 or a higher standard.
- h) Be fitted with a meter of an approved type with the fares charged as determined by the council.
- i) Be capable of carrying not less than 4² and not more than 8 passengers with the provision of a seatbelt and head restraint for each passenger.
- j) Windows must be provided at the rear and sides along with means of opening and closing not less than one window on either side.

Comment [LK1]: Will incorporate ULEV, electric and/or hybrid??

Access

- k) In the case of all vehicles which are built or adapted for disabled passengers, the design of the vehicle should ensure that any wheelchair is loaded from the side or the rear of the vehicle.
- l) Should have a minimum 4 doors, which are capable of being opened from the inside. The rear passenger compartment must have an openable door on either side of the vehicle.
- m) The vertical distance between the highest part of the floor and the roof in the wheelchair passenger area must be no less than 1.3 metres.
- n) Rear doors to have mechanism to positively hold them open.

¹ As defined in Schedule 1 of the Public Service Vehicle Accessibility Regulations 2000

² The exception to the minimum of 4 passengers will be when the vehicle is carrying a wheelchair

Anchorage & Restraints

- o) Approved anchorages must be provided for the wheelchair. These anchorages must be either chassis or floor linked and capable of withstanding approved dynamic or static tests.
- p) The anchorage must be of the manufacturer's design and construction and secured in such a position as not to obstruct any emergency exit.
- q) Wheelchair internal anchorage must be installed and fitted by a competent person able to verify in a professional capacity that it has been fitted in accordance with all relevant legislative safety standards and requirements.
- r) Restraints for the wheelchair and occupant must be independent of each other.
- s) All passenger seats to have three point lap fully operational diagonal seatbelts, one for each passenger carried, fully compliant with British Standards except where the law specifically exempts.
- t) Access to and exit from the wheelchair position must not be obstructed in any manner at any time except by wheelchair loading apparatus.

Ramps

- u) A single ramp must be of a suitable design to ensure that it does not slip or tilt when in use and provide a suitable gradient when in use.
- v) Ramps and lifts must be securely stored in the vehicle before it may move.

The council is interested to understand if any aspect of the proposed WAV specification is 1) impractical, 2) missing any aspect or 3) requires any further clarification.

The council would also welcome any general comments on the proposed WAV specification above.

Renewing a Hackney Carriage vehicle licence

Non-wheelchair accessible licensed hackney carriage vehicles will continue to be (re)licensed until 2021. After this date, all licensed hackney carriage vehicles must be wheelchair accessible in accordance with the specification above.

The council will (re)license a hackney carriage vehicle in accordance with the time periods below:

- a) Purpose built wheelchair accessible vehicles³: 14 years (from date of registration)
- b) Vehicles converted or adapted to carry wheelchairs: 10 years (from date of registration)

The council is of the view that purpose built wheelchair accessible vehicles should be capable for being licensed for longer than vehicles converted to carry wheelchairs. The council will be interested in comments and evidence from respondents who do not consider different maximum age limit on purpose built and non-purpose built to be appropriate.

The council would also welcome any general comments on the proposed maximum age limits on WAVs.

1.2 Proposed transitional arrangements for existing WAVs

Existing hackney carriage WAVs (i.e. before March 2018) manufactured between 2005 to 2012 will continued to be licensed for 14 years respectively.

Existing hackney carriage vehicles manufactured from 2013 onwards will continue to be licensed in accordance with the time periods below:

- a) Purpose built WAVs: 14 years (from date of manufacture)
- b) Vehicles converted or adapted to carry wheelchairs: 10 years (from date of manufacture)

The council is mindful of the need to be clear on the transitional arrangements for existing WAV hackney carriage vehicles.

The current policy allows for a maximum of 14 years for licensed hackney carriage vehicles. The council is proposing to apply the same rule for manufactured between 2005 to 2012 in order to continue to phase out older licensed vehicles.

It is proposed that vehicles manufactured after 2013 will then be brought in line for the proposed arrangements for replacement WAVs.

The council is interested to understand if any aspect of the proposed transitional arrangements is 1) impractical, 2) missing any aspect or 3) requires any further clarification.

The council would also welcome any general comments on the proposed transitional arrangements.

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Cheltenham Borough Council Cabinet – 6 November 2018 Local Council Tax Support Scheme for 2019/20

Accountable member	Councillor Rowena Hay, Cabinet Member Finance
Accountable officer	Jayne Gilpin, Head of Revenues and Benefits
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>Consultation on proposals to change the local council tax support scheme for working age people was undertaken from 25 July until 9 September 2018. Responses to the consultation have been analysed and a draft scheme designed based on income bands. Cabinet is being asked to adopt this as the preferred scheme and recommend that Council approves it as the Council's Local Council Tax Support scheme for working age customers for 2019/20</p> <p>The scheme for pension age customers is set by Government and administered by the council</p>
Recommendations	<p>Cabinet</p> <ol style="list-style-type: none"> 1) Notes the outcome of the consultation on proposals to change the Local Council Tax Support scheme in Appendix 3 2) Approves the council tax support scheme for working age customers summarised in Appendix 2 as the preferred option for 2019/20 and instructs the Head of Revenues and Benefits to prepare the full scheme operating conditions 3) Recommends that Council approves the proposed Local Council Tax Support Scheme for working age customers for 2019/20.

Financial implications	<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.</p> <p>From 2018/19 this council no longer receives revenue support grant and must fund its share of the cost of the scheme. Moving to the proposed scheme will reduce the total cost of the scheme by an estimated £420,000 per annum, based on current caseload. This council's estimated share of the saving will be £52,000 per annum, as detailed in paragraph 4.10 to this report. The proposed scheme will also reduce the administrative burden which is increasing as the Universal Credit rollout continues.</p> <p>Contact officer: Sarah Didcote</p> <p>Sarah.didcote@publicagroup.uk, 01242 264125</p>
Legal implications	<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"> 1. consult with any major precepting authorities 2. publish the draft scheme 3. consult other parties likely to have an interest in the scheme <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>Contact officer: peter.lewis@teWKesbury.gov.uk 01684 272012</p>
HR implications (including learning and organisational development)	<p>There are none associated with this report</p>
Key risks	<p>See appendix 1</p>

Corporate and community plan Implications	None
Environmental and climate change implications	None
Property/Asset Implications	There is nothing in this report which impacts on Council properties

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, but cannot alter, the national council tax support scheme for pension age customers.
- 1.3 Funding received from Government for the local council tax support scheme in 2013/14 was cut by 10% compared to funding for the previous council tax benefit scheme. The contribution from Government towards the scheme since 2013/14 has been rolled in to Revenue Support Grant and has continued to reduce in line with the other central funding cuts and this is expected to continue.
- 1.4 The majority of councils have chosen to reduce the amount of council tax support available. Cheltenham is now one of only 36 councils out of 326 that are continuing to provide the level of support available under the former Council Tax Benefit system.
- 1.5 A number of councils have now introduced a scheme based on income bands and more are proposing to move to this type of scheme in 2019/20. Taunton Deane and South Gloucestershire already have a scheme in place. Gloucester City and Cotswold District Councils are currently consulting with residents on proposals to introduce an income banded scheme.
- 1.6 In 2018/19, 290 councils have reduced the level of support available under their local council tax support scheme. 264 of these do not provide support up to 100% and require everyone to pay something. Of the 264, 159 councils require everyone to pay at least 20% of the council tax liability. An analysis of the most common changes made and the number of councils involved is below

Changes made by Councils in 2018/19	Number of Councils out of 326
No changes made - support in line with council tax benefit	36
Minimum entitlement ie Nothing awarded until entitlement exceeds £5 per week	70
Restricted Band eg no award if council tax band is higher than D	110
Lowered the savings limit above which no support will be paid ie from £16,000 to £6,000	104
Removed second adult rebate	217
Maximum award is less than 100% - everyone required to pay something	264

2. Reasons for recommendation

- 2.1 Council tax support is currently provided to just under 6,000 households in Cheltenham at an annual cost of almost £6m. This includes working and pension age claimants. Approximately 4000 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.

- 2.2 The local council tax support scheme works in a similar way to other council tax discounts. The tax base is reduced to take account of the reduction which reduces the tax yield to this Council, Gloucestershire County Council, Gloucestershire Police Authority and the parish councils
- 2.3 Each year the Council has to decide whether to make changes to its council tax support scheme for working age customers.
- 2.4 Funding received from Central Government for the council tax support scheme, as it is rolled in to revenue support grant, is not identifiable within the grant. As Government funding continues to reduce there is less funding available for council tax support.
- 2.5 Cheltenham has managed to maintain the same level of support for 6 years whilst the majority of Councils have reduced support.
- 2.6 Government has been clear that councils should look to maximise their own resources to support the continued delivery of key and critical services. The Local Government Association has advised councils that they should look to reduce expenditure on their local council tax support schemes before lobbying for additional funding.
- 2.7 Cheltenham became a full Universal Credit area in January 2018. 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. Issuing revised council tax bills on a monthly basis is costly but it is also very difficult for those customers affected to manage their finances when their monthly instalment amounts are not consistent.
- 2.8 In the 6 month period between April and September 2018, 6,922 Universal Credit notifications for council tax support purposes were received. A 6 week analysis was undertaken during May and June. Over the 6 week period 974 notifications were received. 424 resulted in the amount of support changing and revised bills being issued. Records were amended for the other 550 but did not result in a change to the amount. The number of notifications received is increasing each month as the number of customers on Universal Credit increases. This is why a percentage discount scheme based on income bands is being proposed.
- 2.9 On 23 July 2018 Full Council unanimously endorsed a consultation exercise on proposals for a revised council tax support scheme for 2019/20.

3. Consultation Results

- 3.1 The consultation provided information about how the current scheme works and the funding arrangements, why changes were being considered and examples to explain the proposed changes. A number of questions were asked about the proposal to introduce a 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, was undertaken from 25 July until 9 September 2018.
- 3.2 The consultation was made available on the Council's website with paper copies issued on request. During the consultation period it was promoted to benefit customers by the benefits team and flyers were issued daily with council tax bills and council tax support letters. It was also promoted by a link to the relevant page on the website on over 4,000 email communications to council tax payers and benefit customers.
- 3.3 130 people completed consultation responses were received and 3 letters or emails. Although this is a low number it is a good response when compared to some other Councils. Oxford City Council consulted on similar changes and reported only 18 responses whilst Exeter reported 76.

- 3.4** Of the 130 respondents, 98% were Cheltenham council tax payers with 15% being in receipt of council tax support. More than 70% were working age and 63% were in employment. There was a fairly even split between male and female, 10% were disabled. Less than 20% of the respondents were other than white British ethnicity.
- 3.5** Consultation was also undertaken with Gloucestershire County Council, Gloucestershire Police and the parish councils.
- 3.6** The responses to the consultation have been analysed and together with the income and household composition of the current council tax support caseload, have been used to design the proposed scheme.
- 3.7** An analysis of the consultation responses is in appendix 3. A summary of the responses is below with an explanation of how they have been factored in to the proposed scheme

Change 1 - Introduce a% discount scheme based on income bands

Almost 70% of respondents agreed that this would be a fair way to help people.

A discount scheme based on 5 income bands is being proposed

Change 2 – Reducing the savings and capital people can have and qualify for council tax support

More than 54% agreed that the savings and capital limit should be reduced from £16,000. £6,000 or £3,000 was proposed but respondents were asked to state an alternative limit. Various limits were suggested and 33% of respondents preferred £6,000.

£6,000 is the limit in the proposed scheme

Change 3 – Continuing to provide 100% support

Over 59% of respondents agreed that we should continue to provide 100% council tax support. Of those that answered no, the majority thought that support should be between 75% and 90%

The proposed scheme is based on providing up to 100% support

Change 4 – Protecting certain vulnerable groups

Over 76% of respondents agreed that certain vulnerable groups should be protected by continuing to provide 100% council tax support for them.

The proposed scheme is based on providing up to 100% support for certain vulnerable groups

Change 5 – Ignoring child benefit as income

Over 57% agreed that child benefit should be ignored as income for the purposes of calculating a person's income.

The proposed scheme ignores child benefit

Change 6 – Ignoring child maintenance as income

48% of respondents agreed that child maintenance should be ignored as income for the purposes of calculating a person's income

The proposed scheme ignores child maintenance

Change 7 – Contribution by non-dependants adults living in the property

59% of respondents agreed that council tax support should be reduced for a contribution to be made by non-dependants.

The proposed scheme requires a contribution to be made by non-dependants, based on income

Change 8 – Restricting support to lower council tax bands

Over 52% of respondents agreed that support should be restricted to Band E.

The proposed scheme restricts council tax support to Band E meaning that those in Bands F,G and H will receive support based on Band E

Change 9 – Shortening the period a claim can be backdated from 6 to one month

Only 34% agreed that the backdating period should be reduced to one month.

The proposed scheme retains the 6 month backdating period

Change 10 – Discontinuing second adult rebate

52% of respondents agreed that second adult rebate should be discontinued

The proposed scheme does not include second adult rebate

Change 11 – Reducing the temporary absence period when support will be paid

69% of respondents agreed that support should only be paid for up to 4 weeks whilst claimants are living outside the UK.

The proposed scheme includes a 4 week temporary absence period

The final question asked residents how the Council should continue to fund the council tax support scheme.

40% of respondents chose to reduce the level of council tax support and 25% chose to increase the level of council tax, 11% chose to reduce the funding for other council services.

The proposed scheme reduces the level of council tax support

- 3.8** The responses to the consultation have been analysed and together with the income and household composition of the current council tax support caseload, have been used to design the proposed scheme.

4. Proposed Scheme

- 4.1** The draft scheme being proposed, which is based on income bands is summarised in appendix 2
- 4.2** The income band scheme is based on a completely different approach to the current scheme. The income bands set the percentage discount to be awarded based on the level of household income. The higher the level of income, the lower the percentage discount will be. Although the concept of the scheme is different it will continue to disregard certain types of income when calculating household income to ensure the most vulnerable continue to be protected. These include child benefit, child maintenance and certain disability benefits.
- 4.3** The consultation results have been analysed and the scheme being proposed includes the changes that the majority of respondents were in favour of.

4.4 The overriding aim of the scheme is to:

- Protect the most vulnerable individuals and families by continuing to provide 100% support to those on the lowest income
- Provide some financial support to low income individuals and families, based on their level of income
- Minimise the number of changes to the amount of support awarded and therefore the amount of council tax payable due to monthly Universal Credit reassessments
- Reduce the overall cost of the scheme to the taxpayer

4.5 Although the majority of Councils have limited the maximum support the scheme proposed will protect the most vulnerable. The scheme is based on 5 income bands with the highest band providing support at 100% of the council tax liability, then reducing to 80%, 60%, 40% and 20% as household income increases.

4.6 Adopting this scheme will reduce the support provided to some claimants, but will protect the most vulnerable and will reduce the overall cost of the scheme.

