



CHELtenham

BOROUGH COUNCIL

Notice of a meeting of Council

**Monday, 18 February 2019
2.30 pm**

Council Chamber, Municipal Offices

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

Agenda

1.	APOLOGIES Councillors Boyes and Harvey	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING Minutes of the Extraordinary meeting held on 21 January 2019.	(Pages 3 - 38)
4.	COMMUNICATIONS BY THE MAYOR	
5.	COMMUNICATIONS BY THE LEADER OF THE COUNCIL	
6.	TO RECEIVE PETITIONS	
7.	PUBLIC QUESTIONS These must be received no later than 12 noon on Tuesday 12 February 2019.	
8.	MEMBER QUESTIONS These must be received no later than 12 noon on Tuesday 12 February 2019.	
9.	ADOPTION OF GAMBLING ACT POLICY STATEMENT Report of the Cabinet Member Development and Safety	(Pages 39 - 84)

10.	FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2019/20 Report of the Cabinet Member Finance	(Pages 85 - 114)
11.	FINAL GENERAL FUND REVENUE AND CAPITAL BUDGET PROPOSALS 2019/20 (INCLUDING SECTION 25) Report of the Cabinet Member Finance	(Pages 115 - 200)
12.	COUNCIL TAX RESOLUTION Report of the Cabinet Member Finance	(Pages 201 - 204)
13.	NOTICES OF MOTION	
14.	ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION	
15.	LOCAL GOVERNMENT ACT 1972 -EXEMPT INFORMATION The committee is recommended to approve the following resolution:- “That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3, Part (1) Schedule (12A) Local Government Act 1972, namely: Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)	
16.	A PROPERTY MATTER Report of the Cabinet Member Development and Safety	(Pages 205- 232)

Contact Officer: Bev Thomas, Democracy Officer, 01242 264246
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Pat Pratley
Chief Executive

Council

**Monday, 21st January, 2019
6.00 - 11.15 pm**

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

Minutes

1. APOLOGIES

Apologies were received from Councillor Oliver, Councillor Stafford and Councillor Flynn.

2. DECLARATIONS OF INTEREST

Councillors Babbage, Coleman, Dobie, Fisher, Harman, Payne, Sudbury and Wheeler declared an interest in agenda items 9 and 10 as Gloucestershire County Councillors.

Councillor Savage declared an interest in agenda item 11 as an employee of Gloucestershire Hospitals NHS Trust.

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 10 December 2018 were approved and signed as a correct record.

4. COMMUNICATIONS BY THE MAYOR

The Mayor wished to put on record his thanks to Rosalind Reeves, Democratic Services Manager who had now retired from the Council after 15 years service.

5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader reiterated the thanks to Rosalind Reeves, Democratic Services Manager who had made a major contribution to the Council. He also wished to welcome back the Chief Executive, Pat Pratley who was on a phased return following a serious illness. He thanked all officers who had gone the extra mile in her absence, in particular Tim Atkins, Deputy Chief Executive.

6. TO RECEIVE PETITIONS

There were none.

7. **PUBLIC QUESTIONS**

1.	Question from Anne Smith to the Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Who had the casting vote for closure of Boots Corner? This decision seems to be causing more pollution, inconvenience, & loss of revenue to the businesses in the town. When will common sense prevail?
	Response from Cabinet Member
	The decision was two-fold. This Council confirmed on 26 th January, 2015, that it supported the outcomes of the GCC Traffic Regulation Order committee and GCC cabinet confirmed the TRO committee recommendations on 22 nd July, 2015. That process confirmed the phased approach with a trial phase for Boots Corner, which is what is currently being delivered.
2.	Question from Fiona Mcleod to the Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Can I ask please when the decision to close Boots Corner to general traffic will be reversed so that reasonable traffic flow through that town is restored. Closing Boots corner has done nothing to improve traffic flow in the town, it has made the back-log of traffic outside A&E ten times worse during peak times and it has made the town centre far more dangerous for pedestrians.
	The ridiculous scenario that cars are now racing down Rodney road and piling up outside the new John Lewis is nothing short of dangerous. As pedestrians gaze at the new John Lewis and step out of the shadows under the scaffolding outside the LloydsTSB building into cars racing up Rodney Road it is a fatal accident waiting to happen.
	Which councillor is going to swallow their pride, admit it hasn't worked and reopen that traffic flow?
	I look forward to being able to drive safely back to Pittville again.
	Response from Cabinet Member
	A petition requesting the re-opening of Boots' Corner is being considered by Council at its meeting on 21 st January, 2019.
	However, it should be recognised that the scheme, including the trial, was funded by central government as part of a wider strategy to encourage individuals to consider alternative means of transport.
	GCC, as Highways authority, plans to make amendments to the scheme to respond to concerns raised, including potential traffic calming on Rodney Road.
3.	Question from David Evans to Cabinet Member, Development and Safety, Councillor Andrew McKinlay
	Whilst I support the closure of Boots corner I feel that no real alternative measures have been put in place to take the traffic to properly transverse Cheltenham. Because of this if it came to a vote I would vote against the closure.
	My question is does CBC agree that this is probably the most embarrassing decision that they have made since the introduction of the Noddy train?
	If the closure becomes permanent what alternative plans are in place to ensure

	<p>traffic flows better through Cheltenham and would these plans involve demolishing buildings as has been done in the past and destroying the very character of our town?</p>
	<p>Response from Cabinet Member</p> <p>The trial is exactly that, so until a final decision is made, it is difficult to progress permanent changes.</p> <p>Such changes, if the net benefit of the trial is confirmed, would include amendments to signage, but would definitely not include demolishing property.</p> <p>The objectives of the Cheltenham Transport Plan include protecting the key features for which Cheltenham is renowned, so no new roads or associated demolition work is envisaged.</p>
4.	<p>Question from Peter Walsh to Cabinet Member, Development and Safety, Councillor Andrew McKinlay</p> <p>What is the total cost of the experimental closure of 'Boots' Corner' and how was it justified in the face of widespread opposition to the plan and at a time when resources available to the Council were scarce and could/should have been devoted to more pressing needs.</p>
	<p>Response from Cabinet Member</p> <p>Boots' Corner is the last phase of a whole package of works funded through a successful GCC bid (supported by CBC) to the Department for Transport Local Sustainable Transport Fund (LSTF) for £4.95m. Beyond this, CBC has funded the temporary works at Boots' Corner to demonstrate how much space can be reclaimed from the streetscape and how differently it can be used. This cost £45,970.</p> <p>Should the scheme be made permanent, a higher quality solution, similar to that recently delivered on the High Street between Rodney Road and Cambray Place will be developed, as part of an on-going wider public realm uplift and several of the components of the current temporary scheme at Boots' Corner will be re-used elsewhere.</p>
5.	<p>Question from Sharon Roberts to Cabinet Member, Development and Safety, Councillor Andrew McKinlay</p> <p>Regarding the increase in footfall at boots corner. Does council think this could be partly due to the opening of new shops such as John Lewis etc. and more people parking on the Montpellier side of the high street and walking through town due to increased congestion driving to car parks on the other side of town?</p>
	<p>Response from Cabinet Member</p> <p>It is never easy to directly attribute 'cause and effect' in dynamic situations with a number of variables at play. Equally, one could argue that the very reason that significant new retail entrants have appeared locally is in response to the phased roll-out of the Cheltenham Transport Plan. The key however is the cumulative effect on footfall, at a time when government is calling for local authorities to take action to protect their town centres.</p>
6.	<p>Question from Sharon Roberts to Cabinet Member, Development and Safety, Councillor Andrew McKinlay</p> <p>What does council propose to do regarding the increased levels of congestion and pollution levels in the small residential streets such as St Luke's Road, College Road, Ambrose St, and St George's street?</p>

	Response from Cabinet Member															
	<p>CBC has been working collaboratively with GCC throughout the delivery of the Cheltenham Transport Plan. GCC has been monitoring traffic flows, recognising that the Department for Transport anticipates background growth in traffic, which is why the scheme is promoting alternative transport options. CBC has been carrying out additional pollution monitoring and will be able to assess if nitrogen-dioxide levels have increased against statutory limits when sufficient data has been collected. At this stage, it is too early to compare results against the annual legal limit. It should also be noted that traffic, whilst significant, is not the only factor contributing to air pollution levels.</p> <p>Certain areas suffered from traffic hotspots prior to the Cheltenham Transport Plan implementation and it is pleasing to note that GCC has recently confirmed funding to improve the traffic lights on the A4019 corridor, which should assist with the wider circulation of traffic. This may also impact positively on nitrogen-dioxide levels at longstanding pollution hotspots along that road corridor.</p>															
7.	Question from Bharat Gupta to Cabinet Member, Development and Safety, Councillor Andrew McKinlay															
	What has been the new pollution level on two known pinch points on College road and near the St. Georges Street and do they exceed the EA guidelines?															
	Response from Cabinet Member															
	<p>Pollution levels for College Road and St George's Street are made available on our website soon after the results are received https://www.cheltenham.gov.uk/downloads/file/6643/no2_raw_data_2018</p> <p>The last four months of NO2 data is as follows for College Road and St George's Street (but please bear in mind this data snapshot must not be taken out of context as it is not 12 months of bias adjusted data). December's data will be added to the website as soon as it is available.</p> <table border="1"> <thead> <tr> <th></th> <th>August 2018</th> <th>September</th> <th>October</th> <th>November</th> </tr> </thead> <tbody> <tr> <td>15 College Road</td> <td>21.67</td> <td>23.82</td> <td>28.64</td> <td>29.94</td> </tr> <tr> <td>50 St Georges Street</td> <td>25.70</td> <td>32.89</td> <td>25.82</td> <td>37.21</td> </tr> </tbody> </table> <p>There are no Environment Agency guidelines in relation to this. It is too early to assess whether the DEFRA annual nitrogen dioxide limit has been exceeded, as we are waiting for the national bias adjustment figure. The national hourly nitrogen dioxide limit has not been exceeded at these locations.</p>		August 2018	September	October	November	15 College Road	21.67	23.82	28.64	29.94	50 St Georges Street	25.70	32.89	25.82	37.21
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8.	Question from Bharat Gupta to Cabinet Member, Development and Safety, Councillor Andrew McKinlay															
	How much reduction in car numbers has the Boots Corner scheme made in the centre of town and what benefits have resulted to the trade as a result?															
	Response from Cabinet Member															
	Daily traffic flows on Clarence Parade, on the approach to Boots' Corner have reduced by approximately 80% since the introduction of the trial restriction.															
9.	Question from Clare Winter to Cabinet Member Development and Safety,															

	<p>Councillor Andrew McKinlay</p>
	<p>I would like to know if the closure of Boots Corner has resulted in more or less total air pollution in Cheltenham (not just around Boots Corner), as it seems to me that the resultant near stationary traffic in roads a little further out of the centre but still close to the centre during busy times of the day (e.g. College Road, St Luke's Road, St James Square, St George's St, Clarence Square, Clarence Road...) may be producing more overall fumes, not less. So whilst the town centre itself may be benefiting from less traffic, surely the consequent impact on areas just outside is a prohibitively high a price to pay. These areas are largely residential, so people cannot choose not to be there, unlike the town centre, and the roads are clearly not fit for the sudden massively increased volumes of traffic as a direct result of the closure of Boots Corner. Journeys are significantly longer in terms of both distance and time, and much, much slower, all of which surely increases overall pollution in Cheltenham.</p>
	<p>Response from Cabinet Member</p>
	<p>The Council measures the main pollutant of local concern (nitrogen-dioxide) at a number of locations around the Borough and has installed additional nitrogen-dioxide and particulate monitoring points, in response to concerns relating to the Cheltenham Transport Plan.</p> <p>We have a statutory duty to monitor and assess local air quality and to report on this annually, but the duty to meet national air quality standards rests with the government, reflecting the cross-boundary nature of pollution sources.</p> <p>We are collating December's results and waiting for the national bias adjustment figure to be released, before we can finalise our annual assessment. We are also awaiting the outcome of a 'Detailed Air Quality Assessment' which we commissioned to better understand the local air quality situation. We will publish the results of this work on our website, but it will not be possible to determine the exact contributions that the Boots' Corner restriction has made to overall air pollution levels in the town (if any).</p>
<p>10.</p>	<p>Question from Jan Walters to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Are the Council aware that closure of Boots Corner has only driven the traffic further back up the High Street as cars seeking a way through now come up Rodney Road onto the High Street, up Winchcombe Street, into Albion Street and mostly along St Georges Place?</p>
	<p>Response from Cabinet Member</p>
	<p>GCC has been monitoring traffic flows since before the first phase of the Cheltenham Transport Plan was undertaken. The Council recognises that the trial at Boots' Corner has resulted in increased traffic on Rodney Road and colleagues at GCC are exploring options, such as traffic calming, as a means of mitigating this impact and discouraging traffic from using this route.</p> <p>As Cheltenham grows (and there is significant planned growth), the issue of air quality was always likely to become more challenging. One of the key aims of the Boots' Corner scheme is to encourage more use of public transport, walking and cycling, especially for shorter journeys. Regardless of the outcome of the experimental traffic order, Cheltenham needs to achieve some modal shift in the future to help manage pollution and congestion issues and this assumption is built into traffic impact assessments relating to the Joint Core Strategy.</p>

11.	Question from Jan Walters to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	In the light of recent publicity about the dangers of pollution particularly to our children, sick and elderly, are the Council aware that the closure of Boots Corner has led traffic to find alternative routes which include College Road, where there is a school, a hospital with A and E and a playground for young children?
	Response from Cabinet Member
	<p>The data from GCC identifies various locations with traffic growth categorised into growth between 5-10% against expected levels of background growth and above 20%. College Road is in the first category.</p> <p>CBC has a statutory duty to monitor local air pollution and to implement improvement measures through an Air Quality Action Plan (AQAP) if levels are exceeded. We are also carrying out additional monitoring in response to public concerns about the Boots' Corner restriction. However, any level of air pollution has some adverse impact on health, so we all have a collective responsibility as a community to minimise our individual contributions, for example by choosing more sustainable and active means of travel wherever possible.</p>
12.	Question from Derek Plumb to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	What specific criteria are being used to measure the social, economic and environmental impact, both positive and negative, caused by the closure of Boots Corner? For each criteria, what are the critical threshold values that have to be breached in order for Boots Corner to be re-opened to traffic?
	Response from Cabinet Member
	<p>Given that the funding was secured from central government to reduce severance on the High street and encourage regeneration and modal shift, a range of measures have been considered. These include footfall movements at Boots' Corner, jobs generated and the usage of non-private motor vehicle transport.</p> <p>Full details of these measures are contained in the Council papers for the meeting on 21st January – for example the number of jobs generated, compared to an independent Treasury Green Book analysis, as part of the LSTF bid.</p> <p>In a supplementary question Derek Plumb asked what specific criteria were being used to measure the socio, economic and environmental impact and what were the threshold values these were being assessed against.</p> <p>In response the Cabinet Member said that in terms of the economic thresholds these were outlined in the report and more specifically when the bid for funding was put to Government in 2011 it was estimated that there would be 420 additional jobs created in the town. He reported that the actual figure was 550. In terms of environment factors air pollution information was being gathered long term, rather than a snapshot.</p>
13.	Question from Neil Smith to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	I have analysed the arguments for the closure of Boots Corner to normal traffic and not one of them stands up to serious scrutiny. Who are the real beneficiaries to this

	<p>scheme because it isn't local residents or businesses?</p> <p>As a general population we are addicted to our cars. In some cases travel by bus simply isn't a practical solution – for example I have equipment and tools which I need to take everywhere with me. We are at the start of electric vehicles but over the next 10 to 20 years the pollution problem will become far less as a result. The arguments for closing Boots Corner just don't add up. Personally I think the earlier parts of the Cheltenham Transport Plan have worked out well – but not this bit.</p>
	<p>Response from Cabinet Member</p> <p>The scheme is part of a wider ambition to maintain the vibrancy of the town centre in line with government policy e.g. the recently announced Future High Streets Fund.</p> <p>The purpose is to encourage footfall by reducing the former severance at Boots' Corner. Data sets showing increased footfall, cycling and bus patronage suggest that the scheme is having a positive impact and evidence shows that people travelling to town using these methods are the greatest spenders.</p> <p>Cheltenham is behind the curve on this, as many towns and cities have already removed traffic from the town centre e.g. Worcester, Bath and Oxford and believe that it contributes to long term performance of the town centre.</p> <p>The objectives of the Cheltenham Transport Plan were never specifically targeting an improvement in air quality, but the Council is concerned about this issue generally, as demonstrated by the extensive monitoring activity which the authority is engaged in and associated action planning.</p>
14.	<p>Question from Neil Smith to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p> <p>What has to happen or what has to be proved to enable the trial to be cancelled early?</p>
	<p>Response from Cabinet Member</p> <p>The monitoring would have to show a severe impact on the performance of the wider road network beyond background growth and a detrimental effect upon the performance of trade more generally within the town centre.</p>
15.	<p>Question from Alan McDougall to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p> <p>Is the Council and Cllr. McKinlay (Development & Safety), in particular, equally as satisfied with the changes made to the protected pedestrian crossing at Boots Corner, as they are/he is with health and safety issues resulting from the increased Non-protected pedestrian area between Rodney Road and Winchcombe Street at the John Lewis end of the High Street?</p>
	<p>Response from Cabinet Member</p> <p>The pedestrian crossing at Boots' Corner was retained following consultation with the disability forum prior to the trial. Should the scheme be made permanent, I would not be satisfied with the current arrangement and would push for the signalling to be permanently 'on green' for pedestrians and only red when traffic approaches, rather than 'on-call' as at present.</p> <p>GCC advises that they will be exploring traffic calming on Rodney Road, which will aim to reduce both the volume and speed of traffic. Once this has been implemented</p>