4.7 Currently, council tax support of just under £3.7m is being paid to 3,976 working age households.

4.8 The income bands and percentage discount being proposed with the number of council tax support recipients in each band are as follows

Income Band	Single person	Couple	Lone parent with children	Couple with children	Maximum percentage entitlement	Customers in band
	Income £					
Band 1	0.00 to 75.00	0.00 to 115.00	0.00 to 150.00	0.00 to 200.00	100%	2782
Band 2	075.01 to 100.00	115.01 to 150.00	150.01 to 175.00	200.01 to 250.00	80%	148
Band 3	100.01 to 125.00	150.01 to 200.00	175.01 to 225.00	250.01 to 300.00	60%	337
Band 4	125.01 to 150.00	200.01 to 250.00	225.01 to 275.00	300.01 to 350.00	40%	323
Band 5	150.01 to 175.00	250.01 to 300.00	275.01 to 325.00	350.01 to 400.00	20%	200

4.9 The table below shows the number of current council tax support claimants that will see their council tax support reduce and by how much. This is based on the current caseload. 2,747 claimants will continue to receive the same level of support that they receive now. 319 will see a small increase to how their level of income slots in to the income bands. 724 will see a reduction in support and 186 will no longer qualify for any support

Number of customers affected	Annual Reduction in Council Tax Support
14	Over £1000

2	£900 to £999.99
16	£800 to £899.99
42	£700 to £799.99
43	£600 to £699.99
68	£500 to £599.99
91	£400 to £499.99
142	£300 to £399.99
115	£200 to £299.99
94	£100 to £199.99
97	£0.00 to £99.99
Total 724	

Number of customers affected	Annual gain in Council Tax Support
133	£0.00 to £99.99
186	Over £100
Total 319	

Number of customers affected	No change in entitlement
Total 2747	

Number of customers affected	No longer entitled to Council Tax Support
Total 186	

- 4.10** Based on the current caseload and 2018/19 council tax levels it is estimated that these changes would reduce the cost of the scheme by approximately £420,000, which is £52,000 to this council, £311,000 to Gloucestershire County Council and £57,000 to Gloucestershire Police. These savings will vary due to any fluctuation in caseload and increase in council tax levels.
- 4.11** Once the scheme is approved by Council in December the Revenues and Benefits team will notify all those claimants who will be affected by the change to make them aware that they will have more council tax to pay in 2019/20. When council tax bills are issued in March next year further letters will be sent with bills to explain payment options.
- 4.12** An Equalities Impact Assessment (EIA) for the proposed scheme is in appendix 4. In a consultation response it was highlighted that an EIA was not carried out at consultation stage. The EIA was carried out at the stage the proposed scheme was designed following the results of the consultation being analysed.

5. Discretionary Hardship Scheme

- 5.1** To mitigate the financial impact of the scheme on those most adversely affected a discretionary hardship scheme will be available. The scheme will enable officers to apply a discretionary reduction in Council Tax liability due to exceptional hardship.

6. Alternative options considered

- 6.1** Continuing with the current scheme has been considered but 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. It is not possible to retain the current scheme and reduce the cost.

7. Performance management – monitoring and review

- 7.1** If the proposed scheme is introduced from April 2019 it will be monitored closely by officers and will be reviewed before developing the scheme for 2020/21.

Report author	Contact officer: Jayne Gilpin, Head of Revenues and Benefits Jayne.gilpin@cheltenham.gov.uk, 01242 264323
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Summary of draft scheme 3. Consultation analysis and responses 4. Equalities impact assessment
Background information	<ol style="list-style-type: none"> 1. The Local Government Finance Act 1992, amended by the Local Government Finance Act 2012 http://www.legislation.gov.uk/ukpga/2012/17/contents 2. The Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 http://www.legislation.gov.uk/uksi/2012/2885/contents/made 3. The Council Tax Reduction Schemes (Amendment) (England) Regulations 2017 http://www.legislation.gov.uk/uksi/2017/1305/pdfs/uksi_20171305_en.pdf

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If a working age council tax support scheme is not approved it will not meet the legal requirements to have a scheme in place by 11 March 2019.	Jayne Gilpin	06/11/2018	2	1	2	Accept	Cabinet then Council approves the report recommendations	10/12/18	Jayne Gilpin	
2	If there is an increase in caseload the level of savings might not be achieved	Jayne Gilpin	06/11/2018	2	3	6	Accept and Monitor	Monitor the caseload on a monthly basis		Jayne Gilpin	
3	If claimants affected by the proposed scheme are unable to pay their increased council tax liability then council tax arrears will increase	Jayne Gilpin	06/11/2018	2	3	6	Accept and Monitor	Monitor council tax records for those affected. Communication with council tax payers at all stages.		Jayne Gilpin	
Explanatory notes Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) Control - Either: Reduce / Accept / Transfer to 3rd party / Close											

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;

- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;
- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

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

Risk ref

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

Risk Description

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

Risk owner

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

Risk score

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

Control

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

Action

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

Responsible officer

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

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

Transferred to risk register

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

Appendix 2

Summary of Proposed Council Tax Support Scheme 2019-20

The proposed council tax support scheme from 1 April 2019 for working age people will be based on Income bands.

The scheme will apply to working age people only who currently receive council tax support or apply in the future for help to have their council tax discounted. There will be no protection for working age people and the new scheme will apply without exception from 1 April 2019.

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

The following income bands will apply and the percentage of council tax support awarded will be 100%, 80%, 60%, 40% or 20% of the maximum eligible council tax.

There are different bands for single claimants, lone parents, couples and for people with children as illustrated below.

Income Band	Single person	Couple	Lone parent with children	Couple with children	Maximum percentage entitlement
	Income £				
Band 1	000.00 to 075	000.00 to 115	000.00 to 150	000.00 to 200	100%
Band 2	075.01 to 100	115.01 to 150	150.01 to 175	200.01 to 250	80%
Band 3	100.01 to 125	150.01 to 200	175.01 to 225	250.01 to 300	60%
Band 4	125.01 to 150	200.01 to 250	225.01 to 275	300.01 to 350	40%
Band 5	150.01 to 175	250.01 to 300	275.01 to 325	350.01 to 400	20%

Claimants who receive Income Support, Job Seeker's Allowance (Income Based) or Employment and Support Allowance (Income Related) will fall into band 1 and will be entitled to up to 100% council tax support.

The income will be calculated, net of any allowable disregards and the if the income calculated falls into one of the following income bands, council tax support will be payable. If the net income exceeds the maximum income in band 5 then no council tax support will be payable.

Under the current council tax support scheme if a person has an income change of more than 5p a week their entitlement to support will change by just 1p per week. With the proposed scheme, if the income change results in the income remaining within a band, then no recalculation of the council tax support will take place.

For example, if a single person reports that their weekly income has increased from £112 to £123 per week, they will remain in Band 3 and the discount they will continue to receive is 60%.

Qualifying for Council tax support

A person must have a council tax liability to be able to claim council tax support and the property must be occupied by the tax payer. Council tax support is a council tax discount and if awarded it will reduce a person's council tax payments. The level of discount awarded is 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 require more support will also be taken into consideration.

Eligible Council Tax

The eligible council tax used in the calculation of council tax support will be the net amount payable, taking into account discounts already awarded, for a dwelling that is occupied.

The only exception to this is if the tax payer lives in a property that has an F, G or H banding. For people claiming council tax support, their maximum eligible council tax will be restricted to a band E and the maximum council tax support they can receive is 100% of the band E charge.

Capital limit

If a single person or couple claiming council tax support have over £6,000 in combined capital there will be no entitlement to council tax support and the full amount of council tax will be payable. There are no exceptions to this rule. An assumed income from savings will not be applied to capital less than £6,000.

Non dependant deductions

A non dependant is a person living in the council tax support claimant's home but they are not stated as a liable person on the council tax bill. They are normally a grown up child or an elderly relative living with the claimant. Deductions will normally be made from the eligible council tax for each non dependant living in the household. The deductions are based on the non dependant's gross income and whether they are working. The deductions and earnings bands are increased from 1 April each year.

A non dependant deduction will not be made if the claimant or their partner receives one of the following incomes:

- Attendance Allowance or Constant Attendance Allowance
- The daily living component of Personal Independence Payment
- The care component of Disability Living Allowance
- An armed forces independence payment

Or if the claimant or partner is severely sight impaired, blind or has recently regained sight.

Earned income disregards

A maximum weekly disregard of £10 will apply to the combined earnings of the claimant and partner. If both a claimant and their partner are working the earnings disregard will be £10 in total and will not be awarded per person.

Income disregards – child benefit

Child benefit for all children will be disregarded in full and will not be used in the income calculation.

Income disregards – maintenance in respect of a child

Maintenance payments received in respect of a child or children will be disregarded in full and will not be used in the income calculation, subject to qualifying conditions.

Income disregards - Housing Element (Universal Credit)

The housing costs element of a person's Universal Credit award will be disregarded in full. This is the exception and all other elements of Universal Credit will be taken fully into account as income.

Income disregards – other income

Under this scheme, as part of our ongoing commitment to support disabled people, the following incomes will continue to be disregarded and will not be used as income in the calculation of council tax support:

- Personal Independence Payment
- Attendance Allowance
- Constant Attendance Allowance
- Disability Living Allowance
- War Disablement Pension
- War Widow's Pension
- Christmas bonus paid by DWP

Other disregards - childcare

To support incentives to work for those working over 16 hours, a weekly childcare disregard will be applied to earnings of up to a maximum of £175, where child care is paid for one child, or up to a maximum of £300 where childcare is paid for more than one child, subject to further qualifying conditions.

Other disregards - disabled child or children

An additional income disregard of £65 per week will be applied to household income for each child who:

- Is severely sight impaired, blind or has recently regained their sight, or
- Receives Personal Independence Payment or Disability Living Allowance

Second Adult Rebate

Second adult rebate was based on the income of other adults living in the property and not that of the claimant. All second adult rebate entitlement will end on 31 March 2019 and this will no longer be able to be claimed from 1 April 2019. The claimant will still be able to receive council tax support but this will be based on their personal income and any award may be subject to non dependant deductions.

Absences abroad for up to four weeks

Council tax support will be paid during a temporary absence abroad providing that the period of the absence does not exceed four weeks. If the planned period of absence is greater than four weeks the claim for council tax support will end from the date of departure and the claimant will have to claim again following the return to their home address.

Backdating claims

A claim for council tax support can be backdated for a maximum period of six months from the date of the claim if the claimant can demonstrate a good reason for not having claimed sooner. The claimant must provide a written request for backdated council tax support and provide full reasons for the delay in claiming.

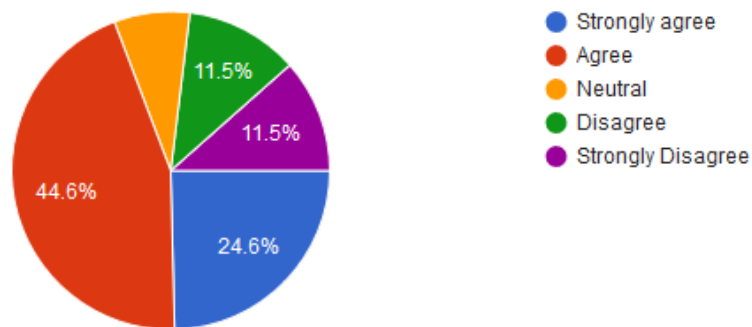
Discretionary Hardship Scheme

The scheme may result in some claimants being adversely affected which may lead to hardship. As there is a need to protect the most vulnerable households, the Discretionary Hardship Scheme which falls within the local council tax support scheme, is designed to provide additional financial support to those tax payers who are facing either exceptional hardship or extraordinary circumstances. Subject to conditions a tax payer could be awarded a payment under the Council's Discretionary Hardship Scheme. An application will need to be made and it will be considered in accordance with the Council's policy.

Appendix 3

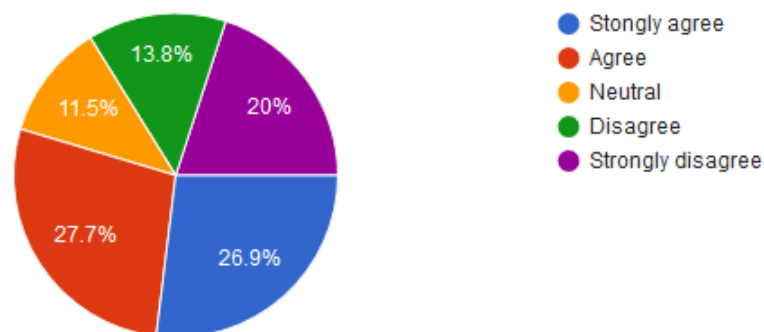
The council is considering an income banded scheme which would be a simple flat rate percentage discount awarded depending on what income band the person's total weekly income falls into. Do you agree that this would be a fair way to help people on a low income?

130 responses



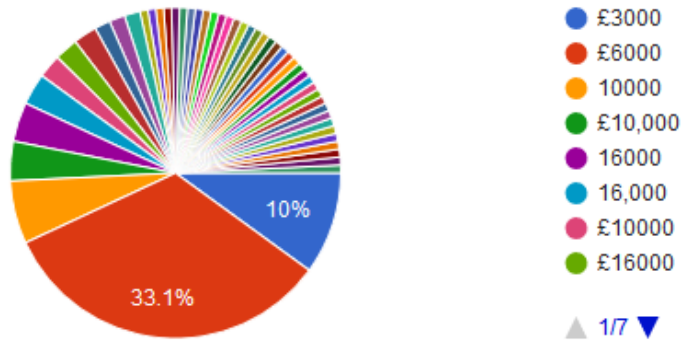
Currently council tax payers can have capital of up to £16,000 and still receive council tax support. Do you think that the capital limit should be reduced?

130 responses



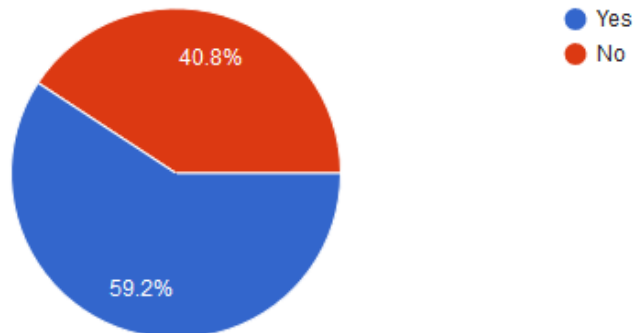
If you think the capital limit should be reduced what do you think the new limit should be?

130 responses



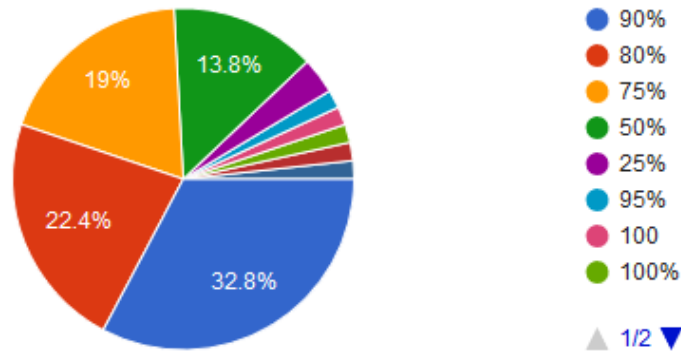
Currently a person can receive 100% council tax support and do not have to make any contribution towards their council tax payments. Do you think that people should continue to receive 100% help towards their council tax?