	<p>we will need to see what other changes are required, given that this area is desperately in need of an uplift following the successful Rodney Road to Cambray public realm improvement works on the High Street.</p> <p>In a supplementary question Alan McDougall asked the Cabinet Member if he knew how many taxis, public transport and other commercial vehicles that passed through this area were in fact not diesel vehicles?</p> <p>The Cabinet Member explained that he did not know how many vehicles had passed through Boots Corner, and that the question should be directed at the County Council who are doing the monitoring of traffic at Boots Corner.</p>
16.	Question from Alan McDougall to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Can the Council assure the electorate that the ‘partial closure’ of Boots Corner intention is not being driven by development proposals in respect of the Municipal Buildings, its adjacencies or Royal Well, made by the Council (or other associated agencies such as the Cheltenham Development Task Force, BID, the Chamber of Commerce, etc.) either in consultation with or at the request of Developers e.g. Blackrock, Hammerson, Intu or Financial Institutions e.g. Canada Life?</p>
	Response from Cabinet Member
	<p>There are no development proposals for the Municipal Offices beyond a development brief for the area, which was approved by this Council in 2013. Many individuals have hypothesised options, but it is unlikely to appeal to the developers cited, who generally prefer retail parks, which given the heritage status of the buildings concerned is not going to happen.</p> <p>In a supplementary question Alan McDougall asked that given that the owners of the new John Lewis site, made it a condition in their negotiations that the Albion Street phase of the Cheltenham Transport Plan had to be implemented and that similarly a condition i.e. the closure of Boots Corner, minuted (April 2015), outlined that failure to do so may render any development proposals for the Municipal Building and Royal Well to be marginal were there any other important development details/minutes known to the Council/Councillor that the public were not being made aware of?</p> <p>In response the Cabinet Member stated that this was not conditional and there was no current plan to redevelop the Municipal Offices.</p>
17.	Question from Chris Owen to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Why has the so called trial closure of Boots corner been extended even further despite the massive amount of adverse feedback received from the rate payers and also the affects on the roads around the centre of town and the rise in pollution in those areas?</p>
	Response from Cabinet Member
	<p>The trial is being run as an experimental traffic order made by GCC. Experimental Traffic Regulation Orders can run for up to 18 months. The trial Boots’ Corner restriction commenced on 28th June 2018, so can run through to December 28th 2019. GCC has now reviewed the traffic data and suggested amendments to mitigate certain impacts. Meanwhile, other data sets such as footfall, cycling in the Boots’ Corner area and bus patronage suggest positive improvements.</p>

	<p>We are collecting evidence about changes to air quality in Cheltenham (by measuring certain pollutants) and will share these results when enough months' monitoring data has been received to allow valid conclusions to be drawn.</p> <p>In the meantime, monthly monitoring data has been published to the Council's website providing full transparency regarding the position in relation the main pollutant, nitrogen-dioxide.</p>
18.	Question from Cat Metcalfe to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Has the impact on number of visitors to Cheltenham town centre been measured?
	Response from Cabinet Member
	That data is collected annually, so it is probably too early to be certain, but anecdotally, we are aware that the November race meeting achieved record numbers and that CBC car park patronage has been very strong. Neither of these factors suggest a reduction in visitor numbers.
19.	Question from Cat Metcalfe to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Has there been an impact on house prices? I'd be interested to know an estate agent's view on the desirability of living in Pittville/Fairview/Prestbury etc. now it's harder to access.
	Response from Cabinet Member
	As I am not an estate agent, I do not feel qualified to answer this question.
20.	Question from Lorraine Du Feu on behalf of Cheltenham Green Party to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>The council will be aware of the shocking reports published last week concerning the effects of air pollution on the health of unborn children and children travelling in cars. Although we view the Boots corner closure as a positive move in terms of discouraging traffic in the town centre, it is also unlikely to improve the air quality in the town as a whole as most drivers will use other routes.</p> <p>It is a disgrace that Cheltenham has had such poor air quality for so long and the main reason for this is a failure to address the problem of the large number of cars travelling through the town. Simply diverting cars from one route to another will not solve this, but measures such as alternate number plate days and congestion charging, which must be supported by robust investment in alternative transport infrastructure, would make a big difference.</p> <p>We would like to know if the council has considered these options and if not, what measures they intend to take to bring air pollution in Cheltenham under control once and for all?</p>
	Response from Cabinet Member
	<p>The Council will be fully assessing the local air quality situation for 2018, once the last month's data is received and the national bias adjustment figure is released.</p> <p>We are awaiting the outcome of a 'Detailed Air Quality Assessment' which we have commissioned. All of this will inform an Air Quality Action Plan, containing measures to improve air quality and protect health, particularly at any locations where relevant limits are exceeded. Tackling the issue effectively will require behavioural change at a national level and Cheltenham is working with GCC in relation to this issue, recognising the cross-boundary impacts of air pollution.</p>

	<p>We are also part of a countywide 'Air Quality and Health Partnership' and will take guidance from public health colleagues about the effectiveness of future interventions locally. The Boots' Corner trial is certainly encouraging modal shift, with Stagecoach reporting 5000 extra passenger journeys per week.</p> <p>I note your helpful suggestions should further action be necessary and will be liaising with GCC as Highways authority in relation to these matters and the viability of improvement strategies.</p> <p>In a supplementary question Lorraine DuFeu asked the Cabinet Member to name one thing in his power to do this year to improve air quality in Cheltenham.</p> <p>The Cabinet Member recognised the issue of air quality in Cheltenham which was partly due to the location of Cheltenham at the bottom of the escarpment. He advised that they had been working with Stagecoach to put in low emission buses in the town, installed electric charging points for electric cars and the first three phases of the Cheltenham Transport Plan had reduced the amount of traffic on the ring road by about 6%. Air pollution had to be tackled collectively and on national and international level. CBC was tackling it however it is only one part of the process. When approving the progression of the closure of Boots Corner this would improve air pollution across the town, not just the town centre.</p>
<p>21.</p>	<p>Question from Peter Gibbons to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>I understand the purpose of closing Boots corner to general traffic is to encourage shoppers to use the Lower High Street as well as the High Street. Is this action really necessary? Surely it is, first and foremost, the facilities in the Lower High Street that will attract pedestrians, who still in any event have to negotiate the same crossing at Boots Corner, albeit with a lighter traffic flow.</p>
	<p>Response from Cabinet Member</p>
	<p>The footfall across Boots' corner since the trial began has seen a significant increase, thus reducing the historic severance that was experienced at this point. I appreciate that the pedestrian crossing remains, but many people are crossing without utilising that facility, as the traffic has reduced by around 80-85%. The crossing was retained following consultation with the local Disability Forum prior to the trial.</p>
<p>22.</p>	<p>Question from Peter Gibbons to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>The resulting serious congestion in many side streets, especially during rush hour, together with the carbon-dioxide fumes in these residential areas, also makes this a grave mistake. Does the Borough Council acknowledge these factors?</p>
	<p>Response from Cabinet Member</p>
	<p>Nitrogen-dioxide is the main pollutant of concern in Cheltenham in relation to traffic and human health, not carbon dioxide.</p> <p>CBC, working in conjunction with GCC, has been monitoring traffic and nitrogen-dioxide and particulate matter pollution data across a range of locations and in response to requests from the public, further pollution monitoring points have been installed. Data from this monitoring will be an important part of the wider determination of the success or otherwise of the scheme.</p>

23.	Question from Tom Bowhill to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Please confirm the original projected costs and man hours of the original proposal as compared to the actual numbers as of today i.e. the current estimate to complete the trial and when will that be and what the parameters are for its success or failure?</p>
	Response from Cabinet Member
	<p>The costs of delivering the Cheltenham Transport Plan physical changes were part of the original LSTF bid, which secured £4.95m. GCC as the highways authority controls the budget for the implementation of that fund.</p> <p>The parameters for the success or failure of the project as a whole are a combination of the economic effects, modal shift and traffic impacts.</p>
24.	Question from Tom Bowhill to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>On the subject of the enforcement cameras, what were the initial estimate of violations week days and weekends as compared to the actual and what reductions were expected from learning curves?</p> <p>If the project is being managed correctly. All this information should be available within 24 hours. So no excuses will be accepted!!</p>
	Response from Cabinet Member
	<p>The question relates to enforcement, which is a highways authority issue, so I will have to refer this question to GCC.</p> <p>I can add that the purpose of the enforcement is simply to deter individuals from driving in a restricted zone. On this basis, I do not believe that specific estimates were established prior to the enforcement taking place.</p> <p>In a supplementary question Mr Bowhill made reference to information he had received from GCC via an FOI request detailing the number of violations occurring in Boots Corner. He questioned whether this was a sensible analysis and requested that the whole system be withdrawn and a competent person be employed to assess the situation.</p> <p>In response the Cabinet Member explained that he could not comment as he did not have access to the information received by Mr Bowhill.</p>
25.	Question from Ken Pollock to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Cheltenham has a notoriously deficient 'road network', (for historical/heritage reasons), with now <u>zero</u> 'ring road' circuits. Boots Corner closure should never even have been "trialled" whilst it is obvious that there are no alternative free-flowing south-to-north routes.</p> <p>Do you realise that GCC acting as Highways Authority cannot 'trade off' its responsibility for avoiding harm to Cheltenham's traffic <u>viability</u> (or to safety or air quality) against a CBC-claimed assortment of "economic" or other non-highways benefits, lest it be open to judicial review for straightforward procedural error?</p>

	<p>Response from Cabinet Member</p>
	<p>The data sets provided by GCC monitoring suggest that traffic is still flowing and because it is a trial, amendments are proposed to help further mitigate the impacts identified to date. It is also worth noting that there were congestion issues prior to the implementation of the Cheltenham Transport Plan and that a ‘do nothing’ option would not be without consequence in traffic and pollution terms.</p> <p>Both CBC and GCC are aware of their statutory obligations.</p> <p>In a supplementary question Ken Pollock asked whether the Cabinet Member could agree that his sanguine overall view that <i>“traffic is still flowing”</i> is not satisfactory in the context of GCC needing to at least <u>maintain</u> traffic flow (on Cheltenham’s difficult network) or improve it, <u>not</u> just keep it shy of crawling, especially in the context of the coming JCS growth ?</p> <p>In response the Cabinet Member said that if the County Council had deemed there to be an issue this would have been raised in Appendix 4 of the report in the main debate.</p>
<p>26.</p>	<p>Question from Ken Pollock to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Since the Trial commenced, the congestion and pollution impact on Gloucester Road (northbound) from as far back as Alstone Lane is severe stacking and pollution. This road leading to the A4019 junction has no prospect of flowing easily through the hugely increased traffic which will be generated by the JCS-approved ‘Cheltenham North West’ urban extension, (which has now been stalled for over one year by Highways England on Transport difficulty grounds).</p> <p>Is it not grossly unreasonable that CBC (and GCC) in their current and earlier reports have evaded modelling and monitoring of the obvious <u>western</u> ‘alternative routes’ (i.e. Gloucester Road and Princess Elizabeth Way), and have also minimised focus on St. Lukes’s Road and College Road?</p>
	<p>Response from Cabinet Member</p>
	<p>The announcement by GCC of the completion of a separate traffic study along the A4019 corridor, with capital funding to address both existing congestion hotspots and to allow for future growth associated with JCS strategic allocations, suggests that the highways authority is planning for growth. A further example, is the GCC led delivery of the £22m ‘Growth Deal 3’ monies recently secured to allow the development of the Cyber Park at West Cheltenham.</p> <p>Pollution monitoring is being carried out at the locations mentioned – Gloucester Road, Princess Elizabeth Way, St Lukes/College Roads; and the results will be fed into the overall assessment of the trial.</p> <p>In a supplementary question Ken Pollock said that <i>“the highways authority is planning for growth”</i> is not evident; and their spending £22M for access into the ‘West Cheltenham’ Cyber Park site (west of GCHQ) is <u>not the issue</u> for Cheltenham’s Inner Ring Road circulation. The problem was that traffic monitoring (and modelling) was never carried out for PE Way and Gloucester Road, and there is therefore no baseline assessment against which to <u>compare</u> any late-in-the-day checks now on the level of traffic queuing.</p>

	<p>He asked whether the Cabinet Member agreed that for fairness and propriety this final <u>Transport</u> decision (coming four years after the TRO recommendation of January 2015) needed an assessment by an <u>independent</u> Transport Inspector, <u>not</u> another TRO Committee composed of assorted GCC councillors mostly from far outside Cheltenham?</p> <p>In response the Cabinet Member did not agree as there was a legal process, being followed scrupulously by GCC. He was absolutely confident that the County Council were proceeding entirely properly with this.</p>
27.	Question from Geoffrey Bloxson to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>At the October Scrutiny committee the issue was raised about pollution counters being placed in open areas where the pollutants are readily dispersed by the wind. Particulates do not concentrate as they do in confined areas such as the narrow parts of St George's Street or All Saints Rd. It is these confined areas that matter, where people live, at residential façade, where residents cannot open their windows due to the pollution. Yet we see these monitors, at the junction of St George's Street and Swindon Rd, on the corner of Clarence Rd and North Place and now at the junction of Pittville Circus Rd and All Saints Rd, not in the confined areas but in the most exposed ones, where the particulates are flushed away by the wind and pedestrian exposure is only transient and occasional. Monitoring should be at residential façade to understand the permanent levels of exposure to the residents. There is no point in taking readings from these open selected spots. What has been done to address this since it was raised at the scrutiny committee and why are we spending money on these counters until they are put in meaningful positions?</p>
	Response from Cabinet Member
	<p>We are carrying out two types of air quality monitoring: -</p> <ol style="list-style-type: none"> 1. Statutory monitoring of nitrogen-dioxide against legal limits using diffusion tubes. In order for these results to be considered as 'relevant exposure' for health, the tubes must be sited appropriately, which we have done as far as practicable. This network of diffusion tubes helps us to understand 'the permanent levels of exposure to residents'. 2. We are also carrying out additional monitoring in response to specific concerns about the Boots' Corner restrictions. We are using air gas mesh pods, which measure both nitrogen-dioxide and particulate matter and this equipment produces faster results. The mesh pods are not part of the statutory Local Air Quality Management network, so do not need to comply with 'relevant exposure' and other elements of the EU Air Quality Data Directive. Regardless of this, we have sited the monitors as sensibly as possible to gather useful results. For example, the monitor on the corner of St George's Street and Swindon Road abuts a residential property and is co-located with our roadside unit – so in fact, results at this location will be the most robust in Cheltenham.
28.	Question from Andrew Riley to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Can you please outline the accident reporting statistics and how long a particular accident will take to appear on the statistics for consideration. On the 23rd November 2018 I recovered a chap from a written off Lexus from outside my house, as we</p>

	<p>helped the driver we were subject to abuse from passing drivers who had been backed up along All Saints Road as we had not been able to move the car off the road, this was after another accident in late summer at the junction of Selkirk Street. In the past 14 years I have lived in this house I am not aware of a previous accident on this stretch of road. (even though it is home to the driving test centre) How have these accidents been considered in the decision to extend this trial?</p>
	<p>Response from Cabinet Member</p>
	<p>There is a legal requirement for drivers involved in a traffic collision involving personal injury to report these collisions to the Police. It is this injury collision data that will be used to help determine the future of this trial.</p> <p>The time taken to process each injury collision can vary dependant on a number of factors, including the complexity of investigation, available Police resources and accessing witnesses. The majority of injury collision reports are processed within about 6 weeks of the date of the incident.</p> <p>The following link to the GCC Highways web pages allows access to the most recent 5 years of collision data in Gloucestershire https://www.gloucestershire.gov.uk/roads-parking-and-rights-of-way/road-safety/collision-and-camera-map/</p>
29.	<p>Question from Andrew Riley to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>John Lewis has undoubtedly added to footfall on the high street but how much more would town visits have increased had it not been for the closure of the main arterial road, at Boots Corner. A brief scan of social media would have you believe people turning away from Cheltenham in favour of other towns.</p> <p>What work is being done to understand the impact of the new John Lewis as opposed to the traffic scheme and remove this from the stats to present an impartial and balanced view for the councillors to consider? Why are you allowing this scheme to undermine the boost brought to Cheltenham by John Lewis?</p>
	<p>Response from Cabinet Member</p>
	<p>The owners of the site, which is home to the new John Lewis store, made it clear that delivering the Cheltenham Transport Plan, especially the Albion Street phase was a key determinant in their store acquisition negotiations.</p> <p>The increased footfall data at Boots' Corner suggests that Cheltenham town centre is generally benefiting economically from both the trial and the significant number of new entrants to the commercial heart of the town over the phased delivery of the Cheltenham Transport Plan.</p>
30.	<p>Question from Peter Sayers to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>If the Council had been clear from the start that the closure of Boots Corner was felt necessary to facilitate the development of the back of the Municipal Offices, the public may well have supported the initiative and the much needed financial boost expected. Instead a variety of reasons, none credible, have been put forward to justify the closure. Does he now feel that progress could be achieved by a public apology to those so disrupted and angered and by a discussion as to the real motive?</p>

	<p>Response from Cabinet Member</p> <p>There are currently no plans to develop the rear of the Municipal Offices beyond a development brief for the area, which was approved by this Council in 2013.</p> <p>In a supplementary question Peter Sayers asked the Cabinet Member to clarify the reason why Boots Corner should be closed.</p> <p>In response the Cabinet Member explained that the Cheltenham Transport Plan was developed in 2011 and funded by central government. This Council had agreed that the priorities for the plan was to change modal shift, reduce pollution where possible and improve the economic viability of the town centre. He stated that there was no suggestion at any point that this was associated with a redevelopment of the Municipal Offices.</p>
31.	<p>Question from Peter Sayers to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p> <p>There is increased awareness that pollution from traffic is indeed a serious issue. In fact so serious that the Government limit of permissible pollution may well be lowered. Allowing traffic to 'find its way' and raise pollution in residential areas is not a responsible solution. Closing Boots Corner without an overall traffic plan for alternative routes has caused much anger. Please can the trial be halted and a credible traffic plan that covers the whole town, not just one small section, be initiated?</p>
	<p>Response from Cabinet Member</p> <p>GCC traffic data monitoring was on-going prior to the implementation of the Cheltenham Transport Plan and its various phases. In response to the recent data, GCC plans to make amendments to the current trial scheme, as part of a package of mitigation measures which it was always anticipated may have been necessary.</p> <p>The Council has a statutory duty to monitor air quality, regardless of the local transport plan. We will be refreshing our air quality action plan in the next few months and this will be informed by the detailed air quality assessment once completed.</p> <p>In a supplementary question Peter Sayers asked why there was no credible alternative route for the traffic?</p> <p>In response the Cabinet Member explained that the council and GCC had always stated that there would not be an alternative route but the plan was to allow traffic to disperse by a number of different routes as suggested by the modelling. Evidence from the County Council was that this was actually happening.</p>
32.	<p>Question from Helen Little to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p> <p>Why was no formal Traffic Impact Assessment commissioned in advance of the changes to the traffic flows?</p>
	<p>Response from Cabinet Member</p> <p>The scheme was extensively modelled to assess impact utilising a PARAMICS traffic micro-simulation model. Additionally, GCC carried out equality impact assessments prior to works being commenced. Details of these assessments are available via the GCC website.</p> <p>In a supplementary question Helen Little reiterated her question and asked why a</p>

	<p>formal traffic impact assessment was not performed. She asked what the methodology was for traffic flow recording.</p> <p>In response the Cabinet Member Development and Safety said PARAMICS was conducted in 2013 throughout the central area in Cheltenham and was modelled through a number of different scenarios. The modelling suggested that there would be various changes in flows following Phases 1 and 2 data collected matched closely the modelling as has been the case for phase 4. The way its modelled gives 27 points of reading for traffic flow either done via radar system or lines in the road recording every vehicle driving past. The map was included in the County Council data set in the report pack before Members.</p>
33.	Question from Helen Little to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Why has there not been any vehicular emission pollution monitoring at one of the busiest most dangerous road junctions i.e. the area opposite St Gregory's church and school with the double roundabout at Clarence Street- Ambrose Street – Knapp Road? Is monitoring planned for this now 'inner ring road' and will particulates be included in addition to NO2?</p>
	Response from Cabinet Member
	<p>We are measuring nitrogen dioxide and particulate matter pollutants (linked to vehicular emissions) at this location and indeed, the results have been published on our website – see link below. https://www.cheltenham.gov.uk/downloads/download/1645/air_quality_briefing_notes</p> <p>The monitoring point near to St Gregory's Church has been returning the lowest readings out of the four additional monitoring points installed in response to Boots' Corner restriction concerns from the public.</p> <p>In a supplementary question Helen Little asked how particular pollution was measured and why particulates were not included in the assessments since the recent government report for atmospheric pollution from vehicles stressed the importance of particulates. There was no evidence of these being monitored.</p> <p>In response the Cabinet Member confirmed that traffic flow had increased in the areas concerned as recorded in the information the County Council had provided. In terms of air pollution there was a monitor at that junction and particles below 10 microns were able to be monitored as it was a more sophisticated piece of equipment. He stated that at that location air quality had one of the lowest pollution readings in the town, this could be found on the council's website.</p>
34.	Question from Adam Lillywhite to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Please explain why two of the three Trials recommended by the TRO Committee for Boots Corner are not being performed as part of this newly extended trial period. These entail the narrowing of the Carriageway to a single lane to make it easier to cross and the restriction of traffic from the area during shopping hours. Both these options would resolve many of the congestion issues as well as those of pollution and dispersing traffic into residential streets throughout the night and around schools at the beginning of the day.</p>
	Response from Cabinet Member
	The TRO committee and subsequent GCC cabinet report identified a range of

	<p>options; it did not specify what was to be trialled.</p> <p>The carriageway has been narrowed at Boots' Corner as part of the trial; this space has now been reclaimed for use by people, rather than vehicles. Whilst not to everyone's taste, the temporary 'astro-turf' has demonstrated how the space can be better used and the dwell time data suggests that whilst only temporary, members of the public have responded positively to the newly created space. Should the scheme be approved long term, we would seek improvements in line with the standard set by the recent works undertaken further along the High Street.</p> <p>The suggested on-going amendments to the scheme are designed to address concerns raised.</p> <p>In a supplementary question Adam Lillywhite stated that the bus usage figures provided suggested around 600 car journeys a day are saved, which left around 8,000 car journeys that are longer, slower and more congested. With stop start traffic creating 4 times the pollution of free moving traffic, there was no question this scheme increases emissions whilst moving it into residential areas. The responses provided by the Cabinet Member suggested that air pollution could not be considered until it was annualized and bias adjusted, whilst serious accidents that have occurred on roads made busy by this scheme were not been considered in the decision to extend the trial. He asked what was being done to enable these factors to be considered in a final decision.</p> <p>In response the Cabinet Member said that air quality was absolutely being considered and the judgement dependent on what amount of data was gathered, i.e. if data was collected and available for a 12 month period then the government safe level of 40 microns of nitrogen dioxide applied. However, if only snapshot information was available the limit was 200 microns. Data collected suggested that those limits were not being exceeded apart from the Gloucester Road/Tewkesbury Road junction which was a long standing issue. In terms of queuing traffic he stated that the information being provided by the County Council in its monitoring did not support that view.</p>
<p>35.</p>	<p>Question from Adam Lillywhite to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>CBC officers report states that only on four sites is the traffic increase greater than 20%, yet the GCC report identifies 7 on the month for month data. The pollution data is also under reported; Winchcombe Street/Fairview Road junction, where Nitrogen Dioxide (NO2) levels have risen from 29.66 micrograms per cubic metre in October 2016 and 31.36 in October 2017 (before the Boots Corner closure) to 42.02 in October 2018. Gloucester Road has also seen an increase from an already high 45.65 µg/m³ in October 2017 to 47.23 in October 2018. Meanwhile, the data from the newly installed air quality monitoring point on Princess Elizabeth Way has exceeded the 40 ug/m³ mark for the last two recorded months (41.24 in September and 43.37 in October 2018).</p> <p>Yet the CBC officer reports that NO2 levels remain 'below the trigger levels for the EU', it only mentions Poole Way as still being in exceedance but does not identify that the 40 ug/m³ level is being exceeded in new residential locations, why are the Members not being unambiguously informed of these breaches by this report. This is not 'Broadly neutral' but identifies new breaches which are now in residential areas so individuals suffer constant exposure. How do CBC officers consider it necessary</p>

	<p>and acceptable to not pass this information on to its members and the general public even though this is an extraordinary meeting?</p>
	<p>Response from Cabinet Member</p>
	<p>The air quality results have unfortunately been taken out of context here. 12 months worth of data (January to December) is required in order to evaluate local levels against the national annual mean limit – hence why it is called an ‘annual mean limit’. There is also a statutory ‘hourly limit’ which has not been exceeded.</p> <p>We will share results for 2018 monitoring, including details of any exceedances of the annual mean, once the evaluation has taken place – we are awaiting December’s results and the national ‘bias adjustment’ figure, and the results of a local detailed air quality assessment first. This information has been published on our website on an annual basis for many years and more recently, new monthly raw data which has not been bias-adjusted.</p> <p>In a supplementary question Adam Lillywhite felt that the Boots Corner usage table was misleading with increased figures only reported for the period of the Music and Literature festivals against a base that was not during a festival. The detailed data for traffic flows had not been released and traffic increase graphics excluded St Georges Street which was probably most heavily affected. The Nitrogen Dioxide map was for 2017 and serious detrimental impacts on residential areas were dismissed or not addressed and economic activity from completed developments separate to the closure were inaccurately claimed as being dependant. He questioned how Members could be expected to make a reasonable decision without the necessary information and an apparently misleading report.</p> <p>In response the Cabinet Member said he did not agree with Mr Lillywhite’s analysis and Members had all the relevant information required.</p>
<p>36.</p>	<p>Question from Mary Nelson to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>On the 14th April 2015, Full Council was asked to agree CBC’s Accommodation Strategy as part of the Corporate Strategy.</p> <p>This included an agreement to commence the process of securing a partner to enter into a joint development project with CBC for the rearward re-development of the Municipal Offices as part of the Royal Well Development Plan. In the supporting paperwork for this meeting there was one risk listed in the Risk Matrix which was deemed to be “High” – i.e. coloured red with a high score of 16, and this risk related solely to the CTP as follows:</p> <p><i>“If GCC are unable to close Boots corner (Inner Ring road) to through traffic then it would significantly reduce the development potential of the Municipal building and Royal Well and may render the development as marginal, as it would only allow the Municipal Building to be remodelled without the holistic benefit of Royal Well. (Ref Cheltenham Task Force risk TF.12.)”</i></p> <p>In the current ‘Economic and Environmental Case’ for the CTP there is not one mention of the above high risk and obvious major economic concern for CBC.</p> <p>Why is this high risk, and its stated negative economic impact, not mentioned</p>

	<p>anywhere in the CTP Economic Case, and will the Leader confirm that CBC's desire and justification for Cheltenham's inner ring road closure (as stated in the above risk) has always been, and still remains, an important driver for CBC to ensure that the inner ring road remains closed?</p>
	<p>Response from Cabinet Member</p>
	<p>CBC has concentrated on other priorities in the intervening years, given the phased approach to the delivery of the Cheltenham Transport Plan.</p> <p>CBC has not progressed any joint development agreements, or other options concerning the Municipal Offices. Instead, the property team has been focussing on the performance of the Council's wider property portfolio, in response to declining central government support for local government and the need to generate income to help protect core services, which benefit the people of Cheltenham.</p> <p>In a supplementary question Mary Nelson stated that the Municipal Offices and Royal Well site had been included as a proposed development site in CBC's Local Plan, which was due to start its Examination next month.</p> <p>She asked if this did not happen would the Cabinet Member confirm that this high risk and financial incentive for CBC remained, and that it would still significantly reduce the development potential of the Royal Well proposal and still render the development as marginal?</p> <p>In response the Cabinet Member acknowledged that there would be value for the council if the Royal Well was closed and there was development at the back of the site. However, this was not the reason that this was being undertaken as he had stated in his previous answer.</p>
<p>37.</p>	<p>Question from Mary Nelson to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>The recently commenced air quality monitoring on Princess Elizabeth Way is showing high and increasing NO2 figures, breaching EU limits.</p> <p>Why did CBC/GCC only start monitoring air pollution on Princess Elizabeth Way in August last year, <u>after</u> Boots Corner had been closed, when it had long been recognised by residents during the CTP public consultations, that traffic going from the south to the north of Cheltenham would use PE Way once the inner ring through the town was closed?</p>
	<p>Response from Cabinet Member</p>
	<p>The additional air quality monitoring on Princess Elizabeth Way is not currently evidencing data that breaches EU limits. The monthly results cannot be compared against an annual mean – 12 months data is required for that and the national bias adjustment figure.</p> <p>There have been no exceedances of the EU hourly limit for NO2. The funding for this additional monitoring was not available to the environmental health service in August last year and it was not possible to undertake modelling within the air quality budget at that time.</p> <p>In a supplementary question Mary Nelson asked, based on a response she quoted received from the lead traffic officer at the CTP decision meeting, whether the Cabinet Member agreed that PE Way <u>should</u> have been included in the modelling for</p>

	<p>the CTP at the outset, and that NO₂ monitoring should have been started 18 months ago in June 2017 in order to provide a baseline for both?</p> <p>In response the Cabinet Member said that there was no direct correlation between the traffic at PE Way and that at Boots Corner as per the County Council response. There were other significant factors at PE Way. There were plans to reconfigure that junction with the west Cheltenham housing development and prior to that commencing the developers would be providing all the necessary traffic and pollution data at that time.</p>
38.	Question from Jayne Lillywhite to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>"What is John Lewis's position on the additional traffic emerging from Rodney Rd and travelling along the High street? Can you assure me that given the increased volumes of traffic taking this route since the closure of Boots Corner, if it is to be addressed, then it will be during this trial so that the impact of the additionally displaced traffic on other routes can be assessed and not masked until it is too late when the trial has been completed."</p>
	Response from Cabinet Member
	<p>I cannot answer a question directly relating to a third party. The recent GCC lead cabinet member report cites 'investigation into options for traffic calming on Rodney Road' as an additional element of proposed changes, so one assumes that this will be within the trial period.</p>

8. MEMBER QUESTIONS

1.	Question from Councillor Klara Sudbury to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>In the overview and scrutiny meeting papers (14th January) it states that Gloucestershire county council has decided that they won't support the much needed refurbishment of paving on the Strand or Cambray Place because these are "shared spaces". This is because the government decided in July 2018 that work to create new shared spaces should be paused.</p> <p>Instead the Borough Council now appears to be working with the county council to improve/change areas of the High St impacted by or associated with the Cheltenham transport plan (the area High Street between Rodney Road and Winchcombe Street which has become a lot more congested since the transport plan and the planned Boots Corner shared space).</p> <p>What has CBC done to try to persuade Gloucestershire county council that the High Street between Cambray Place and Bath Road, and Cambray Place are existing and fully pedestrianised areas, that should not be considered to be new shared spaces so that work to improve paving in these areas can take place?</p>
	Response from Cabinet Member
	<p>The issue was raised at an officer meeting on 8th January, 2019, with a request for an update on the Department for Transport moratorium on shared space.</p> <p>It was decided that both parties will now seek a legal opinion, as with no change to the relevant traffic regulation orders, there is growing doubt that the moratorium applies in this instance.</p> <p>In a supplementary question Cllr Klara Sudbury referred to the contribution of £250k per year for 4 years from the County Council to contribute to the High Street</p>

	<p>improvements and asked whether if the legal position as to whether these were shared spaces or pedestrianised area was resolved was there sufficient funding for the works at the Strand and Cambray Place to take place.</p> <p>In response, the Cabinet Member confirmed that the funding had been agreed between CBC and the County Council and the delay was related to whether this area constituted shared space and was therefore included in the government moratorium. He believed this was not shared space as there was no through traffic there as such and in fact it did not constitute a new scheme. He was however awaiting legal confirmation from the County Council.</p>
2.	Question from Councillor Klara Sudbury to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>CBC wishes to create a new shared space at boots corner, where eventually the controlled crossing is removed, and pedestrians share the space with cyclists buses and taxis. Does the government moratorium on shared spaces apply to that area?</p>
	Response from Cabinet Member
	<p>As the road would remain highway, albeit reduced in width, the moratorium on shared space would seemingly not apply.</p> <p>For your information, no decision has been made on the controlled crossing other than it was to be retained during the trial at the request of the Disability Forum.</p> <p>One solution, should the trial be made permanent, would be to prioritise the lights in favour of pedestrians rather than vehicles.</p> <p>In a supplementary question Councillor Sudbury asked that CBC would not seek the removal of a controlled crossing or full height kerbs whilst vehicles were still using this space.</p> <p>In response the Cabinet Member said that there would be a design to make the area more attractive and the carriageway would be narrowed to a single line of traffic. It depended on guidance on disability access and what was deemed to be safe on shared space. His working assumption was that there would still be some form of kerbing to determine what was carriageway and what was pavement.</p>
3.	Question from Councillor Klara Sudbury to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>I have previously requested (at a meeting overview and scrutiny committee and via email) that the straight part of Saint Luke's Road has pollution and traffic monitoring installed. This is because the location of the sensor on College Road does not pick up any displaced traffic from boots corner that travels west to east along Saint Luke's Road/Saint Lukes place and bath parade. Since there is also no traffic monitoring on Montpelier Terrace, it is possible that significant numbers of displaced vehicles travelling west to east are not captured at any point through the traffic monitoring. This issue is very important to Saint Luke's Road and Saint Lukes Place as they are very narrow and the impact of increased congestion and pollution is right by people's homes. If there are no plans for pollution monitoring on the straight part of Saint Luke's Road could I please request again that this is considered as soon as possible during the CTP trial? If there is no traffic monitoring planned for the straight part of Saint Luke's Road, please could the Cabinet member request that GCC to install traffic monitoring at this location during the trial and as soon as possible?</p>

	<p>Response from Cabinet Member</p> <p>Additional traffic monitoring has been undertaken in the St. Lukes area and is currently being reviewed.</p> <p>Air pollution (nitrogen-dioxide) is being monitored in the St Luke's Road area, but it has not been possible to monitor in every precise location requested, due to budgetary constraints. In addition, we believe it is unlikely that the straight part of St Luke's Road would generate significantly different results statistically from the nearest monitoring point, due to its close proximity. We will soon be in a position to share details of any exceedances of statutory air quality limits in 2018 for all monitoring locations, using the required 12 months of data. In the unlikely event that the St Luke's area does fail the annual limit for nitrogen-dioxide, an action plan of measures would be identified and implemented, to bring the area into compliance in the shortest possible time, thereby mitigating impacts on health.</p> <p>In a supplementary question Councillor Sudbury asked how mitigation measures to reduce rat running and improve road safety in St Lukes be designed and implemented without the traffic data needed to understand the problem. She understood that baseline data had been collected in 2013 and spot monitoring was undertaken in November. She asked if the Cabinet Member would support her plea from the County Council to install permanent traffic monitoring on the straight part of St Lukes Road ?</p> <p>In response the Cabinet Member said he had not been party to the discussions she had held with county officers but there was no current evidence that there was a significant problem in the St Lukes area. He would be happy for the County Council to undertake this if he deemed appropriate.</p>
4.	<p>Question from Councillor David Willingham to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p> <p>A number of my constituents are concerned about traffic on the B4633 Gloucester Road, and the sequencing of the traffic signals along this corridor. I note from the report that the A4019 corridor has proposals for improvements. Can I get an assurance that the B4633 Gloucester Road corridor will have investment in its traffic management, and that the sequencing of traffic signals on this corridor and other traffic flow metrics will be looked at as this trial continues?</p>
	<p>Response from Cabinet Member</p> <p>GCC has completed a traffic signals study, looking at the key junctions across the whole of the network and will be making investment over the next three years to improve congestion hotspots, particularly where they are likely to be affected by the predicted housing growth development to the north-west of Cheltenham.</p> <p>In a supplementary question Councillor Willingham asked whether there could be a review of traffic signals in less than 3 years and whether the County could also be specifically asked to look at box junctions as driver behaviour was preventing traffic flow.</p> <p>In response the Cabinet Member stated that the County Council had funds available to address the issues but the relevant county council officers were present at the meeting and would no doubt take the points on board.</p>
5.	<p>Question from Councillor David Willingham to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p> <p>Can I get an assurance that the signal timings at the junction of the B4633</p>