130 responses



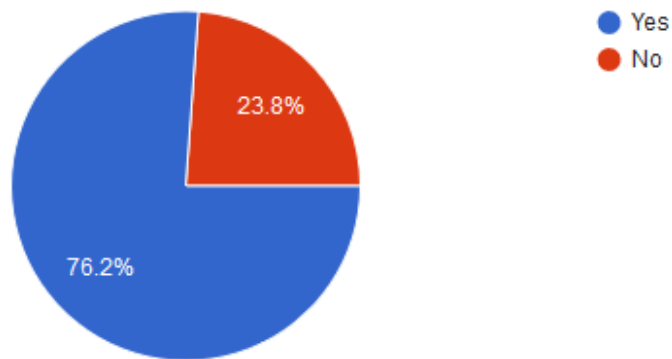
If you have answered no, what do you think the maximum amount of help should be?

58 responses



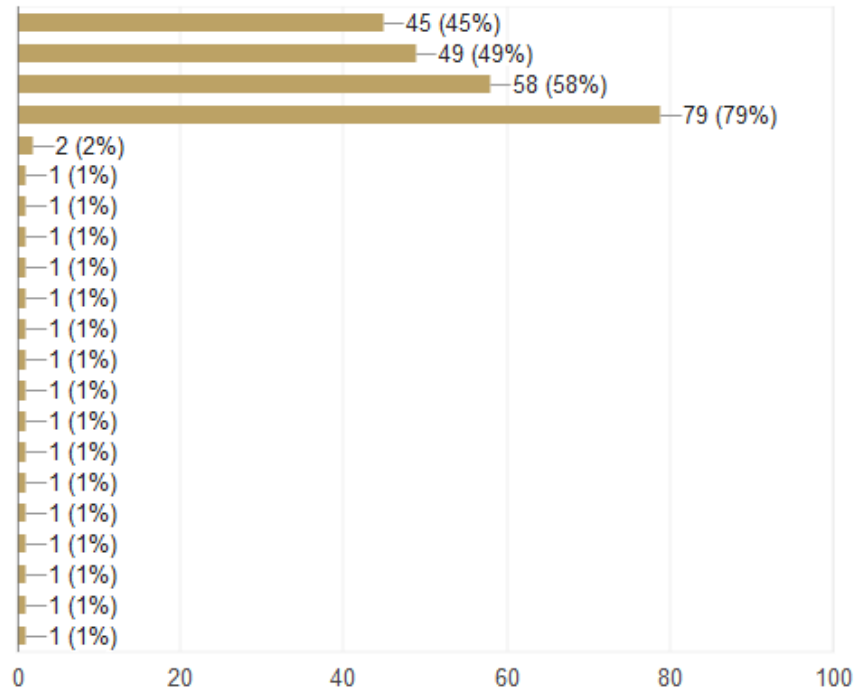
Should the council provide protection for some groups from any changes made to the council tax support scheme from April 2019?

130 responses



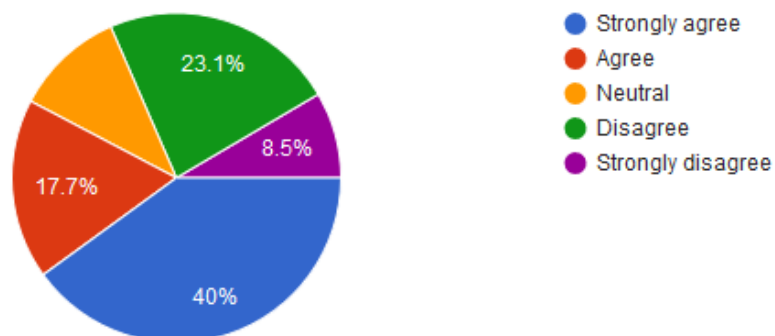
If you have answered yes, please tick which group(s) you think should receive protection.

100 responses



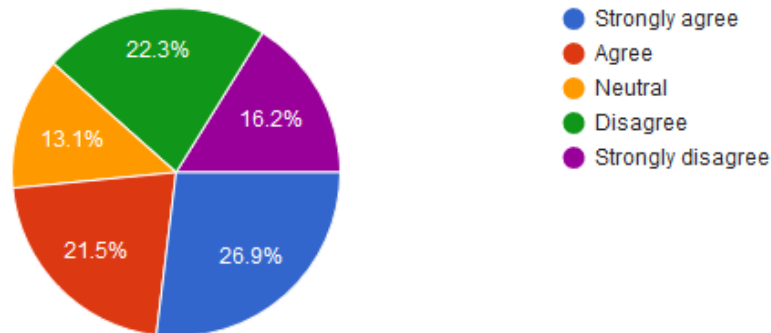
The current scheme ignores 100% of child benefit income. Do you agree that this income should be ignored for the purposes of calculating a person's weekly income?

130 responses



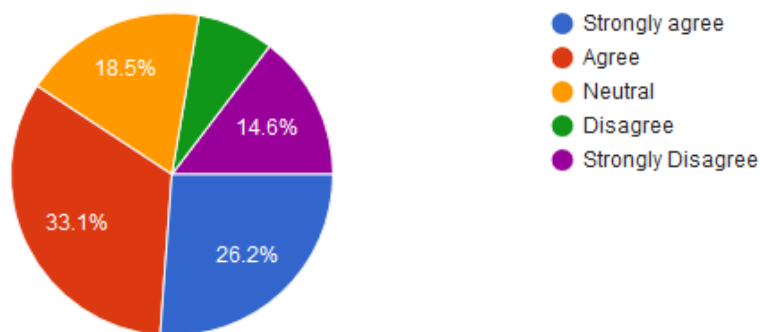
The current scheme ignores 100% of child maintenance payments received by the person. Do you agree that this income should be ignored for the purposes of calculating a person's weekly income?

130 responses



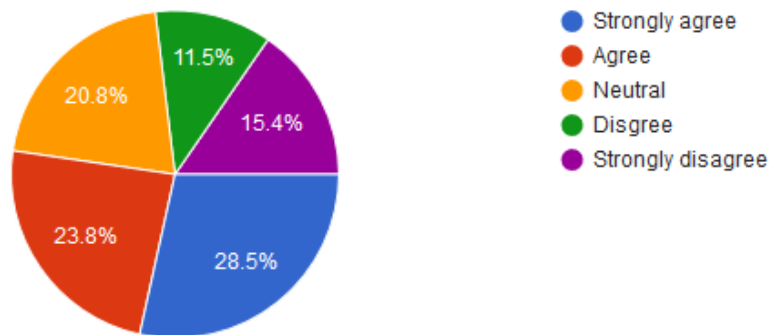
A non-dependant is a person living as part of someone's home but is not responsible for the household bills, like an elderly relative or a grown up son or daughter. Do you think that the non-dependant should make a contribution to the running of the household which results in the council tax payer receiving less council tax support?

130 responses



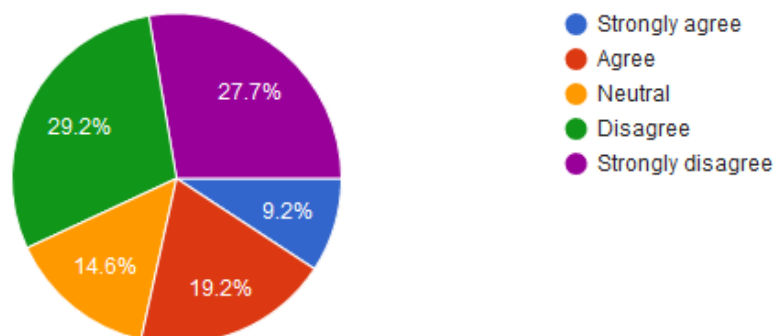
Currently council tax support is available to residents in Cheltenham regardless of the council tax band their property is in. Do you agree that there should be a restriction placed on the council tax support awarded to those in higher bands F, G and H? For example: the maximum council tax support payable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

130 responses



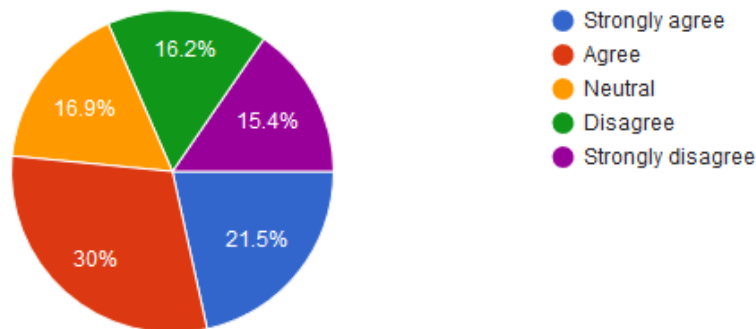
Currently a person can have their new council tax support claim backdated for a period of 6 months if they provide a good reason. Do you agree that this period should be shortened to one calendar month?

130 responses



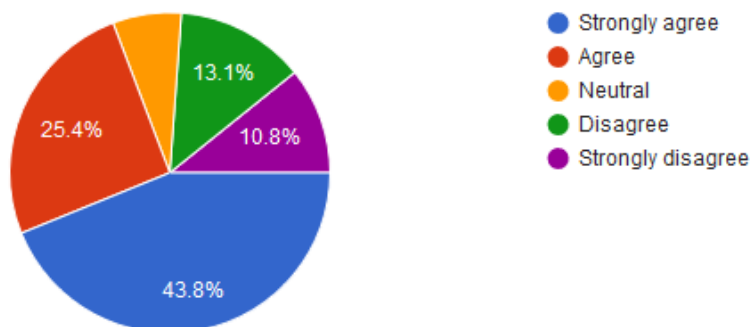
If a single applicant does not qualify for council tax support themselves, there is a provision for them to claim something called Second Adult Rebate. This can be awarded up to 25% of the council tax liability and is based on other people's income in household, for example an elderly relative or grown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

130 responses



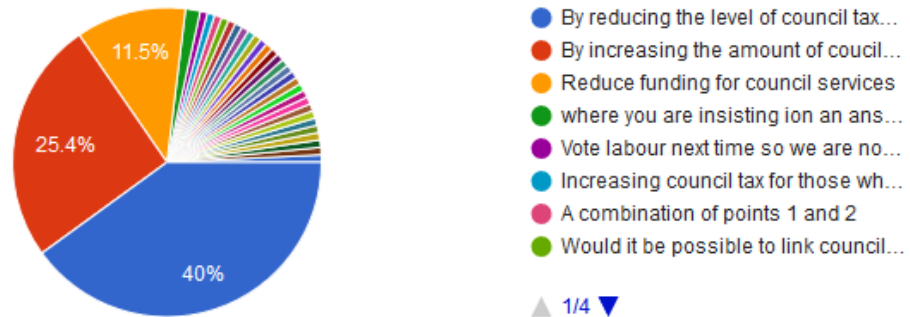
The current council tax support scheme allows people to be temporarily absent from their homes, living elsewhere in the world and still receive help towards their council tax. Do you agree that the period for which a person can be absent from their home should be reduced to 4 weeks for them to still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

130 responses



How do you think the council should continue to fund its council tax support scheme from April 2019?

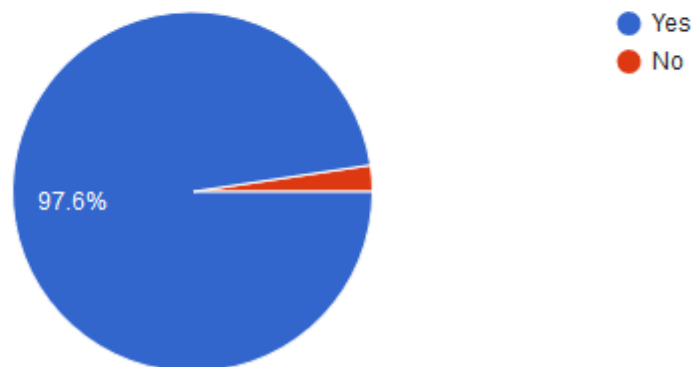
130 responses



Equalities questions - About you

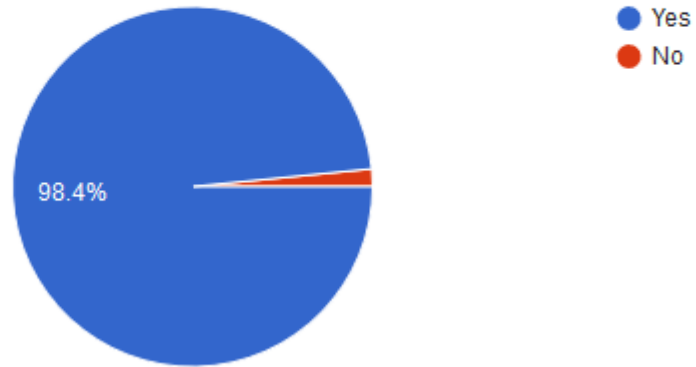
Are you a resident of the Cheltenham Borough area?

127 responses



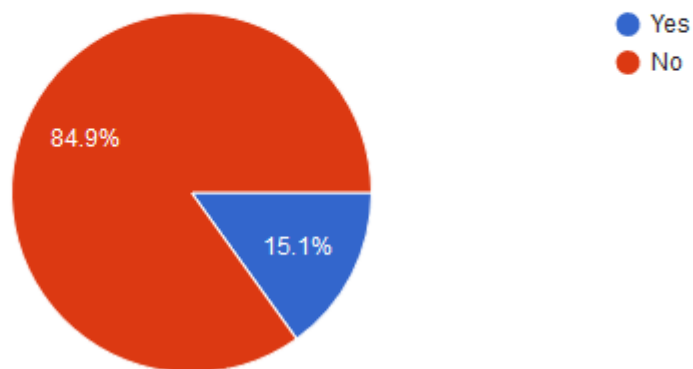
Are you registered for council tax?

127 responses



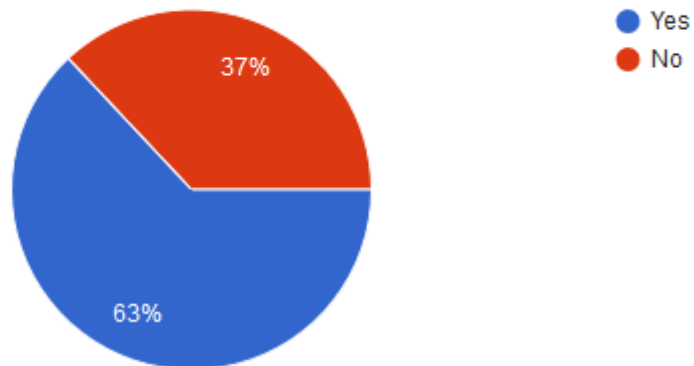
Do you currently receive council tax support?

126 responses



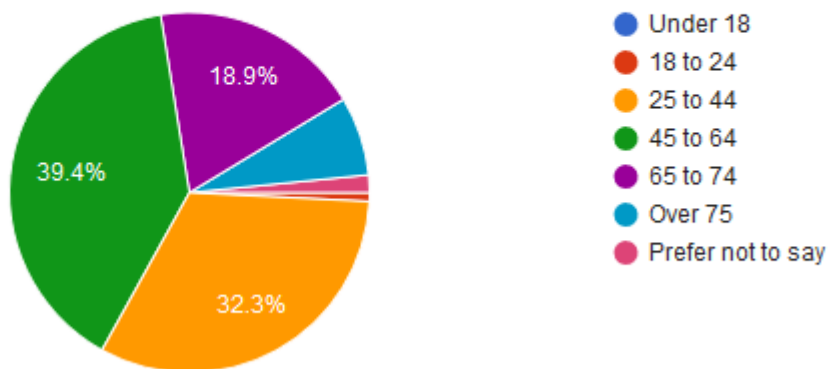
Are you in employment?

127 responses



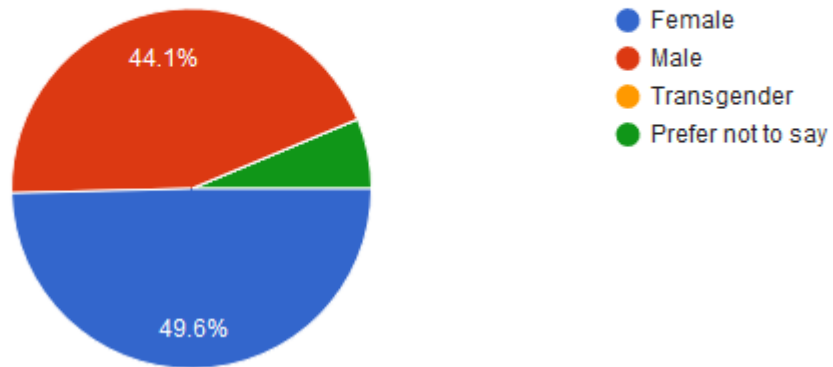
What is your age group?

127 responses



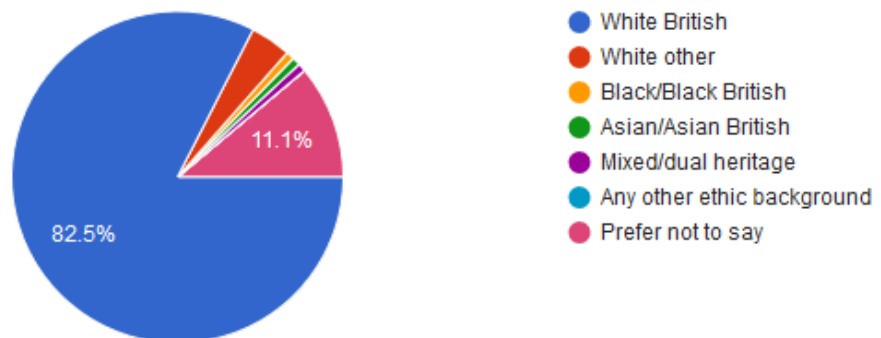
What is your gender?

127 responses



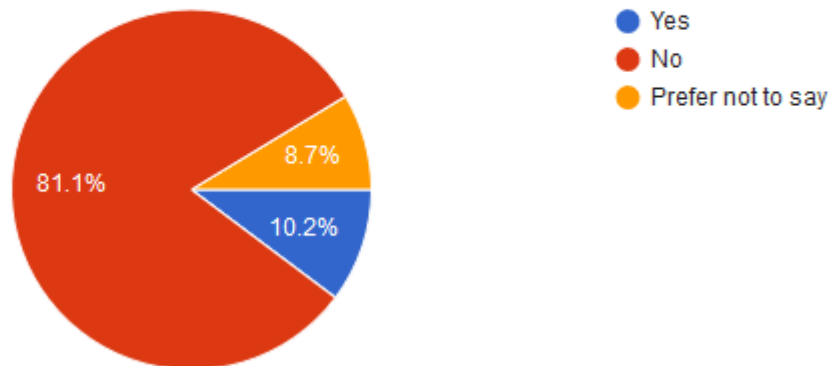
What is your ethnicity?

126 responses



Are you disabled?

127 responses



We have reviewed your proposals for the Local Council Tax Support Scheme for 2019/20 and we are supportive of your proposals.

We agree that an income banded scheme is a fair way to help people on low income and we think that people should continue to receive 100% help towards their council tax where applicable.

We do not think that you should reduce the capital limit of £16k.

I hope that helps.

Regards

Peter

Peter Skelton

Chief Finance Officer

Finance Department

Gloucestershire Constabulary and Office of the Police and Crime Commissioner

Police Headquarters | No.1 Waterwells | Waterwells Drive | Quedgeley |

Gloucestershire | GL2 2AN

Personal - 01452 752240 | Group - 01452 754312 | Force Control Room - 101

www.gloucestershire.police.uk | [Twitter page](#) | [Facebook page](#)

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Cheltenham Labour Party

Response to the Borough Council Consultation on changes to Council Tax exemptions

Cheltenham Labour Party is opposed to any changes to the current scheme of Council Tax exemptions operated by Cheltenham Borough Council as proposed in the consultation document.

We would support a scheme which reduced the administrative burden of the process providing it could be conclusively demonstrated that the poorest families in our town were not disadvantaged. The current proposals fail to demonstrate that, and the proposals would result in households in low income bands paying increased council tax. These proposals effectively redistribute the burden of local taxation from the most affluent to the least affluent in Cheltenham.

In making these proposals the Borough Council does not appear to have carried out an equalities impact assessment in line with the Public Sector Equalities Duty under Section 149 of the Equalities Act 2010. Such an assessment is essential if the Borough Council is to meet its obligation to treat different groups in our town in an equitable and fair manner. There is no evidence that these proposals will meet that standard.

The current proposals fail to consider the imposition of the Government's Universal Credit scheme on households in Cheltenham. Any changes to the exemption scheme should assess households in line with Universal Credit assessments to prevent either unnecessary overpayment by families, or underpayment which would need to be reclaimed from families with no or little savings with which to meet a debt which is not of their own making.

Most households affected by the proposals in this consultation document live in a state of genuine poverty. Any increased council tax demand on their current low-income levels will have a very significant impact on their household budget. These families will prioritise feeding and clothing their families and heating their homes rather than paying increased council tax demands or be driven into debt. As a result, the administrative burden and cost to the Borough Council will be increased through having to take families to court to seek payment of Council Tax. Many of those families will not have the resources to meet the payments required. As a result, the Borough Council may find itself incurring additional expenditure in a needless pursuit of impoverished households through the courts.

Malcolm Bride

Chair, Cheltenham Labour Party

Basement Office
67 Clarence Street,
Cheltenham
GL50 3LB

03.09.2018

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26 Church Street, Church Piece, Charlton Kings, Cheltenham, GL53 8AR

Clerk: Mrs J Noles Tel: 01242 250087 email: clerk@charltonkingsparishcouncil.gov.uk

23rd August 2018

Mr David Wyatt
Deputy Revenues and Benefits Manager
Cheltenham Borough Council
Municipal Offices
Promenade
Cheltenham
GL50 9SA

Dear Mr Wyatt,

Council Tax Support scheme 2019-20 - consultation survey

The consultation document on the Council Tax Support scheme 2019-20, which was sent to us on 25th July 2018, was considered at a meeting of the Charlton Kings Parish Council on 20th August 2018. I have been asked to write to you following the meeting to communicate the Parish Council's agreed comments on the Council Tax Support scheme proposals and these are set out below.

We welcome the opportunity to comment on possible changes to the current Cheltenham Borough Council scheme for council tax support, which would affect many parish residents.

We recognise the need to reduce extremely cost-ineffective administration associated with the current scheme but, hold that an important principle should be that administrative savings should be used to ensure that no-one currently in receipt of direct, personal, support should be disadvantaged by any change.

In response to the examples of possible options for change, we make the following comments:

Example 1 - Introduce a scheme where all working age applicants pay a percentage of the charge: We do not support this option which we believe would result in significant hardship and, also, that collecting increased payments could be cost-ineffective.

Example 2 – Introduce an income banded scheme: We consider that this concept is worth further exploration, but the way in which the support would be set within each band would be crucial if many were not to be disadvantaged. Essentially, this would require the support level to be set at the band minimum, i.e. at the highest current level.

It would have been helpful to have known, and should be made explicit:

- The number of income bands and their income values
- Whether the bands are set on a weekly/monthly/annual income, or some other period
- If the bands would be increased each year in line with an index of inflation.

Similarly, in justification of proposing such a significant change, it should be made clear how many in-year assessments are currently being carried out and, what reduction on this number is anticipated should this proposal be introduced.

Example 3 – Introduce a capital limit of £6,000: We do not consider that this is an acceptable option and is not linked to administrative savings.

Example 4 – Introduce changes to the income that is disregarded in the calculation: We do not support this option, which would have a direct impact on children's well-being.

Example 5 – Discontinue the payment of Second Adult Rebate: We would not, in principle, be opposed to this option which currently seems to introduce an unnecessarily complicated measure of indirect support to a very small number of people at high administrative cost. However, even though it applies to only a small number of families, there is, presumably a justification for currently offering this rebate, so is it considered that withdrawal would impact significantly on these families? Is this measure likely to produce a re-cyclable sum of sufficient size to warrant its consideration?

We hope that our comments will be a helpful contribution to your consultation and look forward to receiving feedback on future developments in relation to the Council Tax Support Scheme in due course.

With good wishes,

Joanna Noles

Clerk & RFO to the Parish Council
Charlton Kings Parish Council
26 Church Street
Charlton Kings
Cheltenham GL53 8AR

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clerk@charltonkingsparishcouncil.gov.uk

Tel 01242 250087

Equality impact assessments – for services, policies and projects

What is an equality impact assessment?

An equality impact assessment is an important part of our commitment to improving equality practice. The form will help us find out what impact or consequences our functions, policies, procedures and projects have on our citizens, employees and potential employees.

By undertaking an impact assessment, we are able to:

- Take into account the needs, experiences and circumstances of those groups of people who use (or don't / can't use) our services.
- Identify any inequalities people may experience.
- Think about the other ways in which we can deliver our services which will not lead to inequalities.
- Develop better policy-making, procedures and services.

Impact assessment are required by law; The Race Relations Amendment Act, The Disability Discrimination Act and the amended Sex Discrimination Act all require local authorities to assess the impact of their functions, policies, projects and services, or the likely impact of any that are proposed, on equality.

However, our view is that we should be using the results of impact assessment to improve service delivery so that we become more accountable to the people that we serve.

Background

Name of service / policy / project and date	Revenues and Benefits. The service is introducing a new Council Tax Support scheme from 1 April 2019. The scheme differs significantly to the existing scheme and as a result will have a financial impact on certain customers who receive support.
Lead officer	Jayne Gilpin, Head of Revenues and Benefits
Other people involved in completing this form	David Wyatt, Deputy Revenues and Benefits Manager

Step 1 - About the service / policy / project

<p>What is the aim of the service / policy / project and what outcomes is it contributing to</p>	<p>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 who are the county council and the police. The share of the cost is the same as the share of the council tax.</p> <p>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.</p> <p>From April 2013, Councils became responsible for designing their own local council tax support (CTS) scheme for <u>working age people only</u>. 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. <u>Council tax support for pensioners was not localised and continues to be provided for by a national scheme.</u></p> <p>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 have consulted 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.</p> <p>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.</p> <p>The aim of the service is to revise the council tax support scheme from 1 April 2019 by introducing a banded income scheme. The calculation of council tax support will change significantly and the qualifying conditions are also being revised which will lead to some customers receiving either less support or none at all. The outcome will be that the council tax support scheme will be easier to administer and reduce the expenditure of the scheme for working age customers.</p>
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<p>Who are the primary customers of the service / policy / project and how do they / will they benefit</p>	<p>It is important to note that any proposed changes to the council tax support will not affect pensioners. These people are protected and their council tax support will continue to be awarded on the basis of the scheme prescribed by Central Government.</p> <p>The changes will apply to working age people only who currently receive council tax support or apply in the future for help to have their council tax discounted. There will be no protection for working age people and the new scheme will apply without exception from 1 April 2019.</p> <p>The working age customers who continue to require support or who claim council tax support in the future will provide evidence of their income and capital and the people living in their household. The level of income a person is determined to have will be derived from detailed scheme rules. Once the level of income has been derived, the band in which this income level falls will decide what level of support can be provided. There will be five income bands and the support provided will be either 20%, 40%, 60%, 80% or 100% of the charge.</p> <p>The amount of council support awarded is paid direct to the council tax account as a discount and the person then pays the reduced amount by instalments.</p>
<p>How and where is the service / policy / project implemented</p>	<p>The Revenues and Benefits service, based at the Municipal Offices provides the service to customers and the revised council tax support scheme will be implemented from there.</p>
<p>What potential barriers might already exist to achieving these outcomes</p>	<p>A draft council tax support scheme must be written, taking into account views from the public consultation, the views of the Cabinet Member for Finance and the financial forecasting that has been undertaken. Forecasting, utilising software provided by Civica Open Revenues, has been used to model a proposed scheme, identifying those who will lose from a revised scheme.</p> <p>The proposed scheme will be submitted to the November Cabinet for consideration. Subject to agreement, the scheme will be published in draft on the Council's web site and further comments invited. The final report and proposed scheme will be presented at Full Council in December 2018.</p>

<p>What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information</p>	<p>Every applicant making a claim for council tax support provides the following personal information:</p> <ul style="list-style-type: none"> • the date of birth, sex and nationality of each person in the household • the income of each person in the household, including non dependants (for example grown up children) • the capital of each person in the household • whether any person has a disability • whether the person is in a same sex relationship <p>The information obtained from the customer is not for statistical purposes. The information is obtained only to be able to determine a council tax support entitlement. No data is held on the system relating to:</p> <ul style="list-style-type: none"> • sexual orientation • ethnicity and/or race • religion or belief <p>Information may be held, subject to the customer volunteering it on the following:</p> <ul style="list-style-type: none"> • pregnancy and/or maternity/paternity • gender reassignment
<p>What does it tell you about who uses your service / policy and those that don't?</p>	<p>People are accessing the service as they do not have enough household income to pay their council tax. The reason for claiming assistance is purely financial. There are no other advantages. It tells us that those who do not claim assistance and pay their council tax from their household income do not require the same level of financial support as those that do.</p> <p>The information and data held tells us the following information:</p> <ul style="list-style-type: none"> • the age of the customer and others in the household • the number of men and women claiming council tax support • the number of customers who have responsibility for a child or children • the number of people in the household • whether there are any disabilities • the household income • whether any capital is held

<p>What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?</p>	<p>No adverse feedback has been provided from consultation with customers and stakeholder groups.</p> <p>The service is made widely available to ensure that all members of the community can access it. Application forms are available and can be emailed or posted to customers. The application form is also available to be downloaded on line. A visiting service is provided for those customers who are unable to visit the council offices and require assistance with form filling in their homes.</p> <p>There are various other options available in the town centre for people to take advice on claiming council tax support including advice agencies like CCP and CAB.</p> <p>Customers identified as having difficulties in paying their council tax are also invited to make claims for council tax support. This is built into the council tax recovery processes and is a preferred option to taking enforcement action.</p>
<p>If not, who do you have plans to consult with about the service / policy / project?</p>	<p>Not applicable.</p>

Step 3 - Assessing Impact

How does your service / policy / project impact on different groups in the community?