	<p>Gloucester Road with the A4019 Tewkesbury Road will be reviewed to get better traffic flows along Gloucester Road, which currently has excessive queues at peak times? As the disparity between the long flow times for the A4019 Tewkesbury Road and the excessively short flow times for the B4633 Gloucester Road, seem to be causing excessive queuing.</p>
	<p>Response from Cabinet Member</p>
	<p>See answer to Q4. GCC officers have also informed me that the operation of this junction has been adjusted following feedback received during the trial and are continuing to assess what traffic control system upgrades need to be made to improve the flow of traffic in this area of Cheltenham.</p>
6.	<p>Question from Councillor David Willingham to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Can I get an assurance that a review of parking restrictions and active peak-time parking enforcement, will be considered for the lower High Street, as obstructive parking near the junction with Ambrose Street impedes the flow of buses, seems to cause rat-running and seems to exacerbate peak-time congestion in this area?</p>
	<p>Response from Cabinet Member</p>
	<p>Parking restrictions have only recently been reviewed by GCC, so the key will be to achieve effective enforcement. I have asked what resources can be deployed in light of this question and the information has been passed onto the GCC on-street parking team, who will investigate the issue and determine if additional enforcement is required in the area.</p> <p>In a supplementary question Councillor Willingham asked whether the council could liaise with county civil enforcement officers and the police as there were a number of issues with people illegally parking on zebra crossing zigzags often preventing buses moving down the lower high street. There was a high level of assault on county staff performing parking enforcement and therefore action was required to ensure people could do their job in safety.</p> <p>In response the Cabinet Member referred to the fact that county officers were present and would no doubt take the points on board.</p>
7.	<p>Question from Councillor David Willingham to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Can I get an assurance that a review of rat-running affecting residential streets such as New Street, Grove Street, Devonshire Street and Burton Street, will be looked at as part of the review of this trial, as these residential streets are not suitable for the volume of traffic now trying to avoid the High Street / Ambrose Street junction?</p>
	<p>Response from Cabinet Member</p>
	<p>This is again an issue I have raised with GCC and may well be linked to your observation about obstructive parking at the Ambrose Street/ Lower High Street junction, increasing the likelihood of drivers seeking to use alternative routes.</p> <p>GCC advises that the trial is monitoring traffic across a wide area of the Cheltenham road network to determine the impact and whether any mitigation measures need to be considered.</p>
8.	<p>Question from Councillor Max Wilkinson to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Can the Cabinet Member report back on the increase in pedestrian movements</p>

	along the High Street, across Clarence Street, through the area known as Boots Corner since the latest phase of the transport plan was implemented?
	Response from Cabinet Member
	Data on movements (other than vehicles which is collected by GCC) has been collected and independently verified by G John Surveys Ltd. This has shown that for the week commencing 11/06/18, prior to the trial, pedestrian numbers were 14,657; for the week commencing 02/07/18, pedestrian numbers were 27,008 and for the week commencing 08/10/18, pedestrian numbers were 31,695. Growth in excess of 100% between June and October. Growth has also been identified for cyclists, wheelchair users and those sitting down within the space.
9.	Question from Councillor Max Wilkinson to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Can the Cabinet Member report on the increase or decrease in cycling through the area known as Boots Corner since the latest phase of the transport plan was implemented?
	Response from Cabinet Member
	Based upon the survey cited in Q8, cycle movements for the same period have increased from a pre-trial figure of 220, to 674 and 694 in July and October respectively. Again, significant growth, illustrating the impact of the scheme on modal travel shift.
10.	Question from Councillor Max Wilkinson to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Has footfall across the length of the High Street increased or decreased since the latest phase of the transport plan was implemented?
	Response from Cabinet Member
	The footfall cameras operated by the Business Improvement District (BID) have not been fully operational, because of the disruption caused by the significant works on the High Street. The only comparable data is that for the Brewery Quarter, which cites 15% growth since the trial began in June 2018.
11.	Question from Councillor Max Wilkinson to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Has there been evidence of an upturn in sales in town centre shops since the latest phase of the transport plan was implemented?
	Response from Cabinet Member
	Commercial confidentiality prevents us from having access to such data, so everything is anecdotal. However, with evidence of greater footfall and extended dwell times around Boots' Corner, it is hoped that traders of all sorts have benefited from the changed circumstances.
12.	Question from Councillor Jonny Brownsteen to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	St Paul's has welcomed many new businesses to the Brewery Quarter in the past few months. What kind of trading and footfall figures are the Brewery reporting since the trial closure began, and how does that compare to the same period last year?
	Response from Cabinet Member
	The last publicly quoted data from the Brewery was on 15 th October, 2018, prior to the opening of several units. That briefing noted that almost five million people have visited the Spa town's new retail and leisure centre on the former Brewery site off

	the lower High Street during the last year - an increase of 15 per cent.
13.	Question from Councillor Jonny Brownsteen to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	What information do we have about how businesses along the Lower High Street are faring since the trial began?
	Response from Cabinet Member
	It is difficult to gauge the impact on the lower High Street, as there is no unified body representing the commercial interests there, and it is outside of the BID zone. We will seek feedback from the West End Partnership.
14.	Question from Councillor Karl Hobley to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Traffic is often backed up down St George's Street, causing delays and frustration for drivers. The lights allowing access to Swindon Road are either poorly synchronized, or not at all. Whilst this problem predates the Boots Corner trail, it has been exacerbated by it. Will the Borough Council work with Gloucestershire County Council highways to address this problem?
	Response from Cabinet Member
	It is pleasing to report that the recent GCC lead cabinet member briefing, identifies the completion of a separate review of the traffic signals on the A4019 corridor, with funding identified to tackle the challenge. It also notes that this corridor was a 'congestion hotspot' prior to the implementation of the Cheltenham Transport Plan. Hopefully this intervention will assist in addressing the issues at that location.

9. PETITION TO RE-OPEN BOOTS CORNER

The Mayor referred Members to the procedure to be followed as set out in Appendix 2 of the Petition Report. He then invited Councillor Harman as the petition organiser to address Council.

Councillor Harman introduced the petition and explained that the numbers of people and businesses signing the ongoing petition now stood at 5885. This was therefore the single biggest petition this Council had received illustrating the importance of the issue and the fact that the Boots Corner closure was the most controversial scheme Cheltenham had ever faced. He wished to put on record his thanks to those residents who had contacted him. He summarised the feelings of those signing as being too little gain for too much pain. He then quoted from a letter from a Mr Lester Maddrell, Solicitor and for 16 years deputy traffic commissioner and coroner. He had expressed concern on a number of points but mainly the displacement of traffic following the implementation of the closure and in particular the deterioration of a) the situation in Gloucester Road/Tewkesbury Road and b) the High Street between the two pedestrianised sections without the safeguard of traffic lights to Winchcombe Street and beyond.

Councillor Harman questioned whether the town centre's issue with air quality had been moved from the town centre to where residents lived and sleep was progress. He also quoted from an email he had received from the Manager of the Regent Arcade who did not agree that trade had increased and felt that it had dropped since the trial closure. Cllr Harman then referred to one of the public questioners who believed that the base figures for footfall were last years

figures prior to the opening of John Lewis and so the increase could not be attributed to the Boots Corner scheme.

He then expressed concern that the danger was that members of the public signing the petition would not get a clear answer at this meeting. He therefore gave notice that Cllr Mason would move a motion to vote on what the petition was calling on, i.e. to re-open Boots Corner at the earliest opportunity.

Finally, Cllr Harman emphasised that this was a vital issue for Cheltenham. Everyone aspired to having the best town and the best High Street and he questioned whether the closure of Boots Corner was the only way to achieve this.

The Cabinet Member Development and Safety was invited to address Council. He believed that the petition called for allowing 9000 cars back through Boots corner, for dividing the High Street and would undermine the economic growth seen in the town over the last few years. Government policy on new transport schemes was to have cycling, walking and public transport at the fore. What the petition called for was contrary to the County Council's transport plan and CBCs corporate strategy. The Cabinet Member proposed that the full debate took place during consideration of the next agenda item and that at this stage the petition should be simply noted.

Councillor Mason proposed the following amendments:

- a) to vote on reopening Boots Corner at the earliest opportunity
- b) to hold a public debate on reopening Boots Corner

The amendments were seconded by Councillor Babbage.

The following points were raised:

- Some Members felt that the Extraordinary Council meeting had not been called to debate the petition but had been called at the request of the County Council to consider the CTP update and express CBC opinion to GCC prior to the meeting of its TRO Committee in February. The main debate should therefore be held during the subsequent agenda item.
- Other Members felt strongly that this was a significant issue for the people of the town and therefore there should be a full debate and vote on the request in the petition.
- A Member recognised the importance of petitions to democracy however requested that the time limit of 15 mins for the debate of petitions be considered by the Constitution Working Group.

In seconding the amendments Cllr Babbage felt that taking no action on the petition was wrong so a vote on it was essential.

A request for a recorded vote on the amendments was proposed and with more than 7 Members standing this was accepted.

Vote on amendment a) to reopen Boots Corner at the earliest opportunity

FOR (9): Cllrs Babbage, Cooke, Harman, Mason, Payne, Savage, Seacome, Stennett, Sudbury

AGAINST (26) Cllrs Atherstone, Baker, Barnes, Barrell, Boyes, Britter, Brownsteen, Clucas, Coleman, Collins, Dobie, Fisher, Harvey, Hay, Hegenbarth, Holliday, Horwood, Jeffries, Jordan, McKinlay, Parsons, Wheeler, Whyborn, Wilkinson, Williams, Willingham

ABSTENTION: 0

The amendment was lost.

Vote on amendment b) to hold a public debate on reopening Boots Corner

FOR (11): Cllrs Babbage, Baker, Barrell, Cooke, Harman, Mason, Payne, Savage, Seacome, Stennett, Sudbury

AGAINST (23) : Cllrs Atherstone, Boyes, Britter, Brownsteen, Clucas, Coleman, Collins, Dobie, Fisher, Harvey, Hay, Hegenbarth, Holliday, Horwood, Jeffries, Jordan, McKinlay, Parsons, Wheeler, Whyborn, Wilkinson, Williams, Willingham

ABSTENTIONS: (1) Cllr Barnes

The amendment was lost.

A vote was then held on the substantive motion.

RESOLVED THAT

To take no further action on the petition, given the report and recommendations set out in the next item on the Council agenda titled 'Cheltenham Transport Plan' which provides the case for extending the trial closure with mitigations to address issues and concerns raised.

FOR : (25)

AGAINST: (8)

ABSTENTIONS: (1)

10. CHELTENHAM TRANSPORT PLAN -UPDATE REPORT

Scott Tompkins, Lead Commissioner of the Highways Authority gave a presentation to Members, this included an update on the feedback to date on the scheme, an overview of the traffic flow monitoring and an update on the phase 4 monitoring. He further advised Members of the proposed revisions to the trial and the predicted timeline for the next steps. Rupert Cox, Managing Director of Stagecoach West also gave a short presentation on the impacts of the Cheltenham transport plan on the bus services and ran through the significant positive impacts of the scheme. The presentation is appended to the minutes for reference.

The following responses were offered to Members questions:

- Cheltenham is well contained in comparison to other towns and cities with census data suggesting around 70% of journeys taken in Cheltenham are less than 2km. This is in contrast to neighbouring Gloucester which has a lot of out commuting.
- Transport modelling conducted at the outset of the scheme highlighted that the majority of journeys around Boots corner were through journeys and not people accessing the town centre.
- The evidence to date shows that in a number of roads in Cheltenham the traffic levels have fallen since the closure of Boots corner, however, in order to determine whether fewer people were using cars overall they would need to analyse the traffic levels over a longer period of time.
- Following a query regarding the predicted timescale for the traffic signal improvements on the Tewkesbury/Swindon Road junction, Mr Tompkins advised that the funding had been approved in the last month for the signal work and the feasibility study had already been completed. They, therefore, planned to take it to the design phase in the next year and hoped to deliver the scheme by late 2020.
- He confirmed that delivery vehicles could only access the area highlighted in red on the map before 10am and after 6pm which is outside of the core hours.
- The legal requirement for the experimental traffic regulation order is 18 months in length, when that comes to end they have the option to make the elements trialled permanent, abandon them or trial another experimental order.
- Ideally, GCC would have liked to put the mitigation measures in place before Gold Cup but this would not be physically possible given the timescale, he confirmed that the trail would still be in place during Gold Cup week and so they would still capture the impact on the other roads during this time.
- Mr Cox advised that they had purchased a number of new vehicles and due to the Euro 6 level of emissions on those vehicles they were seeing great environmental improvements, particularly in the Benhall area. The increased growth would also enable them to make improvements to the bus network.
- The highways authority were currently looking at the signage and how they direct people in and out of the town. They were also discussing the potential for using VMS signs which would indicate the number of parking spaces available in car parks.
- Whilst they had already tweaked the signalling on St George's Road, they acknowledged that this route was an area which needed further mitigation measures. St George's Road and Tewkesbury Road were the routes of greatest concern to them due to the increased congestion.
- They were aware that there were several days when the enforcement camera wasn't working as it had been vandalised.
- Analysis of the current data highlighted that some roads had seen on average a 25%-30% increase in traffic flow and an even greater increase during peak times. It was acknowledged that the scheme was a trade off between the positive benefits of modal shift, increase in public transport usage and other reduction in the severance on the high street compared with the negative consequences of increased traffic on some routes. It was noted that Cheltenham was bucking the downward trend in terms of the reduction in high street shops at a time when many other towns were

struggling and noted that cities such as Oxford and Bath had also made difficult decisions to take traffic out of the town centre.

- Mr Tompkins confirmed that 376 representations had been received during the formal consultation period and 422 general inquiries, he advised that all formal representations would be published when they went back to the TRO committee. He acknowledged that there had been issues with the website, but suggested anyone who had concerns as to whether their representation had been received should make contact with the highways authority.
- Mr Cox advised that there were a number of pinch points on the bus network where buses were frequently held up and explained that they were continuing to work with GCC to resolve these issues.
- Mr Tompkins confirmed that Ringway Infrastructure Services were taking over from Amey as GCC's highway maintenance contractor. Amey were committed to completing the works raised before the contract was up on the 1st April. GCC were still committed to delivering the mitigation measures and would use outside contractors if necessary.
- Mr Cox confirmed that if the buses on Tewkesbury Road could be speeded up due to the proposed mitigation measures then the link C service could be reinstated.
- Data is currently being collected in support of the West Cheltenham Development and Cyber Park schemes and will be going into the feasibility design stages very quickly. They were also collecting a lot of counter data for the wider Cheltenham area.
- They had already made tweaks to the traffic signals on Gloucester/Tewkesbury road junction, however, they acknowledged that more needed to be done including the introduction of MOVA and other traffic control units, changes to curb alignments and lanes. However, as this would involve major construction work it would need to be designed properly and tested against the transport model and other planned works.
- There isn't enough funding in the current plans to create whole new roads and so they needed to work within the existing infrastructure, as such, modal shift was critical given the anticipated traffic growth. Mr Tompkins advised that they had been looking at bus lanes and bus priority as a potential solution to increased traffic predicted around West Cheltenham.
- Regarding mitigation measures on Rodney Road, Mr Tompkins explained that they wouldn't usually go to the extreme of closing road unless there was a safety issue and they were, therefore, looking at lower impact and lower cost measures first.
- Mr Cox confirmed that they attributed the improvements in journey speeds to the Racecourse during the November meet to the closure of Boots Corner as that had been the only major change in the last few years. He explained that reliability and punctuality are key to bus users and they can only guarantee reliable services if the road network is not blocked by indiscriminate parking or deliveries. He confirmed that all of the core town centre services had directly benefitted from less traffic.
- Following concerns raised about the problems the street furniture caused to the Everyman during the pantomime season, GCC confirmed that they would be happy to engage directly with the Everyman and explained that should the scheme be made permanent the street scene would require design work with input from local businesses and users of the town centre.

The Cabinet Member Development and Safety endorsed the recommendations of the Cheltenham transport plan update report. He felt it important to first clarify that this was a Borough Council promoted scheme where the highways authority were acting as the agent. The report highlighted that the trial had overall had a positive impact and successfully achieved its objectives in terms of modal shift, reduction of traffic in the town centre, improved connectivity and increased footfall. He further acknowledged the positive economic impact on the town centre and felt there had been no significant issues with regards to air quality. He advised that phase 4 of the CTP had cut traffic around Boots Corner by 85% whilst having a limited impact on the highways network. He reported that pedestrian footfall had increased by over 200% and cycling had experienced a similar increase, whilst wheelchair access had also increased by over 70%.

Councillor McKinlay emphasised that the information available in the report predates the opening of John Lewis and therefore felt that claims that the increase in footfall in the town was as a result of that were incorrect. He advised that since 2011 when the funding for the CTP was obtained from Central Government, 531 additional jobs in the town centre had been created, including an additional 200 at John Lewis. He attributed this increased investment to the Council's commitment to deliver the CTP. He further noted the retention of existing retail outlets in Cheltenham including that of Next and House of Fraser.

He felt that the success of the CTP was clear from a range of indicators, including the increased connectivity in the town centre, the reduction in car usage and increase in use of public transport, cycling and walking, the major boost to the economy as well as the increase in the environmental standards in town centre including improvements to the air quality and increased investment in green infrastructure. In contrast, he perceived the issues experienced to be small scale and localised and noted that plans were being put in place to address these. He encouraged Council to adopt the recommendations in the report to give a clear message to GCC that Cheltenham were happy to proceed with the CTP.

Councillor Stennett requested that a vote be taken on each of the recommendations individually.

The Leader noted that when they had opted to pedestrianise the Promenade in 1988 a similar number of objections had been received, however, now it would be unimaginable to have traffic through that route. He emphasised that this was not the final decision today but a key point in the scheme to determine whether they wished to progress with the proposed amendments. He was fully supportive of the amendments which he believed would enhance the scheme and also welcomed the promise to review the Gloucester/Tewkesbury Road corridor. He reiterated that the CTP was in line with County Council policy and national government policy and that extensive modelling had been done over a long period of time. He was pleased to see that they were creating modal shift as evidenced by Mr Cox's presentation.