Group	What are you already doing to benefit this group	What are you doing that might disadvantage this group	What could you do differently to benefit this group	No impact on this group
Ethnicity / Race	No specific benefits to this group	No specific disadvantages to this group	There is no requirement to do things differently to benefit this group	No specific impact identified
Sex	No specific benefits to this group	No specific disadvantages to this group	There is no requirement to do things differently to benefit this group	No specific impact identified
Gender Reassignment	No specific benefits to this group	No specific disadvantages to this group	There is no requirement to do things differently to benefit this group	No specific impact identified
Age	Council tax support is awarded to any age group (over 18) if their financial position warrants help. This includes people of working age and pension age	The local council tax support scheme only applies to those customers of working age. Therefore this group of people aged 18 to 67 will be directly impacted upon	The council tax support scheme could remain unchanged but this is an unlikely option. Support will be made available to customers affected	There will be an impact on some customers due to their financial position and the household income they have
Disability	Council tax support currently assists people with disabilities. Certain disabilities attract prescribed allowances and premiums in the calculation of the support which are advantageous to customers	The scheme is being revised so that allowances and premiums are no longer applicable in the calculation. This in itself may disadvantage some customers.	Consideration is being given to protect certain groups including those with disabilities and those who have disabled children. Customers who receive Employment and Support Allowance IR (ESA) are likely to continue to receive the maximum 100% support and those customers with disabled	There may be some impact on a few customers due to their financial position and the household income they have, but the impact is being moderated by introducing enhancements to the scheme for

			children will have additional income disregards which will be advantageous to the amount of support payable	these customers. The customers with disabilities that are affected will be those who have additional income, for example, a partner with earnings
Religion or belief	No specific benefits to this group	No specific disadvantages to this group	There is no requirement to do things differently to benefit this group	No specific impact identified
Sexual orientation	No specific benefits to this group	No specific disadvantages to this group	There is no requirement to do things differently to benefit this group	No specific impact identified
Marriage and Civil Partnership	No specific benefits to this group	No specific disadvantages to this group	There is no requirement to do things differently to benefit this group	No specific impact identified
Pregnancy & Maternity	No specific benefits to this group	No specific disadvantages to this group	There is no requirement to do things differently to benefit this group	There will be an impact on some customers due to their financial position and the household income they have
Other socially excluded groups or communities	No specific benefits to these groups or communities	No specific disadvantages to these groups or communities	There is no requirement to do things differently to benefit these groups	No specific impact identified

Step 4 - what are the differences

<p>Are any groups affected in different ways to others as a result of the service / policy / project?</p>	<p>Yes. Councils became responsible for designing their own local council tax support scheme for <u>working age people only</u>. 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. <u>Council tax support for pensioners was not localised and continues to be provided for by a national scheme.</u></p> <p>As a result of this people of working age are affected by a local council tax support scheme. The Government produced its own Equality Impact Assessment in 2012 prior to the introduction of localised support being introduced. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/8464/2063707.pdf</p> <p>In localising support for council tax, the Government believes that local schemes should provide support for the most vulnerable, including vulnerable pensioners. The Government has concluded that support for vulnerable pensioners should be delivered through a national framework of criteria and allowances. Local authorities already have clearly defined responsibilities in relation to, and awareness of, the most vulnerable groups and individuals other than pensioners in their areas. This includes, for example, through their responsibilities under:</p> <ul style="list-style-type: none"> • The Child Poverty Act 2010, which imposes a duty on local authorities to have regard to and address child poverty and their partners, to reduce and mitigate the effects of child poverty in their local areas; • The Disabled Persons (Services, Consultation and Representation) Act 1986, and Chronically Sick and Disabled Persons Act 1970, which include a range of duties relating to the welfare needs of disabled people; • The Housing Act 1996, which gives local authorities a duty to prevent homelessness with special regard to vulnerable groups.
<p>Does your service / policy / project either directly or indirectly discriminate?</p>	<p>Yes (?). The council tax support scheme will directly discriminate against people of working age. However the Government's view is that by giving local authorities a significant degree of control over how a reduction in expenditure is achieved, allowing councils to balance local priorities and their own financial circumstances. Reducing the costs of support for council tax is a contribution to the Government's vital programme of deficit reduction. Giving local authorities a financial stake in the provision of support for council tax and so a greater stake in the economic future of their local area, so supporting the Government's wider agenda to enable stronger, balanced economic growth across the country. This reform creates stronger incentives for councils to get people back into work and so support the positive work incentives that are being introduced through the Government's implementation of Universal Credit.</p>

<p>If yes, what can be done to improve this?</p>	<p>The council tax support scheme forecasting has identified that protection can be given to the most vulnerable working age people in the borough. It is proposed in the draft scheme that those customers who receive “passport” benefits including Job Seeker’s Allowance, Income Support and Employment and Support Allowance will continue to receive up to 100% support ensuring that they continue to pay no (or very little) council tax.</p>
<p>Are there any other ways in which the service / project can help support priority communities in Cheltenham?</p>	<p>Yes. The proposed draft scheme has been designed to protect where possible and provide greater financial assistance to priority communities. However due to the costs associated with the council tax support scheme having to be reduced some customers will inevitably see a reduction in the value of support provided from 1 April 2019.</p> <p>The banded income scheme has been designed with the following elements to ensure that within the scheme certain priority communities face less of an impact:</p> <ul style="list-style-type: none"> • child benefit and maintenance payments made in respect of children are wholly disregarded • a weekly disregard of up to £175 (for one child) or £300 (two children or more) will apply to customers who pay child care and who fit the qualifying conditions • an additional £65 weekly disregard will apply for each disabled child living in the household • an earnings disregard of £10 per week will apply to those customers who fit the qualifying conditions • Attendance Allowance, Personal Independence Payments, Disability Living Allowance and War Pensions will be wholly disregarded • customers who receive Job Seeker’s Allowance, Income Support and Employment and Support Allowance will continue to receive up to 100% support ensuring that they continue to pay no (or very little) council tax

Step 5 – taking things forward

<p>What are the key actions to be carried out and how will they be resourced and monitored?</p>	<p>A forecasting tool is being used which has been provided by Civica, the software provider for Open Revenues. The forecasting tool allows modelling of different schemes to be carried out and developed to suit the needs of the customers and the Council. The modelling carried out enables the Council to establish any financial winners and losers and the extent of these. The number of winners needs to be mitigated to as few as possible as this has a direct impact upon the numbers of people losing from the new scheme.</p> <p>Once the modelling is complete a draft scheme will be devised which will encompass the views of the people who completed the on line consultation survey and the political steer. The scheme will be presented to Cabinet in November 2018 with a recommendation that it is adopted from 1 April 2019 as the Council’s preferred council tax support scheme. The draft scheme, subject to Cabinet approval will be published on line inviting further comments from the public. The final scheme will then be presented to Full Council in December 2018 seeking Council approval.</p>
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	<p>The software, to enable the calculation of a banded income council tax support scheme, will be purchased and tested thoroughly in the lead up to annual billing 2019. The software mirrors the forecasting tool software and the parameters enabling the calculation of council tax support are the same. The software will be purchased from existing budgets.</p> <p>Work will be undertaken to identify customers who will no longer qualify or who will see a reduction in their council tax support entitlement from 1 April 2019. These customers will be written to explaining that they will no longer receive the amount of support that they have been used to. They will be advised that they can spread their council tax payments over twelve months instead of the statutory ten, if they are not already doing so. They will be advised to take steps to review their household budgets from April 2019 to ensure that they have the funds available to pay their increased council tax instalments. Furthermore they will be encouraged to seek help and advice if they begin to struggle meeting their new monthly council tax instalments from April 2019.</p>
Who will play a role in the decision-making process?	<p>The Head of Revenues and Benefits and the Deputy Revenues and Benefits Manager will devise the draft scheme to be presented to the elected Members of the Council.</p> <p>The decision to implement the new scheme and on what basis will be taken by the elected Members at the Full Council meeting scheduled for December 2018.</p>
What are your / the project's learning and development needs?	<p>The learning and development needs relate to the new banded scheme software and staff training. The calculation of council tax support will be a departure from what Revenues and Benefits staff have been used to administering. Full training will be provided to Revenues and Benefits staff ahead of the annual billing exercise in March 2019.</p>
How will you capture these actions in your service / project planning?	<p>A change to the council tax support scheme is the single most important project that the Revenues and Benefits Service will complete during 2018-19. The scheme is high profile and is likely to attract adverse publicity from those opposing the change.</p> <p>The actions necessary for the project to be a success and the project planning will be overseen by the Head of Revenues and Benefits and the Deputy Revenues and Benefits Manager.</p>

Cheltenham Borough Council

Cabinet – 6 November 2018

Budget Monitoring Report 2018/19 – position as at September 2018

Accountable member	Councillor Rowena Hay, Cabinet Member for Finance
Accountable officer	Paul Jones, Executive Director Finance & Assets
Accountable scrutiny committee	All
Ward(s) affected	All
Key Decision	Yes
Executive summary	To update Members on the Council's current financial position for 2018/19 based on the monitoring exercise at the end of September 2018. The report covers the Council's revenue, capital and treasury management position. The report identifies any known significant variations (minimum £50,000) to the 2018/19 original budget and areas with volatile income trends.
Recommendations	Cabinet note the contents of this report including the key projected variances to the 2018/19 budget and the expected delivery of services within budget.

Financial implications	As detailed throughout this report. Contact officer: Sarah Didcote sarah.didcote@publicagroup.uk, Publica Finance Manager 01242 264125
Legal implications	None specific directly arising from the recommendations. Contact officer: Peter Lewis, Peter.Lewis@teWKesbury.gov.uk, 01684 272695
HR implications (including learning and organisational development)	<i>The Council continues to monitor vacancies and recruitment. All recruitment activity decisions are based on a business case outlining the impact on the service delivery and/or loss of income generation if the post were to remain unoccupied. In addition, the Council also continues to monitor its capacity to deliver on key projects with regular updates being provided to the Operational Programme Board on a quarterly basis.</i> Contact officer: Julie McCarthy , julie.mccarthy@publicagroup.uk, 01242 264355
Key risks	As outlined in Appendix 1.
Corporate and community plan Implications	Key elements of the budget are aimed at delivering the corporate objectives within the Corporate Business Plan.

Environmental and climate change implications	None.
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1. Background

- 1.1** This report provides the second monitoring position statement for the financial year 2018/19. The purpose of this report is to notify members of any known significant variations to budgets for 2018/19 and highlight any key issues, allowing Members to take action if required.
- 1.2** Publica Financial Services carry out a regular budget monitoring exercise for services in liaison with Directors and cost centre managers. This identifies any major variations from the current approved budget that are anticipated to occur in the financial year. The current approved budget is the original budget for 2018/19 agreed by Council on 12th February 2018, subject to any amendments made under delegated powers (for example supplementary estimates, virement, etc). Possible significant variations to revenue budgets are outlined in this report.

2. Net revenue position

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

Significant budget variances	Overspend / (Underspend)£	para. ref:
Employee costs		
Over achievement of employee related saving target	(85,000)	2.2
Place & Growth Directorate		
Cemetery & Crematorium - shortfall in income	420,000	2.4
Ubico Limited – additional costs (estimate)	300,000	2.5
Recyclate waste wood disposal – additional costs	50,000	2.6
Waste & Recycling – additional income	(115,000)	2.7
Green Waste – additional income	(50,000)	2.8
Total Place & Growth Directorate	605,000	
Property investment— net additional income	(199,000)	3.1
Total projected over spend for year	321,000	

Savings from employee costs

- 2.2** A target of £372.8k from employee related savings to be made throughout the Council during the year is embedded within individual service budgets, allocated in proportion to existing service salary budgets to improve accountability and budget monitoring within council services. An assessment of vacant posts (i.e. staff turnover) and restructures in the first six months of the year indicate that there will be a likely surplus of £85k against this target for the financial year.

Off-street Car Parking Income

- 2.3** The council currently shows a shortfall of £40k in Car Parking income to the end of September 2018. However this is expected to be recovered, with the new Regent Arcade system in place, a higher peak season in the next quarter of the year and greater interest in the Town Centre due to the opening of John Lewis & Partners, Urban Outfitters and the reopening of Next. Therefore it is believed that we are on track to deliver to budget for 2018/19.

2.4 Cemetery & Crematorium Income

Following the phased closure of the Crematorium in October, there will be a deficit of £420k for the service for 2018/19. This is due to no cremations taking place between the middle of October 2018 and the start of March 2019. This reduction takes into account any costs that would be saved from the closure and any other / new income streams that may come in place of the cremations, i.e. chapel services, scattering of ashes, etc. Part of this £420k (£63k) has been caused by the reduced services performed so far this year against the expected budgeted services due to the continued issues with the cremators.

Ubico Limited – additional costs

- 2.5** The Ubico estimate of the outturn position for 2018/19, based on the period to 30th September 2018, shows a forecast overspend of circa £300k against the current budget. However, further detailed work is currently being undertaken by Ubico to verify this figure and it is anticipated that this position will improve during the year. Further details will be provided in the budget monitoring report as at December 2018. Any overspend at the year end will be partially offset by additional waste and recycling income, as below.

Waste & Recycling Income

- 2.6** The cost of recycling waste wood is expected to cost an additional £50,000 in 2018/19. This may be reduced in 2019/20 as a result of a current retendering exercise. Income from waste and recycling continues to be monitored on a regular basis in conjunction with the Joint Waste Committee.
- 2.7** Recycling credits from Gloucestershire County Council are expected to deliver a net surplus of £115k for the year as a result of increased kerbside recycling tonnages.

2.8 Green Waste Income

There is an expected surplus in green waste income for the year of £50k as a result of increased volume of subscription take up during the year.

3. Treasury Management and Investment properties

- 3.1** There is an expected net surplus for the year of £199k, generated from new rental income streams

of £960k arising from the purchase of 4 commercial properties during the year, net of one off costs of £144.7k and short term and long borrowing costs of £616.4k.

4. Capital

- 4.1** A detailed exercise has been carried out to ensure that capital schemes, approved by Council on 12th February 2018, are being delivered as planned within allocated capital budgets, some of which are timetabled to straddle two or more financial years. The following variances to capital budgets are expected upon completion of the scheme:

4.2 Leisure centre – Sports & Play Hub

The capital scheme for the provision of a new sports & play hub, including a new splashpad and changing rooms at Leisure@ has been completed within the build timescales. There is an underspend of £30k against the total scheme budget of £2.5 million which reduces the funding requirement for the scheme.

4.3 High Street Public Realm

There is currently a projected £65k overspend against the scheme budget of £989k, as a result of delays to the completion of the works, due to hoardings and design issues. This is under review and may be mitigated by discussions with various parties, up to a value of £45k.

There are also on-going discussions in respect of utilities and there is a risk of additional, unforeseen utility costs that may need to be incurred. An update on these discussions and any mitigation will be provided in the next budget monitoring report in December 2018.