In the debate that followed, Members noted the following:

- The worrying increase in the number of cars around the town centre with government figures predicting a 51% increase in vehicles on roads between now and 2050. They therefore recognised the need for modal shift, particularly given the increase in housing predicted. Members also acknowledged that getting rid of traffic through the town centre would enable CBC to move forward with the place strategy.
- Members wished to thank all of the highways authority officers, Rupert Cox and the GCC Cabinet Member for all their hard work to date on the scheme.
- They stressed that it was a trial and if it was decided that it wasn't the best thing for the people of Cheltenham then it would not be made permanent. Trialling it allowed them the opportunity to gauge concerns and try to address them in order to give the scheme the best possible chance of success.
- Members acknowledged that there had been negative consequences as the result of the scheme and welcomed the mitigation measures which they agreed would alleviate some members of the public's concerns. Largely by improving deliveries to the street traders on Clarence Street and Clarence Parade, the traffic light rescheduling on the Gloucester/Tewkesbury Road. They reasoned that a lot of residents' concerns i.e. around traffic light synchronisation could be easily rectified. Members also noted that the issues around St George's Street had been there for years and saw this as an opportunity to rectify them.
- The reduction in footfall in the Regent Arcade could be as a result of the closure of BHS, the largest retailer in the arcade.
- A Member wished to remind residents that there is a process for getting their views across and they should make representations to the appropriate body as well as raise concerns with their ward Councillor not through online protests.
- Councillor Sudbury wished to place on record that the reason she had voted for phase 4 of Cheltenham Transport Plan was because it was a trial and she had campaigned hard for it to be a trial not a permanent change.
- Other Members, however, explained that they couldn't support the continuation of the trial without more comprehensive traffic modelling being done. They also noted that as buses and taxis were still allowed to use the route it was far from becoming pedestrianised. Members further cited reasons of increased traffic congestion and pollution, longer journey times, safety concerns and the negative impact on small and large retailers as reasons why they would not support the continuation of the trial. Whilst they acknowledged steps were being taken to address the concerns of some residents they felt that there was still a large number who would be disadvantaged and felt that mitigation measures such as light synchronisation had high costs and a knock-on effect on other roads.
- Other Members agreed that the pollution issue had simply been shifted to other residential streets and traffic had been displaced. Rat runs had also been created, particularly around Rodney Road.
- Following a question from a Member the Legal officer confirmed that the decision to not have a public debate was only taken as part of the previous item on the agenda, it was therefore not completely off the table.

Members also made several recommendations, including:

- The possibility of holding a public meeting following the TRO committee meeting when more data would be available, County Council officers could be available to answer residents questions.
- Exploring what other cities such as Bath had done whereby certain streets were closed off during the core shopping hours but remain open the rest of the time.

A recorded vote having been requested and supported by Members. Each recommendation as outlined in the transport plan update report was put to the vote.

Vote on recommendation a) to note and support the positive economic and environmental impact of the CTP set out in Appendix 2

FOR (26) Cllrs Atherstone, Baker, Barrell, Boyes, Britter, Brownsteen, Clucas, Coleman, Collins, Dobie, Fisher, Harvey, Hay, Hegenbarth, Holliday, Horwood, Jeffries, Jordan, McKinlay, Parsons, Payne, Wheeler, Whyborn, Wilkinson, Williams, Willingham

AGAINST (7) Cllrs Babbage, Cooke, Harman, Mason, Savage, Seacome, Stennett

ABSTENTION (1) Cllr Sudbury

The recommendation was approved.

Vote on recommendation b) to note the Gloucestershire County Council Lead Cabinet Member Briefing findings and recommendations (Appendix c) to extend the CTP trial for a further period with mitigation measures; and

FOR (27) Cllrs Atherstone, Baker, Barrell, Boyes, Britter, Brownsteen, Clucas, Coleman, Collins, Dobie, Fisher, Harvey, Hay, Hegenbarth, Holliday, Horwood, Jeffries, Jordan, McKinlay, Parsons, Payne, Sudbury, Wheeler, Whyborn, Wilkinson, Williams, Willingham

ABSTENTIONS (7) Cllrs Babbage, Cooke, Harman, Mason, Savage, Seacome, Stennett

The recommendation was approved.

Vote on recommendation c) to recommend that Cabinet agrees to the extension of the CTP trial.

FOR (26) Cllrs Atherstone, Baker, Barrell, Boyes, Britter, Brownsteen, Clucas, Coleman, Collins, Dobie, Fisher, Harvey, Hay, Hegenbarth, Holliday, Horwood, Jeffries, Jordan, McKinlay, Parsons, Payne, Wheeler, Whyborn, Wilkinson, Williams, Willingham

AGAINST (8) Cllrs Babbage, Cooke, Harman, Mason, Savage, Seacome, Stennett, Sudbury

The recommendation was approved.

11. NOTICES OF MOTION

Proposed by: Councillor Clucas

Seconded by Councillor Horwood

1. That this Council, is mindful of the concerns expressed at the HCOSC meeting on 13th November in relation to General Surgery proposals put forward by Gloucestershire Hospitals NHS Foundation Trust (GHNFT) Board. A special issue is the letter, signed by some 58 Senior Doctors at the GHNFT, and the effect of changes on the safety of patients from Cheltenham and elsewhere, who, Senior Doctors believe will be put at greater risk as a result of the changes proposed.

2. As the next meeting of the HCOSC Committee following the Special Council meeting is scheduled for 20th February, Council recognises the urgency in forwarding its concerns to that Committee. Council therefore requests the Leader of the Council to write to the Chair of that Committee in relation to the following matters:

3. To request, as was stated at the November 13th meeting, HCOSC to invite those Senior Doctors, 58 in number, who signed the letter to the Hospitals' Trust setting out their concerns in relation to the proposed changes, formally to the meeting on 20th Feb, so that their concerns may be aired and examined;

4. That in addition, the Leader request HCOSC to raise the following Issues and the following requests for scrutiny, formally with the Trust:

5. The 58 Senior Doctors' concerns in relation to patient safety;

6. To raise the statement that the Trust proposals are a 'Pilot' and can be reversed. However, reversibility will be very hard to be effected once the 'Pilot' is set in train. What is proposed is a 'Reconfiguration', which requires public consultation and proper and appropriate scrutiny;

7. To underline that the Trust undertook to examine all Options for change, yet there is clear evidence to show that they have not been properly assessed. This is particularly the case in relation to Option 4. The Trust is requested to state why it has not fully examined Option 4;

8. To raise the issue of serious bed shortages at Gloucestershire Royal Hospital. HCOSC is requested to ask the Trust for those shortages to be quantified and to examine how the shortages are to be met;

9. HCOSC is requested to examine the lack of professional supervision by Senior Doctors which will potentially occur if the proposals are accepted and consequent loss of support for Junior doctors, when Cheltenham's Surgical Registrar is withdrawn and the HCOSC is requested to examine the implications of such withdrawal;

10. HCOSC is requested to look at the impact of changes, including on the safety of patients, throughout Gloucestershire and in Worcestershire

(Gynaecological Cancers), Herefordshire (Urology and Gynaecological Cancers) and Wiltshire (Vascular Surgery), where those patients are treated in Cheltenham GH.

11. Council requests HCOSC to undertake the necessary work as a matter of urgency. The safety of Cheltenham residents - in fact of all Gloucestershire residents and those patients from surrounding counties - who are treated in Cheltenham will, Senior Doctors who wrote to the Hospitals' Trust believe, be at greater risk because of the proposals put forward;

12. Furthermore, HCOSC is requested to write formally to those Consultants and Senior Doctors who signed the letter to the GHNFT to invite them to express their concerns directly and freely to the Committee.

13. Further, that Cheltenham Overview and Scrutiny Committee is also requested to write formally to those 58 Senior Doctors, who signed the letter to the Hospitals' Trust, for them to share their concerns directly with Overview and Scrutiny, in relation to Cheltenham Residents and those from further afield, whose safety may be put at greater risk as a result of the changes proposed.

Following a question from a Member, Councillor Clucas confirmed that the senior doctors who had written to the Trust had concerns about their own employment future should they be asked questions without a formal invitation from HOSC. She explained that if they have been formally invited it offers them a level of protection in so far as their employment is concerned. She felt that of greatest concern from the proposals put forward by Gloucestershire Hospitals NHS Foundation Trust (GHNFT) Board was the potential downgrade of Cheltenham to a day case hospital which posed a real risk to the public's safety given that it houses a major Oncology Centre. She explained that if no senior surgical medic was available at night to deal with emergencies patients would either have to wait for a consultant to arrive or be taken by ambulance to Gloucester Hospital.

Councillor Horwood, seconding the motion reiterated that as the next meeting of the HCOSC Committee following the Special Council meeting was scheduled for 20th February, there is a real urgency in the Council forwarding its concerns. He noted that it would mean that all gastrointestinal and colorectal surgery would be moved to Gloucester and so only day cases and planned short stay cases would be accepted in Cheltenham. He explained that whilst it was being presented as a pilot, it was on a large enough scale that it was dubious as to whether it is reversible and so looks to be a downgrade of Cheltenham hospital.

Councillor Babbage wished to place on record that he was happy to support the motion, however, he had concerns regarding emergency care.

Members noted that the potential changes could affect the whole future of how health care was provided in Cheltenham and could have a knock-on effect on the whole County given that Gloucester is already overstretched.

Councillor Clucas emphasised the importance of the motion receiving cross-party support.

Upon a vote the motion was CARRIED unanimously.

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

Bernard Fisher
Chairman

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Cheltenham Borough Council Council – 18 February 2019 Adoption of Gambling Policy Statement

Accountable member	Councillor Andrew McKinlay, Cabinet Member for Development & Safety
Accountable officer	Mike Redman, Director of Environment
Ward(s) affected	All
Key/Significant Decision	No
Executive summary	<p>The Gambling Act 2005 requires that the Council produces, consults on and publishes a statement of the principles that it proposes to apply when exercising its functions under the Act.</p> <p>The Act also requires that the ‘Statement of Principles’ should be kept under review and must be re-published at least every three years.</p> <p>Cheltenham Borough Council published its existing Statement of Principles in February 2016.</p> <p>Consultation has been undertaken on a revised policy statement. This report sets out the outcome of the consultation and seeks Council approval for the adoption of the policy.</p>
Recommendations	<p>Council is recommended to:</p> <ol style="list-style-type: none"> 1. Note the proposed changes to the Statement of Principles and associated consultation responses; and 2. Approve the adoption of the policy statement.
Financial implications	<p>There are no significant financial implications relating to this report.</p> <p>Contact officer: Andrew Knott , Andrew.knott@cheltenham.gov.uk, 01242 264121</p>

<p>Legal implications</p>	<p>Cheltenham Borough Council is required under section 349 of the Gambling Act 2005 to review and republish its Statement of Principles every three years.</p> <p>The council must also ensure that it complies with the Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006 (S.I 636 of 2006).</p> <p>The adoption of the revised Statement of Principles is a shared function under the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) and therefore Cabinet must be asked to consider the draft Statement of Principles and to recommend to Council that it be adopted.</p> <p>Contact officer: vikki.fennell@teWKesbury.gov.uk, 01684 272015</p>
<p>HR implications (including learning and organisational development)</p>	<p>There are no direct HR implications relating to this report.</p> <p>Contact officer: Clare Jones, clare.jones@publicagroup.uk</p>
<p>Key risks</p>	<p>As identified in Appendix 1</p>
<p>Corporate and community plan Implications</p>	
<p>Environmental and climate change implications</p>	<p>None</p>

1. Background

- 1.1 Cheltenham Borough Council is required under section 349 of the Gambling Act 2005 to review and republish its Statement of Principles every three years.
- 1.2 The Council must also ensure that it complies with the Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006 (S.I 636 of 2006). These regulations govern the form statements must take, the procedure to be followed in relation to the preparation, review or revision of statements and the publication of statements.
- 1.3 Consultation has been undertaken on a revised policy statement between September and November 2018. This report sets out the draft policy statement revisions and consultation feedback and seeks approval from Council to adopt the revised policy statement.

2. Gambling Act 2005

- 2.1 The Gambling Act 2005 is the primary legislation regulating all forms of gambling activity in the UK. Under the Act, gambling is defined as:
 - 2.1.1 gaming (within the meaning of section 6);
 - 2.1.2 betting (within the meaning of section 9); and
 - 2.1.3 participating in a lottery (within the meaning of section 14).
- 2.2 The Act sets out a number of licensing objectives that the Council is bound by when discharging any of its functions under the Act:
 - 2.2.1 preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
 - 2.2.2 ensuring that gambling is conducted in a fair and open way; and
 - 2.2.3 protecting children and other vulnerable persons from being harmed or exploited by gambling.

3. Policy statement revisions

- 3.1 The policy statement has generally been updated with changes to legislation, national policy and best practice guidance. Draft changes of note:
 - 3.1.1 A new section on **Local Area Profiles** has been added. This allows the Council to draw up a profile of the borough, with particular emphasis on the effect of gambling establishments on local communities and then to use this data to inform decision making in relation to the Council's functions under the Gambling Act. The policy statement sets out a commitment to engage with the County Council's Public Health Team to develop such a local area profile.
 - 3.1.2 A new section on **Local Risk Assessments** has been added. This provision reflects the Gambling Commission's Social Responsibility (SR) code 10.1.1, which requires gambling operators to undertake local risk assessments for their licensed premises. These risk assessments must implement policies, procedures and control measures to mitigate gambling related risks. These must be presented to the Council when it makes decisions in relation to new gambling establishments and changes to existing ones.
 - 3.1.3 The section on **Exchange of Information** has been updated to reflect the recent changes to data protection and privacy laws.
 - 3.1.4 The Government recently announced the outcome of its review of **fixed odds betting terminals**

(FOBTs) stakes. A reduction of the maximum stakes that these types of gaming machines can charge, from £100 to £2, will be implemented in April 2019. Whilst the regulation of gaming machine stakes is a matter for central Government, the policy will need to be revised at the appropriate time to reflect the changes to be introduced.

- 3.1.5 The draft revised policy is attached at Appendix 2. The tracked changes on the draft revised policy are for Members' reference and information and will be dispensed with once the policy has been adopted.

4. Consultation and feedback

- 4.1 When reviewing its policy statement, the Council is required to consult with:

4.1.1 the chief officer of police for the authority's area,

4.1.2 one or more persons who appear to the authority to represent the interests of persons carrying on gambling businesses in the authority's area; and

4.1.3 one or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of the authority's functions under this Act.

- 4.2 The Council must also advertise the publication of the reviewed policy statement by publishing a notice on its website and in one or more of the following places:

4.2.1 a local newspaper circulating in the area covered by the statement;

4.2.2 a local newsletter, circular, or similar document circulating in the area covered by the statement;

4.2.3 a public notice board in or near the principal office of the authority;

4.2.4 a public notice board on the premises of public libraries in the area covered by the statement.

- 4.3 Accordingly, consultation was undertaken between September and November 2018.

4.4 The consultation procedure is set out in regulations under the Gambling Act and was complied with during the consultation. A list of consultees is set out in the policy statement's appendix A for reference.

4.5 In total, 5 consultation responses were received during the consultation period. These, and officers' responses, are attached at Appendix 3.

4.6 On 18 December 2018, Cabinet approved the draft policy and recommended it for adoption by Council.

5. Adoption

5.1 The Gambling Policy Statement is designated as being part of the Council's Policy Framework and as such, the constitution under Part 3B, delegates the authority to adopt the revised policy statement to Full Council.

6. Reasons for recommendations

6.1 In order to ensure the Council complies with its statutory duties to review and adopted a revised policy statement by 2019.

7. Alternative options considered

7.1 Council can resolve not to approve the draft changes to the policy statement. This will however render the policy statement out of date and ineffective as a regulatory tool.

8. Performance management – monitoring and review

8.1 The performance of the policy statement will be monitored on the basis of its ability to properly regulate gambling activity in the borough, in accordance with the policy statement’s requirements.

Report author	Contact officer: Louis Krog, louis.krog@cheltenham.gov.uk, 01242 262626
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Draft Policy Statement 3. Consultation feedback and officer response
Background information	<ol style="list-style-type: none"> 1. Service records 2. Cabinet report and minutes, 18 December 2018

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
	<p>Failure to publish a revised Statement of Principles within the required timescale would leave Cheltenham Borough Council in breach of its statutory obligations.</p> <p>This could lead to legal challenges, costs to the Council and adversely affect the Council's reputation.</p>	Licensing Team Leader	Jan 19	2	4	8	Reduce	Approve statement for adoption.	Jan 19	Licensing Team Leader	
	<p>If Council does not approve the adoption of the revised policy statement, the Council may be less effective in dealing and responding to any local gambling related harm issues.</p>	Licensing Team Leader	Jan 19	3	4	12	Reduce	Approve statement for adoption.	Jan 19	Licensing Team Leader	
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

STATEMENT OF PRINCIPLES
GAMBLING ACT 2005



All enquiries should be directed to:

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Promenade
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GL50 9SA
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This Policy was approved on xxx.

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PART A

1. The Licensing Objectives

1.1 In exercising most of their functions under the Act 2005 (“the Act”), licensing authorities must have regard to the licensing objectives as set out in Section 1 of the Act. The licensing objectives are:

- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
- Ensuring that gambling is conducted in a fair and open way.
- Protecting children and other vulnerable persons from being harmed or exploited by gambling.

1.2 It should be noted that the Gambling Commission (“Commission”) has stated: “The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling”.

1.3 Cheltenham Borough Council (“the Council”) is aware that, as per Section 153, in making decisions about premises licences and temporary use notices it should aim to permit the use of premises for gambling in so far as it thinks it is:

- in accordance with any relevant code of practice issued by the Commission;
- in accordance with any relevant guidance issued by the Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with the Authority’s Statement of Licensing Policy.

2. Introduction

2.1 The Council is required by the Act to publish a Statement of Principles (“Statement”) which they propose to apply when exercising their functions. This Statement must be published at least every three years. The Statement must also be reviewed from “time to time” and any amended parts re-consulted upon. The Statement must be then republished.

2.2 The Council will consult widely upon this Statement before finalising and publishing. A list of those persons who will be consulted is provided at Appendix A. The Act requires that the following parties are consulted by licensing authorities:

- The Chief Officer of Police;
- One or more persons who appear to the Council to represent the interests of persons carrying on gambling businesses in the Council’s area;
- One or more persons who appear to the Council to represent the interests of persons who are likely to be affected by the exercise of the Council’s functions under the Act.

2.3 The Council recognises that the best means of promoting the licensing objectives is through the co-operation and partnership of all the responsible authorities, local businesses and residents.

2.4 The Statement was considered for approval at a meeting of the Full Council on xxx and will be published via our website www.cheltenham.gov.uk/licensing on or by xxx. Copies will be placed in the public libraries of the area, as well as being available in the Council’s offices.

Should you have any comments regarding this Statement please send them via email or in writing to the Licensing Section:

Address: Licensing Section, Municipal Offices, Promenade, Cheltenham, GL50 9SA

Email: licensing@cheltenham.gov.uk

2.5 It should be noted that this Statement will not override the right of any person to make an application, make representations about an application, or apply for a review of a licence, as each will be considered on its own merits and according to the statutory requirements of the Act.

3. Area Profile

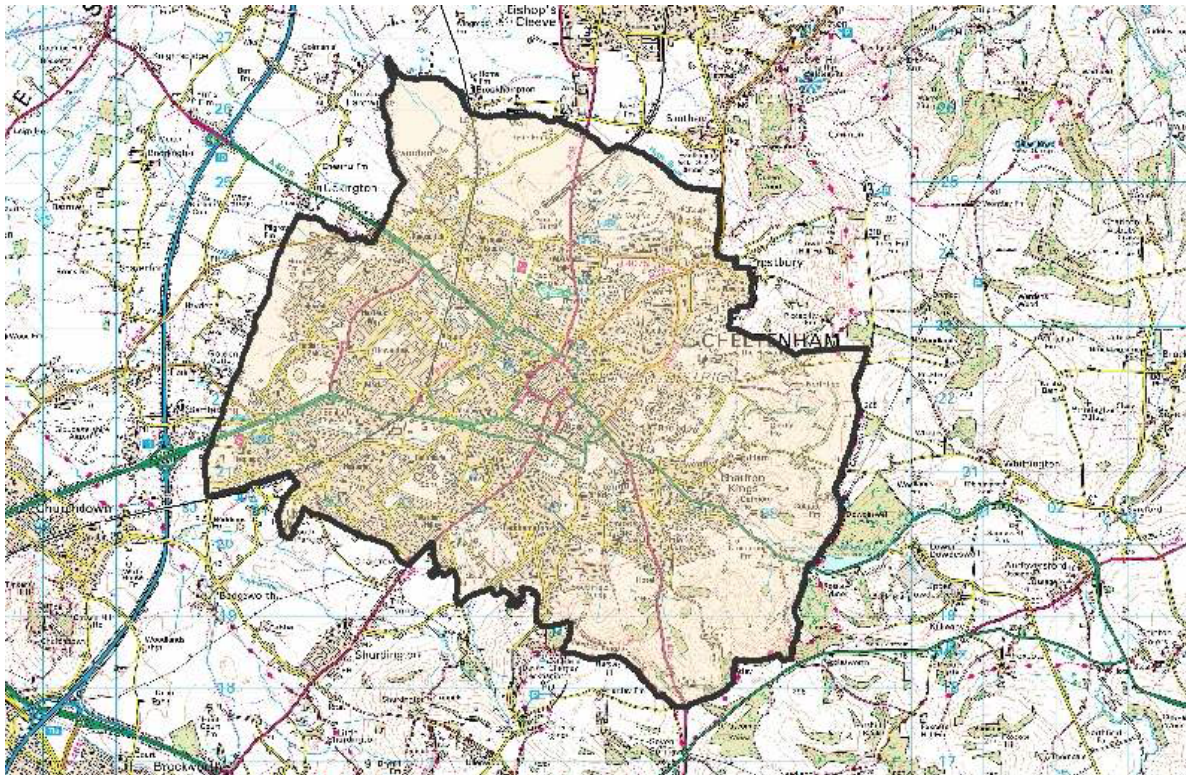
The Area

Until the late 1700s, Cheltenham was a small market town that became a fashionable resort after spa waters were discovered. Over the years it has attracted major employers and has gained a reputation for being an international festival town. This, together with its architectural heritage, educational facilities and quality environment, makes Cheltenham an attractive place to live, work and play.

The borough, which includes 5 parishes, has a population of approximately 116,500 who live in 20 wards. The borough is mainly urban with some areas of surrounding countryside. It covers an area of approximately 4,680 hectares of which 17% is designated as green belt and 22% as an area of outstanding natural beauty.

Demography

The population of approximately 116,500 will continue to rise over the next 20 years.



At the time of writing in 2018, the borough had 18 licensed betting premises, 1 track licence and 1 licensed Adult Gaming Centre.

4. Local Area Profile

- 4.1 The Council has not undertaken a local area profile at this stage. The Council does however recognise that gambling related health harm is often unknown and complex. The Council also notes that nationally 0.7% of the UK's population are recognised as problem gamblers. This policy statement recognises that further work is necessary to understand the local picture of gambling-related harm in the borough.
- 4.2 Accordingly, it is the intention of the Council to engage with the County Council public health team in developing a local area profile, to assist applicants and licensees with their local area risk assessments.

5. Local Risk Assessments

- 5.1 The Commission's Licence Conditions and Code of Practice (LCCP) which were revised and published in February 2015 formalised the need for operators to consider local risks.
- 5.2 Social Responsibility (SR) code 10.1.1 requires licensees to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and to have policies, procedures and control measures to mitigate those risks. In undertaking their risk assessments, they must take into account relevant matters identified in this policy statement.
- 5.3 Licensees are required to undertake a local risk assessment when applying for a new premises licence. Their risk assessment must also be updated:
- when applying for a variation of a premises licence;
 - to take account of significant changes in local circumstances, including those identified in this policy statement; and
 - where there are significant changes at a licensee's premises that may affect their mitigation of local risks.
- 5.4 The SR provision is supplemented by an ordinary code provision that requires licensees to share their risk assessment with the licensing authority when applying for a premises licence or applying for a variation to existing licensed premises, or otherwise at the request of the Licensing Authority. Both provisions took effect from 6 April 2016.
- 5.5 Where concerns do exist, perhaps prompted by new or existing risks, the licensing authority will request that the licensee share a copy of its own risk assessment which will set out the measures the licensee has in place to address specific concerns. This practice should reduce the occasions on which a premises review and the imposition of licence conditions are required.

Commented [MR1]: Assuming this is 2016, it must be 'took effect'

6. Declaration

- 6.1 In producing this Statement, the Council declares that it has had regard to the licensing objectives of the Act, the guidance issued by the Commission, and any responses from those consulted on the Statement.

7. Responsible Authorities

7.1 Responsible Authorities are public bodies that must be notified of applications and who are entitled to make representations to the Council, if they are relevant to the licensing objectives.

7.2 The Council is required by regulations to state the principles it will apply in exercising its powers under Section 157(h) of the Act to designate, in writing, a body which is competent to advise it about the protection of children from harm. The principles are:

- the need for the body to be responsible for an area covering the whole of the Council's area; and
- the need for the body to be answerable to democratically elected persons, rather than any particular vested interest group.

7.3 In accordance with the suggestion in the Commission's guidance for local authorities the designated body is the Gloucestershire Safeguarding Children Board for this purpose.

The contact details of all Responsible Authorities are attached as Appendix B.

8. Interested Parties

8.1 Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Act as follows:

8.2 "For the purposes of this Part a person is an interested party in relation to an application for or in respect of a premises licence if, in the opinion of the Council which issues the licence or to which the application is made, the person -

- (a) lives sufficiently close to the premises to be likely to be affected by the authorised activities;
- (b) has business interests that might be affected by the authorised activities; or
- (c) represents persons who satisfy paragraph (a) or (b)."

8.3 The Council is required by regulations to state the principles it will apply in exercising its powers under the Act to determine whether a person is an interested party. The principles are:

8.4 Each case will be decided upon its merits. The Council will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Commission's guidance for local authorities.

8.5 It will also consider the Commission's guidance that "has business interests" should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices.

8.6 Interested parties can be persons who are democratically elected, such as Councillors and MPs. No specific evidence of being asked to represent an interested person will be required, as long as the Councillor/MP represents the ward likely to be affected.

8.7 Likewise, parish Councils likely to be affected will be considered to be interested parties.

8.8 Other than these however, the Council will generally require written evidence that a person/body (e.g. an advocate/relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.

8.9 If individuals wish to approach Councillors to ask them to represent their views, care should be taken that the Councillors are not part of the Licensing Committee dealing with the licence application. For more information, please refer to the adopted Licensing Committee's adopted "Probity in licensing".

9. Exchange of Information

9.1 The Council will act in accordance with the provisions of the Act in its exchange of information, which includes the provision that the General Data Protection Regulations and The Data Protection Act 2018 will not be contravened. The Council will also have regard to any relevant guidance, regulations and the Act.

9.2 Should any protocols be established regarding information exchange with other bodies they will be made available upon request.

9.3 In fulfilling its functions and obligations under the Act, the Council will exchange relevant information with other regulatory bodies and will establish protocols in this respect. In exchanging such information, the Council will conform to the requirements of data protection and freedom of information legislation, in accordance with the Council's relevant policies.

9.4 Any matters of non-compliance with the Act will, where appropriate, be reported to the Commission.

9.5 The Council will share information with other responsible authorities and the Commission where there is evidence of non-compliance with other legislation and regulatory regimes, relevant to the operation of the applicant's business.

10. Enforcement

10.1 Licensing authorities are also required to state the principles to be applied by the authority in exercising the functions under Part 15 of the Act with respect to the inspection of premises; and the powers under section 346 of the Act to institute criminal proceedings in respect of the offences specified

10.2 This Council's principles are that:

It will be guided by the Commission's guidance for local authorities and will endeavour to be:

Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;

Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;

Consistent: rules and standards must be joined up and implemented fairly;

Transparent: regulators should be open and keep regulations simple and user friendly; and

Targeted: regulation should be focused on the problem, and minimise side effects.

10.3 As per the Commission's guidance for local authorities, the Council will endeavour to avoid duplication with other regulatory regimes, so far as is reasonably practicable.

The Council has adopted and implemented an inspection programme based on:

- The Licensing Objectives;
- Relevant Codes of Practice;
- Guidance issued by the Commission, in particular at Part 36; and
- The matters set out in this Statement of Principles.

10.4 The main enforcement and compliance role for the Council in terms of the Act, will be to ensure compliance with the premises licences and other permissions which it authorises. The Commission will be the enforcement body for operating and personal licences. It is also worth noting that concerns about the manufacture, supply or repair of gaming machines will not be dealt with by the Council, but should be notified to the Commission.

10.5 Bearing in mind the principle of transparency, the Council's enforcement/compliance protocols/written agreements are available upon request to the Licensing or Customer Services Sections.

11. Council Functions

11.1 The Council has a duty under the Act to licence premises where gambling is to take place and to licence certain other activities.

11.2 'Gambling' is defined in the Act as either gaming, betting or taking part in a lottery. In particular, the Council will be responsible for:

- The licensing of premises where Activities are to take place by issuing *Premises Licences*.
- Issue *Provisional Statements*.
- Regulate *Members' Clubs and Miners' Welfare Institutes* who wish to undertake certain gaming activities via issuing Club Gaming Permits and/or Club Machine Permits.
- Issue *Club Machine Permits to Commercial Clubs*.
- Grant permits for the use of certain lower stake gaming machines at *unlicensed Family Entertainment Centres*.
- Receive notifications from alcohol licensed premises (under the Licensing Act 2003) for the use of two or fewer gaming machines.
- Issue *Licensed Premises Gaming Machine Permits* for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines.
- Register *small society lotteries* below prescribed thresholds.

- Issue *Prize Gaming Permits*.
- Receive and endorse *Temporary Use Notices*.
- Receive *Occasional Use Notices*.
- Provide information to the Commission regarding details of licences issued (see section above on 'Information Exchange').
- Maintain registers of the permits and licences that are issued under these functions.

11.3 It should be noted that local licensing authorities will not be involved in licensing remote gambling at all. This will fall to the Commission via operating licences.

A table outlining how the Council will delegate its functions under this Act is attached at Appendix C.

PART B

PREMISES LICENCES : CONSIDERATION OF APPLICATIONS

1. General Principles

- 1.1 Premises licences will be subject to the requirements set out in the Act and regulations, as well as specific mandatory and default conditions which will be detailed in regulations issued by the Secretary of State. Licensing authorities are able to exclude default conditions and also attach others, where it is believed to be appropriate.
- 1.2 The Council is aware that in making decisions about premises licences it should aim to permit the use of premises for gambling in so far as it thinks it is:
- in accordance with any relevant code of practice issued by the Commission;
 - in accordance with any relevant guidance issued by the Commission;
 - reasonably consistent with the licensing objectives, and
 - in accordance with the Authority's Statement of Licensing Policy
- 1.3 It is appreciated that as per the Commission's guidance "moral objections to gambling are not a valid reason to reject applications for premises licences" (except as regards any 'no casino resolution' - see section on Casinos below) and also that unmet demand is not a criterion.

Meaning of "premises" – In the Act, "premises" is defined as including "any place".

- 1.4 Section 152 therefore prevents more than one premises licence applying to any place. However, a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall, to obtain discrete premises licences where appropriate safeguards are in place.
- 1.5 The Council will however pay particular attention if there are issues about sub-divisions of a single building or plot and will ensure that mandatory conditions relating to access between premises are observed.
- 1.6 The Council takes particular note of the Commission's guidance which states that:

"Licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular, they should be aware of the following:

- The third licensing objective seeks to protect children from being harmed by gambling. In practice, that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore, premises should be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling, where they are prohibited from participating.
- Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable, so that the separation of different premises is not compromised and people do not "drift" into a gambling area. In

this context, it should normally be possible to access the premises without going through another licensed premises, or premises with a permit.

- Customers should be able to participate in the activity named on the premises licence.

The relevant access provisions for each premises type are reproduced below:

Casinos

- The principal access entrance to the premises must be from a 'street' (defined as including any bridge, road, lane, footway, subway, square, court, alley or passage whether a thoroughfare or not);
- No entrance to a casino must be from premises that are used wholly or mainly by children and/or young persons; and
- No customer must be able to enter a casino directly from any other premises which holds a gambling premises licence.

Adult Gaming Centre

- No customer must be able to access the premises directly from any other licensed gambling premises.

Betting Shops

- Access must be from a street, or from another premises with a betting premises licence.
- There must be no direct access from a betting shop to another premises used for the retail sale of merchandise or services. In effect, there cannot be an entrance to a betting shop from a shop of any kind and you could not have a betting shop at the back of a café – the whole area would have to be licensed.

Tracks

- No customer should be able to access the premises directly from:
 - a casino
 - an adult gaming centre

Bingo Premises

- No customer must be able to access the premises directly from:
 - a casino
 - an adult gaming centre
 - a betting premises, other than a track

Family Entertainment Centre

- No customer must be able to access the premises directly from:
 - a casino
 - an adult gaming centre
 - a betting premises, other than a track

- 1.7 Part 7 of the Commission's guidance contains further guidance on this issue, which this authority will also take into account in its decision making.
- 1.8 **Premises "ready for gambling"** - The guidance states that a licence to use premises for gambling should only be issued in relation to premises that the Council can be satisfied are going to be ready to be used for gambling in the reasonably near future, consistent with the scale of building or alterations required, before the premises are brought into use.
- 1.9 If the construction of premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, an application for a provisional statement should be made instead.
- 1.10 In deciding whether a premises licence can be granted where there is outstanding construction or alteration works at premises, the Council will determine applications on their merits, applying a two stage consideration process:
- First, whether the premises ought to be permitted to be used for gambling.
 - Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.
- 1.11 Applicants should note that the Council is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.
- 1.12 **Location** – Demand-related objections and issues cannot be considered with regard to the location of premises, but the considerations in terms of the licensing objectives can.
- 1.13 As per the Commission's guidance, the Council will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this Statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant to show how potential concerns can be overcome.
- 1.14 **Planning** – The Council has a duty to only take into consideration relevant matters, i.e. those related to gambling and the licensing objectives. An example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulation approval for their proposal.
- 1.15 It notes in particular from the Commission's guidance:

When dealing with a premises licence application for finished buildings, the Council should not take into account whether those buildings have or will comply with the necessary planning or building consents. Those matters should be dealt with under relevant planning control and building regulation powers, and do not form part of the consideration for the premises licence. Section 210 of the 2005 Act prevents licensing authorities taking into account the likelihood of the proposal by the applicant obtaining planning or building consent when considering a premises licence application. Equally, the grant of a gambling premises licence does not prejudice or prevent any action that may be appropriate under the law relating to planning or building control.

Duplication with other regulatory regimes, policies and strategies –

- 1.16 By consulting widely prior to this Statement being published, the Council will take due account of local policies covering crime prevention, culture, transport, planning and tourism, as part of an integrated approach by the Council, Police and other agencies. Many of these strategies may not be directly related to the promotion of the three licensing objectives, but may indirectly impact upon them.
- 1.17 When considering any application, the Council will avoid duplication with other regulatory regimes as far as reasonably practicable. Therefore, the Council will not attach conditions to a licence, unless they are considered necessary, reasonable and proportionate to the use of premises for gambling, consistent with the licensing objectives.
- 1.18 **Licensing Objectives** - Premises licences granted must be reasonably consistent with the licensing objectives. With regard to these objectives, the Council has considered the Commission's guidance and some comments are made below:
- 1.19 **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime** - The Council is aware that the Commission will be taking a leading role in preventing gambling from being a source of crime. The Commission's guidance does however envisage that licensing authorities should pay attention to the proposed location of gambling premises in terms of this licensing objective. Thus, where an area has known high levels of organised crime, the Council will consider carefully whether gambling premises are suitable to be located there and whether conditions may be suitable such as the provision of door supervisors. The Council is aware of the difference between disorder and nuisance and will consider factors such as whether police assistance was required and how threatening the behaviour was to those who could see it, so as to make that distinction.
- 1.20 **Ensuring that gambling is conducted in a fair and open way** - The Council has noted that the Commission has stated that it would generally not expect licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way, as this will be addressed via operating and personal licences. There is however, more of a role with regards to tracks which is explained in more detail in the 'tracks' section below - page 15.
- 1.21 **Protecting children and other vulnerable persons from being harmed or exploited by gambling** - The Council has noted the Commission's guidance that states this objective means preventing children from taking part in gambling (as well as the restriction of advertising so that gambling products are not aimed at, or particularly attractive to children). The Council will therefore consider, as suggested in the guidance, whether specific measures are required at particular premises, with regard to this licensing objective. Appropriate measures may include supervision of entrance/machines, segregation of areas etc.
- 1.22 The Council will also make itself aware of the Codes of Practice which the Commission issues as regards this licensing objective.
- 1.23 As regards the term "vulnerable persons", it is noted that the Commission is not seeking to offer a definition, but states that "it will for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced decisions about gambling due to a mental impairment, alcohol or drugs".