5. Programme maintenance expenditure

- 5.1** A detailed exercise has been carried out to ensure that programme maintenance work, approved by Council on 12th February 2018, is being delivered as planned within the allocated budgets. Some programme maintenance expenditure is not expected to be utilised in the current year and will be transferred back into the Property Maintenance reserve. However, there is a requirement for additional budget to meet higher than expected reactive repairs in the year, which will be funded from this reserve. Further details will be reported in the next budget monitoring report. Any slippages in schemes or underspend against budget at the end of the year will be transferred to the Programme Maintenance reserve to fund future programme maintenance expenditure.

6. Housing Revenue Account (HRA)

- 6.1** Significant variations to HRA revenue and Capital budgets identified to 30th September 2018 are detailed as below:-

6.2 HRA Revenue:

There are no significant variations to report.

6.3 HRA Capital (Existing Stock):

The current forecast for capital expenditure on existing stock is £7,666,000, a reduction of £396,000 in comparison to budget (£8,062,000). Within that figure there have been the following

significant project variations:-

a) External Works (£143,000 reduction from budget of £543,000).

There will be a delay in the delivery of this contract following the need to re-tender due to insufficient response to the original tender. It is expected that the work will commence later this financial year, resulting in the works being undertaken over two financial years, with a forecast spend of £400k in 2018/19 and £143k in 2019/20.

b) Windows & Doors (£121,000 reduction from budget of £2,425,000)

Fire door replacement has been put on hold pending a potential Government announcement on changes to specification following the Grenfell fire. It is expected that the work will commence later this financial year, with a forecast spend of £2,304k in 2018/19 and £121k in 2019/20.

c) Door Entry Systems (£95,000 reduction from budget of £130,000)

Need to retender will delay expenditure in the current year. It is expected that the work will commence later this financial year, with a forecast spend of £35k in 2018/19 and £95k in 2019/20.

HRA Capital (New build/ Acquisition):

- 6.4** Expenditure on new HRA build and acquisitions for the year is now forecast at £2,789,000, a reduction of £711,000 against the budget of £3,500,000.
- 6.5** This primarily results from a revised spend on acquisitions in the current year (now £1,325,000 against budget of £2,000,000). The acquisition of suitable properties that demonstrate financial viability is part of an overall strategy which, together with new build development, seeks to increase the number of affordable units to meet demand. It also ensures that the Council is able to use Right to Buy receipts before the three year deadline, after which they have to be repaid to Government with interest.
- 6.6** Good progress on development sites in both 2017/18 and the current year has reduced the pressure to identify potential acquisitions this year. It is proposed that any unspent budget will be rolled forward as required into 2019/20.

7. Council tax and Business rates collection

- 7.1** The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 2. This shows the position at the end of September 2018 and the projected outturn for 2018/19.

8. Sundry debt collection

- 8.1** The monitoring of the aged sundry debts and recovery is shown at Appendix 3.

9. Use of Reserves

- 9.1** A review of usable reserves held by the council is to be undertaken in the next quarter. It is likely that some reserves may be used to offset the projected overspend reported above, subject to the final outturn position, to be reported in July 2019.

10. Conclusion

- 10.1** This report summarises the results of a broad monitoring exercise at an early stage in the year. This projected position is highly likely to improve through the identification of further projected net savings in the second half of the year. It is therefore envisaged that the outturn for the year will show a significantly improved position than reported in paragraph 2.1 above.
- 10.2** The continued impact of the changes in government funding arrangements and the economic climate present particular concerns for the Council's budgets. It is clearly important to ensure that budgets continue to be closely monitored over the coming months with a view to taking action at a future date, if necessary, in order to ensure that the Council delivers services within budget.
- 10.3** It will be for Cabinet and Council to decide in July 2019, when outturn is finalised, how to apply any potential savings. However it is recommended that any underspend is transferred firstly to the Budget Deficit (Support) Reserve and secondly to support general balances, bearing in mind the need to keep the level of reserves robust and the uncertainty surrounding possible future budget funding gaps as outlined in the Council's Medium Term Financial Strategy.

11. Consultation

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

Report author	Contact officer: Sarah Didcote sarah.didcote@publicagroup.uk, 01242 264125
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Council Tax and NNDR collection to 30th September 2018 3. Aged Debt Report as at 30th September 2018
Background information	<ol style="list-style-type: none"> 1. Section 25 Report – Council 12th February 2018 2. Final Budget Proposals for 2018/19 – Council 12th February 2018

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.	If we are unable to take corrective action in respect of reduced income streams then there is a risk that Council will not be able to deliver its budget	Cabinet	June 2010	3	3	9	Reduce	In preparing the budget for 2019/20, SLT to consider the options for offsetting reduced income streams by analysing and reducing the level of expenditure across the Council.	February 2019	SLT	Corporate Risk Register
2.	If the Budget Deficit (Support) Reserve is not suitably resourced insufficient reserves will be available to cover anticipated future deficits resulting in the use of General Balances which will consequently fall below the minimum required level as recommended by the Chief Finance Officer in the Council's Medium Term Financial Strategy.	Cabinet	October 2015	3	3	9	Reduce	In preparing the budget for 2019/20 and in ongoing budget monitoring, consideration will be given to the use of fortuitous windfalls and potential future under spends with a view of strengthening reserves whenever possible.	February 2019	Chief Finance Officer	Corporate Risk Register

Guidance

Types of risks could include the following:

- Potential reputation risks from the decision in terms of bad publicity, impact on the community or on partners;
- Financial risks associated with the decision;
- Political risks that the decision might not have cross-party support;
- Environmental risks associated with the decision;
- Potential adverse equality impacts from the decision;

- Capacity risks in terms of the ability of the organisation to ensure the effective delivery of the decision
- Legal risks arising from the decision

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

Risk ref

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

Risk Description

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

Risk owner

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

Risk score

Impact on a scale from 1 to 4 multiplied by likelihood on a scale from 1 to 6. Please see risk [scorecard](#) for more information on how to score a risk

Control

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

Action

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

Responsible officer

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

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

Transferred to risk register

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

**Council Tax and Business Rates
Collection Rates 2018-19**

Appendix 2

Appendix 2

Council Tax 2018/2019

Current Year Charges - 2018/2019				The collection rate for the end of September is slightly below the target and we are monitoring the position closely
Monitoring Period	% Collected at 30.09.2018	Target 30.09.2018	2018/2019 Target	
	57.71%	57.80%	98.30%	
Comparison with 2017/2018	As at 30.09.2017		% Collected 31.03.2018	
	57.97%		98.30%	

Previous Years Charges Outstanding in 2018/2019				The arrears outstanding have not reduced to the target for the end of September. We will continue to monitor this closely but we are optimistic that we can achieve the year end target .
Monitoring Period	Amount outstanding at 30.09.2018	Target 30.09.2018	2018/2019 Target	
	£1,579,976	£1,530,000	£1,145,000	
Comparison with 2017/2018	As at 30.09.2017		Amount o/s 31.03.2018	
	£1,524,260		£1,159,000	

Business Rates 2018/2019

Current Year Charges - 2018/2019				The collection rate for the end of September is slightly below target. We are monitoring the position closely but are optimistic that we can achieve the year end target.
Monitoring Period	% Collected at 30.09.2018	Target 30.09.2018	2018/2019 Target	
	60.12%	60.35%	98.80%	
Comparison with 2017/2018	30.09.2017		% Collected 31.03.2018	
	60.32%		98.74%	

Previous Years Charges Outstanding in 2018/2019				The arrears outstanding at the end of September are slightly above the target. We are monitoring this but remain optimistic that we can reach the end of year target
Monitoring Period	Amount outstanding at 30.09.2018	Target 30.09.2018	2018/2019 Target	
	£723,023	£700,000	£570,000	
Comparison with 2017/2018	Amount outstanding at 30.09.2017		Amount outstanding at 31.03.2018	
	£915,723		£613,964	

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Appendix 3

Cheltenham Borough Council: Aged Debt Report - as at 1 October 2018

		No. Outstanding Invoices	Value of Invoices in Payment Plans	Value of Invoices with Halted Recovery *	Value of Invoices with Legal	Value of Invoices awaiting Credit Notes **	Value of Invoices for Write Off ****	Customer Credits ***	Not Due	0-30	1-3 Mths	3-6 Mths	6 mth - 1 Yr	1 - 2 Yrs	2 Yrs+	Total
CostC	CostC (T)															
ADB101 Total	Cheltenham Municipal Offices	1.00	-	-	-	-	-	-	-	5,052.95	-	-	-	-	-	5,052.95
ADB103 Total	Cheltenham Depot	5.00	-	-	-	-	-	-	-	65,128.50	-	-	-	-	12.48	65,140.98
ADB104 Total	Miscellaneous Operational Properties	29.00	3,568.80	-	-	-	-	-	4,868.34	5,928.23	100.00	-	-	-	-	14,465.37
BAL100 Total	General Fund Balance Sheet	53.00	324.76	24.74	4,201.00	-	-	2,658.77	-	-	-	70.00	5.00	60.75	360.00	2,387.48
BUC001 Total	Building Control - Fee Earning Work	5.00	187.54	-	-	-	-	-	252.00	2,409.60	-	-	624.00	-	-	3,473.14
CCM001 Total	Cemetery, Crematorium and Churchyards	95.00	-	-	-	-	-	245.00	30,006.00	38,872.00	14,708.00	6,367.50	18,621.00	-	-	108,329.50
COM101 Total	Oakley Resource Centre	9.00	1,200.00	-	-	-	-	868.96	10,472.00	10,750.00	-	-	720.00	-	-	22,273.04
COM103 Total	St. Margaret's Hall	2.00	202.50	-	-	-	-	-	202.50	-	-	-	-	-	-	405.00
CPK001 Total	Car Parks - Off Street Operations	3.00	-	-	-	-	-	-	-	-	-	5,241.60	5,280.00	-	-	10,521.60
CSM001 Total	Cultural - Service Management and Support Services	1.00	-	-	-	-	-	-	-	-	-	-	6,912.00	-	-	6,912.00
ENF101 Total	Cheltenham Environmental Fund - Townscape	1.00	-	-	-	-	-	-	-	-	-	-	-	-	360.00	360.00
FIE040 Total	Income and Expenditure on Investment Proproties	34.00	16,923.85	6,000.00	-	-	6,417.25	-	203,578.17	583,581.26	704.86	-	50.00	845.15	-	818,100.54
FRM101 Total	Flood Risk Management	1.00	-	-	-	-	-	-	-	-	5,500.00	-	-	-	-	5,500.00
GBD001 Total	Community Welfare Grants	1.00	-	270.00	-	-	-	-	-	-	270.00	-	-	-	-	270.00
HLD170 Total	Cheltenham Trust Intercompany Account	1.00	-	-	-	-	-	-	-	-	7,632.18	-	-	-	-	7,632.18
HOM001 Total	Homelessness	1.00	-	-	-	-	-	-	132.50	-	-	-	-	-	-	132.50
HOS004 Total	Housing Standards	8.00	-	1,240.20	945.30	-	-	-	-	-	-	-	-	-	-	2,185.50
LTC111 Total	Business Improvement District Administration	1.00	-	-	-	-	-	-	-	8,656.06	-	-	-	-	-	8,656.06
NDC001 Total	Non Distributed Costs	4.00	-	-	-	-	-	-	-	3,535.83	-	-	-	-	-	3,535.83
OPS001 Total	Parks & Gardens Operations	6.00	1,401.50	-	-	-	-	-	299.55	3,519.01	-	-	-	-	-	5,220.06
OPS002 Total	Sports & Open Spaces Operations	19.00	790.89	-	420.15	-	-	-	5,566.67	3,375.00	4,500.00	3,125.00	25.66	1,300.00	-	19,103.37
OPS004 Total	Allotments	66.00	-	55.14	-	18.03	-	45.60	-	-	-	79.60	3,168.04	78.29	-	3,298.36
OPS101 Total	Arle Road Nursery Operations	3.00	-	170.07	-	-	-	-	-	-	-	1,090.81	-	1,363.63	-	2,624.51
REC101 Total	Recreation Centre Operations	2.00	-	181.30	-	-	-	-	-	-	25,000.00	-	-	-	-	25,181.30
REG001 Total	Environmental Health General	5.00	3,475.00	-	-	-	-	-	1,908.29	1,364.33	-	693.00	-	-	-	7,440.62
REG002 Total	Licensing	22.00	-	-	-	-	-	-	2,005.94	2,067.00	1,185.00	-	-	-	-	5,257.94
REG003 Total	Animal Control	1.00	-	-	-	-	-	-	-	-	-	-	-	320.00	-	320.00
REG013 Total	Polution Control	13.00	-	-	-	-	-	-	-	1,761.00	-	-	-	303.00	-	2,064.00
REG018 Total	Pest Control	22.00	-	250.00	-	-	-	-	625.00	-	155.00	120.00	625.00	50.00	-	1,438.00
RYC008 Total	Bulking Facility	26.00	-	-	-	-	-	-	80,232.30	159,636.42	7,460.65	32,967.66	1,381.68	-	-	281,678.71
SPP002 Total	Community Alarms	970.00	83,492.06	510.59	-	106.06	-	255.36	261.39	29.06	29.06	116.19	174.31	-	-	84,463.36
STC011 Total	Abandoned Vehicles	16.00	-	192.00	2,144.00	-	-	-	-	-	192.00	-	288.00	384.00	-	3,104.00
TGI040 Total	Capital Grants and Contributions	1.00	-	-	-	-	-	-	-	-	-	-	66,982.16	-	-	66,982.16
TOU002 Total	Tourist / Visitor Information Centre	1.00	-	-	-	-	-	-	-	4,600.00	-	-	-	-	-	4,600.00
TOU003 Total	Tour of Britain	2.00	-	-	-	-	-	27,694.70	-	-	-	39,651.20	-	-	-	11,956.50
TRW001 Total	Trade Waste	515.00	83,872.14	3,481.20	476.61	120.00	-	929.00	734.55	40,972.20	-	3,171.70	6,276.90	1,691.25	-	139,729.65
Grand Total		1,945.00	195,439.04	12,375.24	8,187.06	244.09	6,417.25	32,979.39	341,145.20	941,238.45	67,436.75	92,694.26	111,133.75	6,396.07	732.48	1,749,796.21