- 1.24 The Council will consider this licensing objective on a case by case basis. A list of organisations set up to give help and advice about problem gambling is attached at Appendix D.
- 1.25 **Conditions** - Any conditions attached to licences will be proportionate and will be:
- relevant to the need to make the proposed building suitable as a gambling facility;
 - directly related to the premises and the type of licence applied for;
 - fairly and reasonably related to the scale and type of premises; and
 - reasonable in all other respects.
- 1.26 Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures the Council will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. The Council will also expect the licence applicant to offer his/her own suggestions as to the way in which the licensing objectives can be met effectively.
- 1.27 The Council will consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Commission's guidance.
- 1.28 The Council will also ensure that where category C or above machines are on offer in premises to which children are admitted:
- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective in preventing access other than through a designated entrance;
 - only adults are admitted to the area where these machines are located;
 - access to the area where the machines are located is supervised;
 - the area where these machines are located is arranged so that it can be observed by the staff of the licence holder; and
 - at the entrance to and inside any such areas, there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.
- 1.29 These considerations will apply to premises including buildings where multiple premises licences are applicable.
- 1.30 The Council is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Commission's guidance, the Council will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 1.31 It is noted that there are conditions which the Council cannot attach to premises licences which are:

- any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- conditions relating to gaming machine categories, numbers, or method of operation;
- conditions which provide that membership of a club or body be required (the Act specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
- conditions in relation to stakes, fees, winning or prizes.

1.32 **Door Supervisors** - The Commission advises in its guidance that if a Council is concerned that a premises may attract disorder, or be subject to attempts at unauthorised access (for example by children and young persons), it may require that the entrances to the premises are controlled by a door supervisor and is entitled to impose a premises licence condition to this effect.

1.33 Where it is decided that supervision of entrances/machines is appropriate for particular cases, a consideration of whether these need to be SIA licensed or not will be necessary. It will not be automatically assumed that they need to be licensed, as the statutory requirements for different types of premises vary.

Sharing local Risk Assessments

1.34 The new code provision of 10.1.2 under the revised Licence Condition Codes of Practice from the Commission came into force in April 2016. Under this provision it states:

1.35 *Licensees should share their risk assessment with licensing authorities when applying for a premises licence or applying for a variation to existing licenced premises, or otherwise on request.*

1.36 In accordance with the new LCCP requirement, the Council will expect licensees to submit their local risk assessment when making an application in accordance with the code of practice's requirements.

2. Adult Gaming Centres

2.1 The Council will specifically have regard to the need to protect children and vulnerable persons from harm, or being exploited by gambling and will expect the applicant to satisfy the Council that there will be sufficient measures to, for example, ensure that under 18 year olds do not have access to the premises.

2.2 The Council may consider measures to meet the licensing objectives such as:

- Proof of age schemes
- CCTV
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- Self-exclusion schemes

- Provision of information leaflets/helpline numbers for organisations such as GamCare.

2.3 This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

3. (Licensed) Family Entertainment Centres

3.1 The Council will specifically have regard to the need to protect children and vulnerable persons from harm, or being exploited by gambling and will expect the applicant to satisfy the Council, for example, that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machine areas.

The Council may consider measures to meet the licensing objectives such as:

- CCTV
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare
- Measures/training for staff on how to deal with suspected truant school children on the premises

3.2 This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

3.3 The Council will, as per the Commission's guidance, refer to the Commission's website to see any conditions that apply to operating licences covering the way in which the area containing the category C machines should be delineated.

4. Casinos

4.1 *No Casinos resolution* - The Council has not passed a 'no casino' resolution under Section 166 of the Act 2005, but is aware that it has the power to do so. Should the Council decide in the future to pass such a resolution, it will update this Statement with details of that resolution. Any such decision will be made by Full Council.

5. Bingo Premises

5.1 The Council notes that the Commission's guidance states:

5.2 "Licensing authorities will need to satisfy themselves that bingo can be played in any bingo premises for which they issue a premises licence. This will be a relevant consideration where the operator of an existing bingo premises applies to vary their licence to exclude an area of the existing premises from its ambit and then applies for a new premises licence, or multiple licences, for that or those excluded areas. "

5.3 A holder of a Bingo Premises Licence may make available for use, a number of Category B machines not exceeding 20% of the total number of gaming machines which are available for use.

5.4 Children and young people are allowed into bingo premises; however they are not permitted to participate in the bingo and if category B or C machines are made available for use, these must be separated from areas where children and young people are allowed.

6. Betting Premises

6.1 *Betting machines* - The Council will, in accordance with the Commission's guidance take into account the size of the premises, the number of counter positions available for person-to-person transactions, and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people when considering the number/nature/circumstances of betting machines an operator wants to offer.

7. Tracks

7.1 The Council is aware that tracks may be subject to one, or more than one premises licence, provided each licence relates to a specified area of the track. As per the Commission's guidance, the Council will especially consider the impact upon the third licensing objective (i.e. the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

7.2 The Council will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.

7.3 The Council may consider measures to meet the licensing objectives such as:

- Proof of age schemes
- CCTV
- Supervision of entrances/machine areas
- Physical separation of areas
- Location of entry
- Notices/signage
- Specific opening hours
- Self-exclusion schemes
- Provision of information leaflets/helpline numbers for organisations such as GamCare

7.4 This list is not mandatory, nor exhaustive, and is merely indicative of example measures.

7.5 *Gaming machines* – Where the applicant holds a pool betting operating licence and is going to use the entitlement to four gaming machines, machines (other than category D machines) should be located in areas from which children are excluded.

7.6 *Betting machines* – The Council will take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator proposes to offer.

Applications and plans

- 7.7 The Act requires applicants to submit plans of the premises with their application, in order to ensure that the Council has the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan will also be used for the Council to plan future premises inspection activity.
- 7.8 Plans for tracks do not need to be to a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations.
- 7.9 Some tracks may be situated on agricultural land where the perimeter is not defined by virtue of an outer wall or fence, such as point-to-point racetracks. In such instances, where an entry fee is levied, track premises licence holders may erect temporary structures to restrict access to premises.
- 7.10 In the rare cases where the outer perimeter cannot be defined, it is likely that the track in question will not be specifically designed for the frequent holding of sporting events or races. In such cases betting facilities may be better provided through 'occasional use notices' where the boundary premises do not need to be defined.
- 7.11 This Council appreciates that it is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this authority can satisfy itself that the plan indicates the main areas where betting might take place. For racecourses in particular, any betting areas subject to the "five times rule" (commonly known as betting rings) must be indicated on the plan.

8. Travelling Fairs

- 8.1 The Council is responsible for deciding whether, where category D machines and/or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than 'an ancillary amusement' at the fair is met.
- 8.2 This Council will also consider whether the applicant falls within the statutory definition of a travelling fair.
- 8.3 It has been noted that the 27-day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The Council will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

9. Provisional Statements

- 9.1 Developers may wish to apply to the Council for provisional statements before entering into a contract to buy or lease property or land, to judge whether a development is worth taking forward in light of the need to obtain a premises licence. There is no need for the applicant to hold an operating licence in order to apply for a provisional statement.

- 9.2 Section 204 of the Act provides for a person to make an application to the Council for a provisional statement in respect of premises that they:
- expect to be constructed;
 - expect to be altered; or
 - expect to acquire a right to occupy.
- 9.3 The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.
- 9.4 In contrast to the premises licence application, the applicant does not have to hold, or have applied for, an operating licence from the Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.
- 9.5 The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The Council will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless:
- they concern matters which could not have been addressed at the provisional statement stage, or
 - they reflect a change in the applicant's circumstances.
- 9.6 In addition, the Council may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:
- which could not have been raised by objectors at the provisional statement stage;
 - which in the authority's opinion reflect a change in the operator's circumstances; or
 - where the premises has not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this Council notes that it can discuss any concerns it has with the applicant before making a decision.

10. Reviews

- 10.1 Requests for a review of a premises licence can be made by interested parties or responsible authorities, however, it is for the Council to decide whether the review is to be carried out. This will be on the basis of whether the request for the review is relevant to the matters listed below and whether it is:
- in accordance with any relevant Code of Practice issued by the Commission;
 - in accordance with any relevant guidance issued by the Commission;
 - reasonably consistent with the licensing objectives; and
 - in accordance with the Authority's Statement of Principles.
- 10.2 The request for the review will also be subject to consideration by the Council as to whether the request is frivolous, vexatious, or whether it is substantially the same as previous representations or requests for review.

The Council can also initiate a review of a particular premises licence, or a particular class of premises licence, on the basis of any other reason which it thinks is appropriate.

- 10.3 Once a valid application for a review has been received by the Council, representations can be made by responsible authorities and interested parties during a 28 day period. This period begins 7 days after the application was received by the Council, which will publish notice of the application within 7 days of receipt.
- 10.4 The Council must carry out the review as soon as possible after the 28 day period for making representations has passed.
- 10.5 The purpose of the review will be to determine whether the Council should take any action in relation to the licence. If action is justified, the options available to the Council are:
 - (a) add, remove or amend a licence condition imposed by the Council;
 - (b) exclude a default condition imposed by the Secretary of State or Scottish Ministers (e.g. opening hours) or remove or amend such an exclusion;
 - (c) suspend the premises licence for a period not exceeding three months; and
 - (d) revoke the premises licence.
- 10.6 In determining what action, if any, should be taken following a review, the Council must have regard to the principles set out in section 153 of the Act, as well as any relevant representations.
- 10.7 In particular the Council may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises. This is to prevent people from applying for licences in a speculative manner without intending to use them.
- 10.8 Once the review has been completed, the Council must, as soon as possible, notify its decision to:
 - the licence holder;
 - the applicant for review (if any);
 - the Commission;
 - any person who made representations;
 - the chief officer of police or chief constable; and
 - Her Majesty's Commissioners for Review and Customs.

PART C

PERMITS/TEMPORARY AND OCCASIONAL USE NOTICE

1. Unlicensed Family Entertainment Centre Gaming Machine Permits

- 1.1 Where a premises does not have a premises licence, but the owner wishes to provide gaming machines, they may apply to the Council for this permit. It should be noted that the applicant must show that the premises will be wholly or mainly used for making gaming machines available for use.
- 1.2 It should be noted that a Council cannot attach conditions to this type of permit.
- 1.3 The Council will expect the applicant to show that there are policies and procedures in place to protect children from harm.
- 1.4 Harm in this context is not limited to harm from gambling, but includes wider child protection considerations. The efficiency of such policies and procedures will each be considered on their merits, however, they may include appropriate measures/training for staff as regards suspected truanting school children on the premises, measures/training covering how staff would deal with unsupervised very young children being on the premises, or children causing perceived problems on/around the premises. The Council will also expect, as per Commission guidance, that applicants demonstrate:
 - a full understanding of the maximum stakes and prizes of the gambling that is permissible in unlicensed FECs;
 - that the applicant has no relevant convictions (those that are set out in Schedule 7 of the Act); and
 - that staff are trained to have a full understanding of the maximum stakes and prizes.

2. (Alcohol) Licensed Premises Gaming Machine Permits (Schedule 13 paragraph 4(1))

Automatic entitlement: 2 machines

- 2.1 There is provision in the Act for premises licensed to sell alcohol for consumption on the premises, to automatically have 2 gaming machines, of categories C and/or D. The premises merely need to notify the Council. The Council can remove the automatic authorisation in respect of any particular premises if:
 - provision of the machines is not reasonably consistent with the pursuit of the licensing objectives;
 - gaming has taken place on the premises that breaches a condition of Section 282 of the Act (i.e. that written notice has been provided to the Council, that a fee has been provided and that any relevant code of practice issued by the Commission about the location and operation of the machine has been complied with);
 - the premises are mainly used for gaming; or
 - an offence under the Act has been committed on the premises.

Permit: 3 or more machines

- 2.2 If a premises owner wishes to have more than 2 machines, they need to apply for a permit and the Council must consider that application based upon the licensing

Commented [MR2]: As a general point, should basic safeguarding training be mandatory for licensees?

objectives, any guidance issued by the Commission issued under Section 25 of the Act 2005, and “such matters as they think relevant”.

- 2.3 The Council considers that “such matters” will be decided on a case by case basis, but generally there will be regard to the need to protect children and vulnerable persons from being harmed or being exploited by gambling and it will expect the applicant to satisfy the Council that there will be sufficient measures to ensure that under 18 year olds do not have access to the adult only gaming machines. Measures which will satisfy the Council that there will be no access may include the adult machines being in sight of the bar, or in the sight of staff who will monitor that the machines are not being used by those under 18. Notices and signage may also be of help. As regards the protection of vulnerable persons, applicants may wish to consider the provision of information leaflets/helpline numbers for organisations such as GamCare.
- 2.4 It is recognised that some alcohol licensed premises may apply for a premises licence for their non-alcohol licensed areas. Any such application would most likely need to be applied for, and dealt with as an Adult Gaming Centre premises licence.
- 2.5 It should be noted that the Council can decide to grant the application with a smaller number of machines and/or a different category of machines than that applied for. Conditions (other than these) cannot be attached.
- 2.6 It should also be noted that the holder of a permit must comply with any Code of Practice issued by the Commission about the location and operation of the machine.

3. Prize Gaming Permits

- 3.1 The Act states that a Council may “prepare a Statement of Principles that they propose to apply in exercising their functions under this Schedule” and “may, in particular, specify matters that the Council propose to consider in determining the suitability of the applicant for a permit”.
- 3.2 This Council expects that an applicant should set out the types of gaming that he or she is intending to offer and that the applicant should be able to demonstrate:
 - that they understand the limits to stakes and prizes that are set out in Regulations;
 - that the gaming offered is within the law;
 - clear policies that outline the steps to be taken to protect children from harm.
- 3.3 In making its decision on an application for this permit the Council does not need to have regard to the licensing objectives but must have regard to any Commission guidance.
- 3.4 It should be noted that there are conditions in the Act by which the permit holder must comply, but that the Council cannot attach conditions. The conditions in the Act are:
 - the limits on participation fees, as set out in regulations, must be complied with;
 - all chances to participate in the gaming must be allocated on the premises on which the gaming is taking place and on one day; the game must be played and completed on the day the chances are allocated; and the result of the game must be made public in the premises on the day that it is played;
 - the prize for which the game is played must not exceed the amount set out in regulations (if a money prize), or the prescribed value (if a non-monetary prize); and
 - participation in the gaming must not entitle the player to take part in any other gambling.

4. Club Gaming and Club Machines permits

- 4.1 Members Clubs and Miners' welfare institutes (but not Commercial Clubs) may apply for a Club Gaming Permit or a Club Gaming Machines Permit. The Club Gaming Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D), equal chance gaming and games of chance as set out in forthcoming regulations. A Club Gaming Machine Permit will enable the premises to provide gaming machines (3 machines of categories B, C or D).
- 4.2 Commission guidance states: "Members clubs must have at least 25 members and be established and conducted "wholly or mainly" for purposes other than gaming, unless the gaming is permitted by separate regulations. It is anticipated that this will cover bridge and whist clubs, which will replicate the position under the Gaming Act 1968. A members' club must be permanent in nature, not established to make commercial profit, and controlled by its members equally. Examples include working men's clubs, branches of Royal British Legion and clubs with political affiliations".
- 4.3 The Commission guidance also notes that "licensing authorities may only refuse an application on the grounds that:
- (a) the applicant does not fulfil the requirements for a members' or commercial club or miners' welfare institute and therefore is not entitled to receive the type of permit for which it has applied;
 - (b) the applicant's premises are used wholly or mainly by children and/or young persons;
 - (c) an offence under the Act or a breach of a permit has been committed by the applicant while providing gaming facilities;
 - (d) a permit held by the applicant has been cancelled in the previous ten years; or
 - (e) an objection has been lodged by the Commission or the police.
- 4.4 There is also a 'fast-track' procedure available under the Act for premises which hold a Club Premises Certificate under the Licensing Act 2003 (Schedule 12 paragraph 10). As the Commission's guidance for local authorities states: "Under the fast-track procedure there is no opportunity for objections to be made by the Commission or the police, and the grounds upon which an authority can refuse a permit are reduced" and "The grounds on which an application under the process may be refused are:
- (a) that the club is established primarily for gaming, other than gaming prescribed under Schedule 12;
 - (b) that in addition to the prescribed gaming, the applicant provides facilities for other gaming; or
 - (c) that a club gaming permit or club machine permit issued to the applicant in the last ten years has been cancelled."
- 4.5 There are statutory conditions on club gaming permits that no child uses a category B or C machine on the premises and that the holder complies with any relevant provision of a Code of Practice about the location and operation of gaming machines.

5. Temporary Use Notices

- 5.1 Temporary Use Notices ("TUN") allow the use of premises for gambling where there is no premises licence, but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a TUN, according to the Commission, would include hotels, conference centres and sporting venues.

- 5.2 The Council can only grant a TUN to a person or company holding a relevant operating licence, i.e. a non-remote casino operating licence.
- 5.3 The Secretary of State has the power to determine what form of gambling can be authorised by TUN, and at the time of writing this Statement the relevant regulations (SI no.3157: The Act 2005 (Temporary Use Notices) Regulations 2007) state that TUNs can only be used to permit the provision of facilities or equal chance gaming, where the gaming is intended to produce a single winner, which in practice means poker tournaments.
- 5.4 There are a number of statutory limits as regards TUNs. The meaning of “premises” in Part 8 of the Act is discussed in Part 7 of the Commission guidance to Licensing Authorities. As with “premises”, the definition of “a set of premises” will be a question of fact in the particular circumstances of each notice that is given. In the Act “premises” is defined as including “any place”.
- 5.5 In considering whether a place falls within the definition of “a set of premises”, the Council needs to look at, amongst other things, the ownership/occupation and control of the premises.
- 5.6 This Council expects to object to notices where it appears that their effect would be to permit regular gambling in a place that could be described as one set of premises, as recommended in the Commission’s guidance.

6. Occasional Use Notices

- 6.1 The Council has very little discretion as regards these notices, aside from ensuring that the statutory limit of 8 days in a calendar year is not exceeded. The Council will though consider the definition of a ‘track’ and whether the applicant is permitted to avail him/herself of the notice.
- 6.2 The Council will notify the Commission of any notices made under this provision and share with them any relevant information.