		No. Outstanding Invoices	Value of Invoices in Payment Plans	Value of Invoices with Halted Recovery *	Value of Invoices with Legal	Value of Invoices awaiting Credit Notes **	Value of Invoices for Write Off ****	Customer Credits ***	Not Due	0-30	1-3 Mths	3-6 Mths	6 mth - 1 Yr	1 - 2 Yrs	2 Yrs+	Total
CostC	CostC (T)															
HRA100 Total	Repairs and Maintenance	681.00	93,394.31	54,289.51	1,684.22	24.00	-	177.40	14,506.44	8,140.00	13,738.21	21,122.51	22,111.64	36,996.63	36,191.88	265,546.30
HRA110 Total	Supervision and Management	2.00	-	5.00	-	-	-	-	-	-	-	-	-	-	461.61	466.61
HRA200 Total	Dwelling Rents	2.00	-	-	-	-	-	-	-	1,229.90	-	-	-	3.00	-	1,232.90
HRA210 Total	Non-dwelling Rents	166.00	7,994.53	4,660.50	30.00	10.00	-	-	9,175.00	17,688.86	1,221.39	655.26	109.25	270.00	365.50	42,140.29
HRA221 Total	Service Charges to Leaseholders	548.00	232,823.41	46,811.72	1,797.22	845.79	-	73.84	10,993.94	19,030.25	33,092.00	12,706.34	41,160.75	30,337.35	44,638.11	467,584.23
HRA235 Total	HRA Other Income	6.00	-	-	-	-	-	-	-	-	-	-	-	-	120.00	120.00
Grand Total		1,405.00	334,212.25	105,766.73	3,511.44	879.79	-	251.24	34,675.38	46,089.01	48,051.60	34,484.11	63,381.64	67,606.98	81,777.10	777,090.33
Grand Total		3,350.00	529,651.29	118,141.97	11,698.50	1,123.88	6,417.25	33,230.63	375,820.58	987,327.46	115,488.35	127,178.37	174,515.39	74,003.05	82,509.58	2,526,886.54
Previous month's position		3,344.00	431,888.59	142,612.19	11,723.50	2,411.15	6,417.25	40,132.86	198,283.46	300,299.40	152,008.87	103,874.07	181,412.25	58,292.95	61,391.82	1,608,553.04

* 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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Cheltenham Borough Council

Cabinet – 6 November 2018

Budget strategy and process 2019/20

Accountable member	Cabinet Member for Finance, Councillor Rowena Hay
Accountable officer	Executive Director Finance and Assets (Section 151 Officer), Paul Jones
Accountable scrutiny committee	Budget Scrutiny working group
Ward(s) affected	All
Key Decision	Yes
Executive summary	The purpose of this report is to propose a broad strategy and outline a process for setting the budget and council tax for 2019/20. It outlines a number of principles that need to be established at this stage to enable budget preparation to commence.
1. Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Approves the budget setting timetable at Appendix 2. 2. Approves the budget strategy outlined in section 5. 3. Notes the estimated funding gap of £2.096m in 2019/20 and the large amount of work done so far to close this gap. 4. Notes the intention for this Council to remain in the Gloucestershire Business Rates Pool in 2019/20 as outlined in section 6 and to note that Gloucestershire has applied to the Government to pilot 75% Business Rates Retention in 2019/20. 5. Requests the Section 151 Officer and the Cabinet Member for Finance to consider suggestions from the Budget Scrutiny Working Group in preparing the interim budget proposals for 2019/20 as outlined in section 7.

Financial implications	<p>This report sets out the budgetary process for 2019/20 and the general financial parameters under which the budget will be prepared.</p> <p>Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 264365</p>
Legal implications	<p>None specifically arising from the report recommendations. The budget setting process is governed by the Budget and Policy Framework Rules (contained in the Council Constitution) and the process recommended in this report is designed to meet the requirements of those Rules.</p> <p>Contact officer: Peter Lewis, peter.lewis@tewkesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p>There are no HR implications arising from the content of the report at this stage. As part of ongoing dialogue with the two recognised trade unions consultation on the budget position will take place.</p> <p>Contact officer: Julie McCarthy, julie.mccarthy@tewkesbury.gov.uk, 01242 264355</p>
Key risks	<p>The Council, as part of its work on corporate governance, has a corporate risk management strategy and corporate risk register, which highlights key risks to the organisation in achieving business objectives. The high level risks will need to be addressed as part of the budget process and may require additional resources or the re-direction of existing resources to mitigate unacceptable levels of risk. These risks are regularly reviewed by the Corporate Governance Group and Cabinet and the Overview and Scrutiny Committee have the option to scrutinise any aspect of the risk register.</p> <p>See risk assessment at Appendix 1.</p>
Corporate and community plan Implications	<p>The annual budget aims to deliver the outcomes defined by the Council's corporate business plan and resourcing should be aligned to the delivery of corporate plan priorities.</p>
Environmental and climate change implications	<p>None arising from this report</p>

1. Background

- 1.1 The responsibility for preparing the budget in line with the Council's policy framework, taking proper account of technical and professional advice and presenting proposals to Council for approval, lies with the Cabinet.
- 1.2 It is customary for the Cabinet Member for Finance, at this time of year, to present a report on the budget process. Accordingly, this report aims to outline a process designed to arrive at an acceptable budget.

2. Budget / business planning timetable

- 2.1** The budget and policy framework requires that the Council publish a timetable setting out the key dates in the budget setting process. A draft budget timetable, attached for approval at Appendix 2, sets out the sequence of events leading up to the setting of the budget and council tax level for 2019/20.
- 2.2** The timetable allows sufficient time to consider alternative budget proposals or amendments put forward to the budget proposed by the Cabinet.
- 2.3** The following fundamental principles, established in previous budget rounds, are incorporated into the process of determination of the budget for 2019/20:
- Cabinet should make timely decisions in order to assist the officers in presenting the budget proposals to Cabinet and Council in accordance with the timetable.
 - Opposition parties, whom have worked up alternative budget proposals, should be validated by Publica Group (Support Services) Ltd, in time for the budget meeting in February 2019.
 - Members aim to set Cheltenham Borough Council's budget and council tax at the Full Council budget meeting.

3. Settlement Funding Assessment

- 3.1** In 2016/17, the government offered a guaranteed 4 year budget to every council, which could demonstrate efficiency savings. 2019/20 represents the final year of the 4 year offer. The principles of that settlement allowed authorities to spend locally what is raised locally, whilst recognising the savings already made by local government. Most noticeably, there has been a shift away from freezing council tax to using council tax to generate additional funding. Reserves were noted as being one element of an efficiency plan through a voluntary drawdown of reserves as the price for greater certainty for future settlements.
- 3.2** On 24th July 2018, the government released a technical consultation on the local government finance settlement for 2019/20 to which this Council made a formal response. The headlines from that consultation were:
- Confirmation of the 4 year offer as set out in 2016/17;
 - Under the council tax referendum principles, the flexibility to increase council tax by the greater of up to 3% or £5 based on a Band D property;
 - A proposal to remove negative Revenue Support Grant (RSG) in full via the governments share of business rates receipts;
 - Proposals to increase the baseline target for New Homes Bonus (NHB) which is currently 0.4%;
 - An invitation to bid for a pilot programme for 75% business rates retention for 2019/20.
- 3.3** The Council's Medium Term Financial Strategy (MTFS) is already predicated on the basis that council tax will increase by 2.99% per annum. The removal of negative RSG would equate to an increase in funding of c. £390k in 2019/20.
- 3.4** However an increase in the baseline target for NHB could negate this benefit. An increase to 0.6% would reduce our funding by c. £100k whereas an increase to 0.8% would equate to a reduction of c. £200k and effectively mean no additional NHB is received in 2019/20 despite the fact that Cheltenham delivered an additional 368 new homes for occupation over the last 12 months.

- 3.5 The 75% business rates retention pilot is explained in further detail in section 6.

4. Medium Term Financial Strategy (MTFS) and 2019/20 projected funding gap

- 4.1 The Medium Term Financial Plan 2018 – 2022, approved by Council in February 2018, projected a funding gap for the period 2018/19 to 2021/22 of £3.299m. This was the projected financial gap between what the Council needs to spend to maintain existing services (including pay and price inflation) and the funding available based on the 4 year settlement figures which were provided for each financial year up to 2019/20.
- 4.2 The MTFS projections are in the process of being updated to reflect the best estimates of the financial pressures impacting on the Council, including an updated view on business rates income and the potential funding cuts after the Autumn Statement is announced. The estimate of the funding gap for 2019/20, based on the previous iteration of the MTFS was £2.096m.
- 4.3 The Government expects councils to make a significant contribution to reducing the national budget deficit and the Council will continue to face significant reductions in its 'core' funding over the next few years. Future budgets will undoubtedly contain some difficult decisions and may require some sources of 'one off' finance to enable longer-term savings to be delivered through efficiency savings and cost/staffing reductions.
- 4.4 As in the previous year, given the current uncertainty surrounding business rates retention, new homes bonus and the Ubico contract sum, it is prudent to defer the full publication of the MTFS to the Cabinet meeting in December 2018 as part of the interim budget proposals. This will enable the Cabinet to react positively to any changes announced in the Autumn Statement and ensure that our MTFS is robust and fit for purpose.

5. Cabinet Budget Strategy

- 5.1 In the current exceptionally difficult national funding situation, the Cabinet's overriding financial strategy has been, and is, to drive down the Council's net costs via a commercial mind-set. Our aim is to hold down council tax as far as possible, now and in the longer term, while also protecting frontline services from cuts – an immensely challenging task in the present climate.
- 5.2 The key mechanism for carrying out this strategy is the commercial strategy, which seeks to bring service costs in line with available funding and seek additional forms of funding.
- 5.3 The commercial strategy was adopted by Full Council in February 2018 with the vision "*to become an enterprising and commercially focused Council which people are proud to work for and which others want to work with. We will use our assets, skills and infrastructure to shape and improve public services and enable economic growth in the Borough. We shall generate significant levels of new income for the Council working towards the objective of enabling it to become financially sustainable by financial year 2021/22*".
- 5.4 Part of our drive towards financial sustainability includes identifying new opportunities to generate income and investment in projects which provide good financial returns. Our commercial strategy aligns closely with other key strategies including place-making, economic growth, digital transformation, workforce and skills development, investment and asset management which have a combined message that Cheltenham Borough Council has entered a new era of business enterprise, growth and innovation. We will work with partners who share our ambition and values and will continue to put the best interests of Cheltenham residents at the heart of everything we do.
- 5.5 In February 2018, the following aspirational targets were proposed by the Cabinet with a recognition that they would require further refinement during 2018:

- To deliver a minimum of £0.7m of new revenue income by the 31st March 2020.
- To reduce back office costs by 5% by 31st March 2022.
- To develop and deliver commercial skills development to Council staff commencing in 2018 which will support this ambitious cultural change.
- To make significant efficiencies in the way we manage our buildings and reduce cost or increase output by over 5% by 31st March 2022.
- To deliver £2m of capital receipts by 2020.

- 5.6** Under the instruction of the Cabinet, the adoption of the car parking strategy, development of a new crematoria, and the acquisitions of 4 new commercial investment properties (Ellenborough House, Sainsbury's, Café Nero and 53-57 Rodney Road) has already resulted in us over-achieving our new revenue income target. In addition, our Public Realm investment across the Town has enabled us to attract major new businesses such as John Lewis and Partners and Urban Outfitters which has a positive effect on both business rates income and the vibrancy across the Town.
- 5.7** Our Executive Director People and Change already has ambitious plans to take the modernisation programme forward and is working closely with the Executive Director Finance and Assets to deliver on the commercial skills development programme for council staff in early 2019.
- 5.8** The property services team are working on an energy plan to make significant efficiencies in the way we manage our buildings. In addition, they have been tasked with ensuring our land and property asset portfolio is fit for purpose, secures increased income generation, maximises capital receipts (where appropriate) and stimulates growth and investment in the Borough.
- 5.9** The Cabinet believes the longer term approach to finding efficiencies to close the funding gap is fundamentally through economic growth and investment and the efficient utilisation of our assets. We have instructed our Managing Director Place and Growth, working closely with Cheltenham Borough Homes, to deliver on the recently announced £100m investment in Housing across the Borough. This investment will deliver an additional 500 homes across the Borough which matches the needs of our residents. This investment will also provide a commercial return in addition to capital appreciation.
- 5.10** Through our Chief Executive, we have also endorsed resources being geared towards supporting and delivering the growth agenda including major developments in North West and West Cheltenham.
- 5.11** The starting point for constructing the 2019/20 budget has been a projected funding gap of £2.096m.
- 5.12** Closing a gap of this size is a huge challenge for the Council, but the challenge is being met by a proactive approach to identifying budget efficiencies, carried out by the Cabinet and the Executive Leadership Team. This work has already made significant progress towards bridging the gap, having identified at this early stage potential efficiency savings and additional income of £1.2m.
- 5.13** It is the Cabinet's intention to meet the shortfall in funding in 2019/20 from the budget strategy (support) earmarked reserve in order to deliver a balanced budget. This will give the Council more time to deliver its long-term strategy for delivering the substantial efficiencies required to become financially sustainable by financial year 2021/22.
- 5.14** Clearly work remains to be done towards building a robust base budget for 2019/20 and this may result in the funding gap increasing. In addition, the Government's final financial settlement may be worse than currently indicated. It is therefore important that the work of identifying budget efficiencies should continue up to the publication of the draft budget proposals and beyond.

Council tax

- 5.15** Government legislation, through the Localism Act, requires councils proposing excessive rises in council tax to hold a local referendum allowing the public to veto the rise. The referendum threshold for council tax increases is proposed at 3 per cent for all local authorities, as in 2018/19. However, shire districts will be allowed increases of up to and including £5, or up to 3 per cent, whichever is higher.

Service growth.

- 5.16** Members will need to base decision-making, particularly requests for additional resources, upon the priorities in the Council's business plan. The Budget Scrutiny Working Group and the Overview and Scrutiny Committee will be invited to review and feedback to the Cabinet their priorities for relevant bids received. These priorities will be considered by the Cabinet in pulling together the consultation budget.

6. Business Rates Retention – Pooling and Pilot arrangements

- 6.1** In October 2012, Council approved the principle of Cheltenham joining the Gloucestershire Business Rates Pool, subject to a thorough assessment of risks and rewards and agreement of satisfactory governance arrangements.
- 6.2** Continuation within the pool was delegated to the Section 151 Officer and Chief Executive and this is reviewed on an annual basis.
- 6.3** The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership.
- 6.4** The anticipated level of business rates due to this Council in 2018/19, taking into account the re-developments at the Brewery, John Lewis and Jessops Avenue, is significantly above the baseline funding target (Cheltenham's target level of retained Business Rates) which will result in Cheltenham still being liable to a 'levy'.
- 6.5** Taking the above into account, it is the opinion of the Section 151 Officer that this Council will benefit from remaining in the pool in 2019/20 as it will result in a reduction in the levy payment due to Government, which will be distributed in accordance with the governance arrangements. For information, Cheltenham's additional share of the pool surplus in 2017/18 was £475,341.
- 6.6** Furthermore, the Government is committed to continuing to give local authorities greater control over the money they raise locally. It is in this context that the Government has announced its continuation for piloting business rates retention with a new pilot programme for 75% business rates retention in 2019/20.
- 6.7** Members will recall that Gloucestershire's bid was successful to pilot 100% business rates retention in 2018/19 and indications announced at the time were that this was worth circa £9.2m to Gloucestershire as a whole.
- 6.8** Under the current pilot arrangement, 100% of growth is shared locally, with 30% going to the District's, 50% to the County Council and 20% to the Strategic Economic Development Fund. Current projections suggest that the overall pilot gain in 2018/19 is now circa £14m. After allowing for the creation of a £1.4m 'risk reserve', the benefit to Cheltenham Borough Council is estimated to be circa £640k and Council approved that this would be ring-fenced to fund one-off economic growth initiatives specific to Cheltenham. As the pilot does not form part of the settlement funding assessment for Cheltenham Borough Council and was only for one year, this additional income

has not been built into future base budget estimates.

- 6.9** The Ministry of Housing, Communities and Local Government (MHCLG) issued a technical consultation paper on 24th July 2018 on the 2019/20 Local Government Finance Settlement. This included information on business rates pilots for 2019/20.
- 6.10** The existing 100% business rates pilot will end on 31st March 2019. Gloucestershire, alongside all other authorities in England, can make an application to MHCLG to pilot 75% business rates retention in 2019/20. Any proposal for a pilot must have been received by MHCLG no later than 25th September 2018.
- 6.11** The main change from the 100% pilot is that the local share will reduce from 100% to 75%, largely because the national scheme from 2020/21 will operate with a 75% share, but also because the cost of the pilot programme has become significant (£920m+).
- 6.12** An important change to the 75% pilot scheme is that there will not be a “no detriment” clause. Under the existing pilot, this has ensured that Gloucestershire is no worse-off than the individual authorities would have been in aggregate under the 50% scheme.
- 6.13** The criteria for becoming a pilot, as outlined in the invitation prospectus, is shown below:
- Proposed pooling arrangements operate across a functional economic area;
 - Proposal demonstrates how pooled income from growth will be used across the pilot areas to either boost further growth, promote financial sustainability or a combination of these;
 - Proposal sets out robust governance arrangements for strategic decision making around the management of risk and reward and outlines how these support the participating authorities’ proposed pooling arrangements.
- 6.14** The Gloucestershire Chief Financial Officers met on several occasions and discussed the modelling of how a pilot scheme may work across Gloucestershire. Whilst the modelling supports potential financial gains of circa £7m from becoming a pilot, the Gloucestershire Chief Financial Officers needed to balance these gains against the risks such as claims from NHS Foundation Trusts for mandatory charitable relief on business rates.
- 6.15** Given that 2019/20 represents the final year of the current 4 year settlement, significant growth has been achieved across the pool since business rates retention commenced in 2013/14. Detailed modelling acknowledges the significant financial risk that the NHS appeal creates, but also acknowledges that this Council could not mitigate this risk by being outside the pool or pilot. The modelling actually acknowledges that there would be a greater financial risk to the council if it were to leave the existing pool.
- 6.16** Following the advice of the Gloucestershire Chief Financial Officers, Leadership Gloucestershire submitted a bid on 25th September 2018 with the following criteria:
- Full agreement by all 7 councils to be designated a pool for 2019/20 (in accordance with Part 9 of Schedule 7B to the Local Government Finance Act 1988). We have agreed arrangements on how to pool the additional business rates income and sign-off by each authority’s Section 151 officer.
 - An agreed proposal as to how the additional growth should be split. This provides for;
 - **20%** to an already established Strategic Economic Development Fund (set up under the existing pooling arrangements)
 - **30%** to the 6 District Councils and
 - **50%** for the County Council

- Each authority will use its funding for financial resilience/sustainability and growth initiatives specific to its area. Given that the pilot is being presented as a 'one off for 2019/20 only', individual authorities will be careful not to build in longer term financial commitments.
- We acknowledge that we forgo Revenue Support Grant and Rural Services Grant funding for the period of the pilot i.e. the financial year 2019/20.

6.17 It is proposed that the existing delegations outlined in 6.2 above will stand on the basis that Cheltenham will be no worse off in proceeding with a bid to become a pilot for 75% business rates retention in 2019/20.

7. Budget Scrutiny Working Group

7.1 The cross party Budget Scrutiny Working Group will continue to support the budget process by:

- Considering options for addressing the funding gap
- Reviewing the work programme for commissioning and options being considered
- Developing members' scrutiny skills and understanding of financial matters
- Developing the approach to budget consultation.

7.2 This strategy report will be considered by this Group on 13th November 2018 and both the Cabinet Member for Finance and the Section 151 Officer are keen that this Group should play a significant part in developing and supporting the budget process.

8. Budget Setting Process 2019/20 – key stages

8.1 In approaching the budget setting process for 2019/20, the Cabinet will endeavour to adhere to some well-established principles designed to deliver budget proposals in a timely manner following proper process, including:

- Early and clear direction input from Cabinet and the Executive Board.
- Ensuring that Financial Services maintain a strong role in moderating the process.
- Executive Director Finance and Assets (Section 151 Officer) to lead and advise on strategic budget issues.
- Agreeing Cheltenham Borough Homes (CBH) management fee and Housing Revenue Account (HRA) budget as early as possible.
- Maintaining good communications between Chief Executive, Executive Leadership Team, Council Leader, and Cabinet Member for Finance over budget progress / issues.
- Ensuring consultation with all stakeholders and ensure that employees are aware.
- Including the Overview and Scrutiny Committee and the Budget Scrutiny Working Group in the budget process.

8.2 The proposed key stages in the process for setting the budget for 2019/20 are summarised in the timetable at Appendix 2 and are detailed below. The timing of events may change as the process develops.

Budget preparation

8.3 Between October and November 2019, the Cabinet Member for Finance and officers will work with the Cabinet towards the creation of 'interim budget' proposals which will make the following assumptions:

- The projection will be for a standstill budget, prepared under a general philosophy of no growth

in levels of service. Inflation for contractual and health and safety purposes will only be allowed where proven at the appropriate inflation rate.

- Budgeted for employee pay inflation and an increase in members allowances of 2% for 2019/20
- The current MTFS only assumes inflation on fees and charges at an average rate of 2% annually over the 4 year period for green waste, burial and cremation fees. These increases will be assumed in the preparation of the standstill budget and any deviation from this will form part of the interim budget proposals.
- The vast majority of fees and charges are generated within the Place and Growth Division and a target of £50,000 per annum is set within the existing approved strategy for more targeted reviews of income generation, as opposed to a blanket increase across the board to reflect market forces.
- The impact of prevailing interest rates on the investment portfolio will be assessed in preparing the budget. The Treasury Management Panel will consider the position in respect of treasury management activity during the budget setting cycle.
- An assessment of the charges to be made to Cheltenham Borough Homes and the Housing Revenue Account will be incorporated in the budget proposals, including assessing the impact on the General Fund of the changes to the housing benefit subsidy system.
- A council tax increase of 2.99% has been used for modelling purposes.
- Proposals for service growth will be included, where supported.

Publication of initial budget proposals

- 8.4** The Cabinet will present its initial budget proposals and publish them for consultation in line with the advertised plan. The initial budget proposals will include all general fund revenue, capital and housing revenue account estimates to meet a balanced budget, together with assumptions made on future council tax and rent levels.

Budget Consultation

- 8.5** The formal budget consultation period will be no less than four weeks and will take place during December 2018 to January 2019. The Cabinet will seek to ensure that the opportunity to have input into the budget consultation process is publicised to the widest possible audience. During the consultation period all interested parties will be welcome to provide feedback on the initial budget proposals. Groups, businesses, tenants, residents, staff and trade unions will be encouraged to comment on the initial budget proposals at this time. They will be asked to identify, as far as possible, how alternative proposals complement the Council's business plan and community plan, how they will be financed, and how they will help the Council to achieve best value. Presentations will be made to key business groups as part of the consultation process.
- 8.6** The Budget Scrutiny Working Group and Overview and Scrutiny Committee will be invited to review the interim budget proposals in the meetings scheduled for January 2019 and feed any comments back to the Cabinet.
- 8.7** Whilst the Cabinet will be as flexible as possible, it is unlikely that any comments received after the consultation period can be properly assessed to consider their full implications and to be built into the budget. Accordingly, if alternative budget proposals are to come forward, this should happen as early as possible.
- 8.8** All comments relating to the initial budget proposals should be returned to the Executive Director Finance and Assets by the end of the consultation period for consideration by the Cabinet in

preparing their final budget proposals. Consultation questionnaires will be available in key locations and for completion on line via the Council's website. Comments can be e-mailed to moneymatters@cheltenham.gov.uk.

Assessment of alternative Budget Proposals

- 8.9** It is important that any political group wishing to make alternative budget proposals should discuss them, in confidence, with the Executive Director Finance and Assets (preferably channelled through one Group representative) to ensure that the purpose, output and source of funding of any proposed change is identified.
- 8.10** Given the financial pressures and the potentially very difficult decisions which will have to be made, it is very important that there is time for members to carefully consider and evaluate any alternative budget proposals. Political groups wishing to put forward alternative proposals are not obliged to circulate them in advance of the budget-setting meeting, but in the interests of sound and lawful decision-making, it would be more effective to do so, particularly given that they may have implications for staff.

Final Budget Proposals and Council Approval

- 8.11** At the end of the consultation period, the Cabinet will draw up firm budget proposals having regard to the responses received. In drawing together its budget proposals to Council the report will reflect the comments made by consultees and the Cabinet's response. The firm budget proposals will be presented to Council at the budget setting meeting for decision in February 2019.

9. Housing Revenue Account

- 9.1** Draft proposals for the Housing Revenue Account will also form part of the same process for considering the General Fund revenue and capital budgets.
- 9.2** A number of significant changes in Housing policy were announced by the Government in 2015 including a four year programme of social rent reduction to March 2020. As a consequence Cheltenham Borough Homes undertook a comprehensive review of the HRA Business Plan financial forecasts to inform proposals to mitigate the impact of reduced income during that period.

The review was guided by the following minimum targets:-

- Maintaining the recommended contingent balance of £1.5m in HRA reserves;
 - Allocating sufficient resources to maintain the decent homes standard throughout the stock
 - Delivering the windows and doors replacement programme at a pace consistent with value for money;
 - Ensuring resources continue to be available to deliver the existing new build programme;
 - Ensuring the continuation of key service improvements initiated by the 3 year investment pot programme;
 - Seeking to protect existing service levels and mitigating the impact on tenants and leaseholders;
 - Retaining long term viability;
- 9.3** The 2018/19 HRA budget was based on year 3 of the four year plan, which proposed efficiency

targets for management and maintenance costs, a realignment of the capital programme and the use of HRA reserves above the contingency level. Significant progress has already been made in delivering the plan (targets exceeded to date) with CBH confident of driving further efficiencies over and above original targets throughout the remainder of the four year plan.

9.4 The financial projections contained in the HRA Business Plan will be updated to reflect :

- Progress in achieving service efficiencies:
- Updated need to spend on stock investment and maintenance;
- Progress in the new build programme
- The impact of further changes in Government policy, particularly the recent announcement that the HRA cap is to be abolished.

9.5 The revised projections will be available to inform decisions on the level of management and maintenance and capital investment in 2019/20 (to include fees payable to Cheltenham Borough Homes and administrative charges from Council Divisions).

10. Reasons for recommendations

10.1 The Council is required to agree a budget process and timetable.

11. Alternative options considered

11.1 The process for considering alternative budgets is set out above.

12. Consultation and feedback

12.1 The consultation process is described fully above..

13. Performance management – monitoring and review

13.1 The delivery of efficiencies and additonal income proposed as part of the budget will be monitored by the Executive Leadership Team monthly and will be shared with the Cabinet Member for Finance.

Report author	Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 264365
Appendices	1. Risk Assessment 2. Budget timetable
Background information	1. Core spending power projections 2016/17 – 2019/20

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	ED Finance and Assets	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	ED Finance and Assets	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 2019/20 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	ED Finance and Assets	
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	ED Finance and Assets	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	Ongoing	ED Finance and Assets	

	the constrained ability to grow the business rates in the town then the MTFS budget gap may increase.							the Council. 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.	ED Finance and Assets	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	ED Finance and Assets	
1.07	If the assumptions around government support, business rates income, impact of changes to council tax discounts prove to be	ED Finance and Assets	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	Ongoing	ED Finance and Assets	

	incorrect, then there is likely to be increased volatility around future funding streams.							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.			
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Budget / Business Planning Process 2019/20 – Timetable of key stages / dates

July - November 2018	Executive Leadership Team work with the Cabinet Member for Finance to identify options for efficiencies and additional income
15th October 2018	Deadline to submit taxbase calculation - (CTB1 figure used in New Homes Bonus calculation).
29th October 2018	Chancellor delivers Autumn Statement
6th November 2018	Cabinet approve the budget strategy - guidelines, timetable and estimated funding gap for 2019/20 and the Cabinet's approach to the budget / MTFS
13th November 2018	Budget Working group - review the draft budget strategy and to consider input to interim budget proposals and report directly to Cabinet
19th November 2018	Treasury Management Panel to consider budget estimates for treasury management budget assumptions
30th November 2018	Deadline for preparation of a 'standstill budget' on basis of no growth incorporating interim standstill budget projections / management fees for partner organisations (e.g. Ubico, Leisure & Culture Trust, CBH, Publica and shared services). In addition, proposals for savings / income and growth to be identified for the council and its partner organisations.
1st December 2018	Recalculate taxbase figure for Section 151 Officer. Sign off under delegated powers and production of briefing note for Cabinet Deputy after council decision on 10th December re council tax support scheme
10th December 2018	Council approves council tax support scheme.
10th December 2018	Section 151 officer signs off taxbase
18th December 2018	Cabinet present interim budget proposals for consultation incorporating partner organisations budgets including proposals for growth, savings and levels of fees and charges and projection of the Medium Term Financial Strategy (MTFS)
19th December 2018 to 21st January 2019	Cabinet consult on interim budget proposals including Overview and Scrutiny committee, public and the business community
To be confirmed	Joint Consultative Committee - briefing on funding projections and estimated budget gap and strategy for closing the gap
January 2019	Finance Settlement
4th January 2019	Recalculate taxbase, if necessary, and confirm or amend figure under delegated powers
4th January 2019	Advise all precepting authorities (including parishes) re. relevant taxbase figures
7th January 2019	Budget Working group - review consultation and make recs to O&S committee on budget
14th January 2019	O&S Committee consider recommendations from budget working group and forward to Cabinet/Council
21st January 2019	Treasury Management Panel – consider final recommendations to Cabinet in respect of treasury management activity
25th January 2019	Deadline for preparation of final council budget incorporating final proposals for savings / income and growth from partner organisations.
31st January 2019	Approve final NNDR1 estimate and advise County Council and MHCLG
31st January 2019	Deadline for submission of alternative budget proposals to Financial Services for validation.
4th February 2019	Police & Crime Panel notify level of precept

12th February 2019	Cabinet present final budget proposals including response to consultation exercise
13th February 2019	County Council due to approve budget and set Council Tax level
18th February 2019	Council meet to approve Cheltenham Borough Council budget - approve proposed Cabinet or alternative budget (approved in principal) and the Council tax resolution (includes GCC and police tax)
22nd February 2019	Special council meeting (if required) – meets the requirement for the proper officer to call a council meeting to discuss objections to an alternative budget within 7 days of receipt of objections.
22nd - 25th February 2019	Council tax bill processing
26th February - 8th March 2019	Council tax bills printed/packed
By 14th March 2019	Bills to be issued (14 days notice required before first payment - some payments due on 1st April)

*Throughout the process, financial services and senior managers will work with trade unions for the purpose of ensuring genuine consultation around proposals which may have HR implications.