CONSULTEES

Current Licence Holders
Responsible Authorities
The People of Cheltenham
Cheltenham Borough Council Members
Parish Councils
Director of Public Health

Casino Operators' Association
British Amusement Catering Trade Association (BACTA)
British Casino Association (BCA)
Association of British Bookmakers Ltd (ABB)
The Bingo Association
Lotteries Council
Hospice Lotteries Association

Citizens Advice Bureau
Chamber of Commerce
Cheltenham Business Partnership Improvement District

GamCare, 2&3 Baden Place, Crosby Row, London, SE1 1YW
Gamblers Anonymous, PO Box 5382, London, W1A 6SA
Independent Betting Arbitration Service, PO Box 44781, London, SW1W 0WR

CONTACT DETAILS FOR RESPONSIBLE AUTHORITIES

COUNCIL LICENSING

Licensing Section
Cheltenham Borough Council
Promenade
Cheltenham
GL50 9SA

Telephone: 01242262626
Email: licensing@cheltenham.gov.uk

LOCAL PLANNING AUTHORITY

Planning Enforcement
Built Environment Division
Cheltenham Borough Council
Municipal Offices
Promenade
Cheltenham
GL50 1PP

Telephone: 01242 264138
Email: builtenvironment@cheltenham.gov.uk

THE GAMBLING COMMISSION

Victoria Square House
Victoria Square
BIRMINGHAM
B2 4BP

Telephone: 0121 230 6500
Fax: 0121 233 1096
Email: info@gamblingcommission.gov.uk

GLOUCESTERSHIRE CONSTABULARY

Licensing Unit
Community Engagement Dept.
Police HQ
No1 Waterwells
Quedgeley
Gloucester
GL2 2AN

Telephone: 01452 754482
Email: Licensing@Gloucestershire.pnn.police.uk

The main Police switchboard number is 101.

GLOUCESTERSHIRE FIRE AND RESCUE

Chief Fire Officer
Fire Service Headquarters
Waterwells Drive
Quedgeley
Gloucester
GL2 2AX

Telephone: 01452 753333
Fax: 01452 753304
Email: fire@glosfire.gov.uk

GLOUCESTERSHIRE ACPC

Gloucestershire Safeguarding Children Board
Room 128
1st Floor, Block 4
Gloucestershire County Council
Shire Hall
Westgate Street
Gloucester GL1 2TG

Email: mail@gscb.org.uk

HM REVENUE & CUSTOMS

HM Revenue and Customs
Excise Processing Teams
BX9 1GL
United Kingdom

Telephone 0300 322 7072 Option 7
Email nrubetting&gaming@hmrc.gsi.gov.uk

For relevant premises e.g. vessels, the following may also be Responsible Authorities:

SOUTH WALES AND BRITISH WATERWAYS

Canal & River Trust
The Dock Office
Commercial Road
Gloucester
GL1 2EB

E-mail [enquiries.southwalessevern @canalrivertrust.org.uk](mailto:enquiries.southwalessevern@canalrivertrust.org.uk)

ENVIRONMENT AGENCY

Riversmeet House
Newtown Industrial Estate
Northway Lane
Tewkesbury
Gloucestershire
GL20 8JG

SECRETARY OF STATE

DDCMS
2-4 Cockspur Street
London
SW1Y 5DH

Telephone: 020 7211 6200
email: enquiries@culture.gov.uk

TABLE OF DELEGATIONS OF LICENSING FUNCTIONS

MATTER TO BE DEALT WITH	FULL COUNCIL	SUB-COMMITTEE	OFFICERS
Three year licensing policy	X		
Policy not to permit casinos	X		
Fee Setting - when appropriate			X (to be approved by lead Executive Councillor)
Application for premises licences		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a variation to a licence		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Application for a transfer of a licence		Where representations have been received from the Commission	Where no representations received from the Commission
Application for a provisional statement		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Review of a premises licence		X	
Application for club gaming/club machine permits		Where representations have been received and not withdrawn	Where no representations received/representations have been withdrawn
Cancellation of club gaming/club machine permits		X	
Applications for other permits			X
Cancellation of licensed premises gaming machine permits			X
Consideration of temporary use notice			X
Decision to give a counter notice to a temporary use notice		X	

LIST OF ORGANISATIONS THAT GIVE HELP AND ADVICE ABOUT PROBLEM GAMBLING

The following organisations are working to tackle problem gambling and may be able to help individuals and/or organisations.

Responsibility in Gambling Trust (RIGT)
10 Brick Street
London
W1J 7HQ
Tel: 207 518 0023
Fax: 207 518 0174
Email: enquiries@rigt.org.uk

Citizens Advice
Gloucester and District Citizens Advice Bureau
75 - 81 Eastgate Street
Gloucester
GL1 1PN
Tel: 01452 527202

Gam Anon
PO Box 5382
London
W1A 6SA
National Help Line: 08700 50 88 80
Midlands 0121 233 1335

Gamblers Anonymous (UK)
Birmingham 0121 233 1335

Gam Care
2nd Floor
7-11 St John's Hill
London
SW11 1TR
Tel: 020 7801 7000
Fax: 020 7801 7033
Email: info@gamcare.org.uk

Gordon House Association
43-47 Maughan Street
Dudley
West Midlands
DY1 2BA
Tel: 01384 241 292
Email: help@gordonhouse.org.uk

NCH Children's Charity
85 Highbury Park
London
N5 1UD
Tel: 020 7704 9037
Fax: 020 7704 7134

NHC South West
Horner Court
637 Gloucester Road
Horfield
Bristol
BA7 0BJ
Tel: 01179 354 440
Fax: 01179 512 470

National Debt Line
Tel: 0808 808 4000

Machine category	Maximum stake (from January 2014)	Maximum prize (from January 2014)	Allowed premises
A	Unlimited	Unlimited	Regional Casino
B1	£5	£10,000 (with the option of a maximum £20,000 linked progressive jackpot on a premises basis only)	Large Casino, Small Casino, Pre-2005 Act casino and Regional Casinos
B2	£100 (in multiples of £10)	£500	Betting premises and tracks occupied by pool betting and all of the above
B3	£2	£500	Bingo premises, Adult gaming centre and all of the above
B3A	£2	£500	Members' club or Miners' welfare institute only
B4	£2	£400	Members' club or Miners' welfare club, commercial club and all of the above.
C	£1	£100	Family entertainment centre (with Commission operating licence), Qualifying alcohol licensed premises (without additional gaming machine permit), Qualifying alcohol licensed premises (with additional LA gaming machine permit) and all of the above.
D money prize	10p	£5	Travelling fairs, unlicensed (permit) Family entertainment centre and all of the above
D non-money prize (other than crane grab machine)	30p	£8	All of the above.
D non-money prize (crane grab machine)	£1	£50	All of the above.
D combined money and non-money prize (other than coin pusher or penny falls machines)	10p	£8 (of which no more than £5 may be a money prize)	All of the above.
D combined money and non-money prize (coin pusher or penny falls machine)	20p	£20 (of which no more than £10 may be a money prize)	All of the above.

APPENDIX F

The Council requires applicants to provide a risk assessment when applying for a premises licence, or when applying for a variation to an existing licence. The Council would expect relevant matters to include the following:

- institutions, places or areas where the presence of children and young persons should be expected such as schools, youth clubs, parks, playgrounds, leisure centres, community centres and entertainment venues such as bowling alleys, cinemas etc;
- locations where children may congregate including bus stops, cafés shops, including those aimed at children such as toy shops and any other place where children are attracted;
- areas that are prone to issues of youths participating in anti-social behaviour, including such activities as graffiti/tagging, underage drinking etc;
- the demographics of the area in relation to vulnerable groups;
- the proximity of premises which may be frequented by vulnerable people such as hospitals, residential care homes, medical facilities, doctor's surgeries, homeless hostels and addiction and mental health support services, or any place where people who have an alcohol or drug dependency may congregate;
- the ethnic profile of residents in the area;
- the proximity of places of worship such as churches, mosques, temples or any other place of worship, or meeting place of any faith group;
- whether the premises is situated in an area of deprivation (refer to part a, paragraph 3, headed City of Gloucester);
- information held by the licensee regarding self-exclusions and incidences of underage gambling;
- gaming trends that may mirror days for financial payments such as pay days or benefit payments;
- the proximity of pawn brokers or pay day loan shops;
- the proximity of other gambling outlets;
- the proximity of banks, public houses etc;
- whether the premises is in an area known to have high levels of crime and/or disorder;
- the proximity or areas used by street drinkers/rough sleepers and drug dealing activities;
- policies and procedures in place at the premises detailing how children and vulnerable people, including people with gambling dependencies, are protected. this could include staff training records on how to identify excessive gambling and vulnerable people and the steps to be taken to mitigate the risk;
- the layout of the premises including the siting of age restricted gaming machines to ensure that staff have an unobstructed view at all times of persons using the premises;
- the location and operation of CCTV at the premises. This licensing authority will expect operators to retain images for a minimum of 31 days, images must be downloadable to disc and made available on request to a delegated officer of any of the responsible authorities named in the Act. If the equipment becomes inoperative the police and the licensing authority must be notified as soon as is reasonable practicable and steps must be taken to repair the system as soon as possible. Staffing levels should be taken into consideration during any period of downtime;
- keeping details of people who have self-excluded;
- keeping details of under-age refusals and the results of any test-purchasing carried out at the premises.

Commented [MR3]: Is this reference to Gloucester correct?

Consultee	Officer response
<p>HM Revenue & Customs</p> <p>Dear Colleague</p> <p>As one of the responsible authorities quoted in your appendices can I ask you to amend our postal contact address to:-</p> <p>HM Revenue and Customs Excise Processing Teams BX9 1GL United Kingdom</p> <p>Our contact telephone number is now 0300 322 7072 Option 7.</p> <p>Our email address remain the same, NRUBetting&Gaming@hmrc.gsi.gov.uk</p>	<p>Policy statement updated</p>
<p>Cllr Paul McCloskey</p> <p>I noted with interest, the following item in the policy:</p> <p>Cheltenham Borough Council STATEMENT OF PRINCIPLES GAMBLING ACT 2005</p> <p>8.1 Interested parties can make representations about licence applications, or apply for a review of an existing licence. These parties are defined in the Act as follows:</p> <p>8.7 Likewise, parish councils likely to be affected, will be considered to be interested parties.</p> <p>And 8.6 mentions ward councillors. Can you assure me (and save me the time rummaging through them all!) that the definition of 'interested parties' as defined here in 8.6 & 8.7 is common across all the Licensing policies please?</p>	<p>Officers have responded to confirm that 'interested parties' is common across policy statements but interpretation could vary depending on the view an individual licensing authority will take.</p>
<p>GCC Public Health</p> <p>Many thanks for sending this through. I have sent the link onto the GCC councillors for Cheltenham, as required as part of the GCC motion on gambling-related harm from May.</p> <p>I hope it's OK if I also feedback a few comments.</p>	

<ul style="list-style-type: none"> • In relation to paragraph 4.1 and 4.2, I wondered whether it would be possible to alter paragraph 4.1 since a lot of gambling-related harm is unknown? Many people gamble and experience no adverse consequences. There are however some who do experience significant harm as a result of their gambling. National evidence suggests that 0.7% of people are problem gamblers. In addition individuals experiencing harm from gambling, or their families or carers, rarely present to health or social care services with problem gambling as their presenting condition, and it can manifest in a range of different ways, including physical and mental health problems, relationship breakdowns as well as social care and financial issues. • In relation to 5.2 I'm very sorry if I missed it but I wasn't quite sure what the 'relevant matters' were for consideration in a risk assessment. Some other Statement's I've seen list these (some in more detail than others) which I found quite helpful for thinking about licensing objectives. For example Gloucester's draft currently includes quite a long list (attached). Or Torbay had shorter version focusing on children and vulnerable adults (attached). Sorry again if these are elsewhere in the Statement and I missed them. 	<p>Paragraph 4.1 and 4.2 has been redrafted to take into account the comment.</p> <p>Appendix F has been updated to make "relevant matters" more explicit.</p>
<p>GamCare</p> <p>Hello,</p> <p>Thank you for your email, we appreciate your interest in our work.</p> <p>While we do not have the resources available to allow us to personally respond to each Local Authority which contacts us regarding their refreshed Statement of Principles, we have compiled a list of the issues or factors which we think it would be helpful to consider below, more information is available via the Gambling Commission.</p>	<p>Comments noted.</p>

The function of the Statement is to reflect locally specific gambling concerns and to reflect the Council's wider strategic objectives. The active use of the Statement is one means by which you can make clear your expectations of gambling operators who have premises in your area. This allows operators to respond to locally specific requirements and adjust their own policies and procedures as required.

- A helpful first step is to develop a risk map of your local area so that you are aware of both potential and actual risks around gambling venues. A useful explanation of area-based risk-mapping has been developed with Westminster and Manchester City Councils, which gives some guidance on those who may be most vulnerable or at-risk of gambling-related harm. For more information please see www.geofutures.com/research-2/gambling-related-harm-how-local-space-shapes-our-understanding-of-risk/
- Consider that proposals for new gambling premises which are near hostels or other accommodation or centres catering for vulnerable people, including those with learning difficulties, and those with gambling / alcohol / drug abuse problems, as likely to adversely affect the licensing objectives set out by the Gambling Commission. This is also relevant regarding the proximity to schools, colleges and universities.
- A detailed local risk assessment at each gambling venue – pertinent to the environment immediately surrounding the premises as well as the wider local area – is a good way to gauge whether the operator and staff teams are fully aware of the challenges present in the local area and can help reassure the Local Licensing Authority that appropriate mitigations are in place.

- Does the operator have a specific training programme for staff to ensure that they are able to identify children and other vulnerable people, and take appropriate action to ensure they are not able to access the premises or are supported appropriately?
- Does the operator ensure that there is an adequate number of staff and managers are on the premises at key points throughout the day? This may be particularly relevant for premises situated nearby schools / colleges / universities, and/or pubs, bars and clubs.
- Consider whether the layout, lighting and fitting out of the premises have been designed so as not to attract children and other vulnerable persons who might be harmed or exploited by gambling.
- Consider whether any promotional material associated with the premises could encourage the use of the premises by children or young people if they are not legally allowed to do so.

We would suggest that the Local Licensing Authority primarily consider applications from [GamCare Certified operators](#). GamCare Certification is a voluntary process comprising an independent audit assessment of an operator's player protection measures and social responsibility standards, policy and practice. Standards are measured in accordance with the GamCare Player Protection Code of Practice. If you would like more information on how our audit can support Local Licensing Authorities, please contact mike.kenward@gamcare.org.uk

For more information on GamCare training and other services available to local authorities, as well as recommended training for gambling operators, please see the attached brochures.

If there is anything else we can assist with please do let us know.

Gambling Commission	
<p>Ref the SoP out for consultation. Some thoughts:</p> <ol style="list-style-type: none"><li data-bbox="236 338 796 405">1. Page 3 – Figures are incorrect and relate to 2015<li data-bbox="236 409 796 656">2. Page 4-Do you consider that more of a local steer might be appropriate regarding Local Risk assessments? While the requirement is to ‘produce upon request’ many LAs are inserting a requirement to have a copy on the premises.<li data-bbox="236 660 796 835">3. Page 10 ‘The Commission’s Relevant access provisions.....’. These provisions are in the Act as part of the mandatory & default licence conditions, rather than being ‘imposed’ by the Commission.<li data-bbox="236 840 796 978">4. Page 27 – I don’t understand the reference to the minister of state for transport in relation to DDCMS. Happy to be educated.	<p>Figures updated.</p> <p>Appendix F has been updated to make “relevant matters” more explicit.</p> <p>Amendment made to clarify.</p> <p>Amendment made to clarify.</p>

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Cheltenham Borough Council

Cabinet – 12th February 2019

Council – 18th February 2019

Housing Revenue Account - Revised Forecast 2018/19 and Budget Proposals 2019/20

Accountable member	Cabinet Member for Finance, Rowena Hay
Accountable officer	Executive Director Finance and Assets, Paul Jones
Ward(s) affected	All
Key Decision	Yes
Executive summary	This report summarises the Housing Revenue Account (HRA) revised forecast for 2018/19 and the Cabinet’s budget proposals for 2019/20.
Recommendations	<ol style="list-style-type: none"> 1. Note the revised HRA forecast for 2018/19. 2. Approve the HRA budget proposals for 2019/20 (shown at Appendix 2) including a proposed rent decrease of 1% and changes to other rents and charges as detailed within the report. 3. Approve the proposed HRA capital programme for 2019/20 as shown at Appendix 3.

Financial implications	<p>As contained in the report and appendices.</p> <p>Contact officer: Paul Jones.</p> <p>E-mail: paul.jones@cheltenham.gov.uk</p> <p>Tel no: 01242 264365</p>
Legal implications	<p>There are no specific legal implications arising from the report</p> <p>Contact officer: Peter Lewis</p> <p>E-mail: peter.lewis@tewkesbury.gov.uk</p> <p>Tel no: 01684 272012</p>
HR implications (including learning and organisational development)	<p>There are no direct HR implications arising from the report</p> <p>Contact officer: Julie McCarthy</p> <p>E-mail: julie.mccarthy@cheltenham.gov.uk</p> <p>Tel no: 01242 264355</p>

Key risks	As outlined in Appendix 1
Corporate and community plan Implications	The aim of the budget proposals is to direct resources towards the key priorities identified in the Council's Corporate Business Plan.
Environmental and climate change implications	The draft budget contains proposals for improving the local environment particularly in addressing the issue of energy reduction in Council owned dwellings.

1. Introduction

1.1 The following amendments have been made to the interim budget report approved by Cabinet on 18th December 2018:-

- The revenue and capital forecasts for 2018/19 have been updated to incorporate latest information at 31st December 2018.
- The proposed capital programme for 2019/20 has been adjusted to include additional expenditure delayed from 2018/19.
- The budget for Council Tax on empty properties has been increased from 2019/20 following the confirmation of new charging rules.

2. Background

- 2.1 The Council has previously approved a four year plan to mitigate the estimated loss of £6.7m in rent income during the four year period from April 2016 to March 2020, following the introduction of the Government's rent reduction policy (reducing rents by 1% per annum each year). The plan demonstrated a balanced approach requiring CBH management and maintenance savings, a re-alignment of the capital programme and the use of revenue reserves.
- 2.2 There have been significant changes in Government Housing Policy during the year, most notably the abolition of the HRA debt cap. This, together with the certainty on rent policy until 2025 which was announced 12 months ago, will have a positive impact on HRA resources enabling the Council to increase investment in new build and stock improvements. Further detail is provided below.

3. Update on Housing Policy

3.1 Rent Reduction

Rents will again be reduced by 1% in April 2019 being the final year of the four year policy that commenced in April 2016 and will finish in March 2020. The Government has previously confirmed that rent policy will then revert back to the previous guidelines of allowing annual increases of up to CPI + 1% per annum for the following 5 years before a further review.

3.2 Universal Credit (UC)

After significant delays to the introduction of UC, the full rollout began in Cheltenham in December 2017. There are currently 555 claimants (November 2018) with 800 being anticipated by March 2019. Under present regulations there could eventually be up to 2,000 claimants, placing considerable pressure on rent arrears. CBH is conducting a proactive campaign to provide support and information to all tenants affected by these changes. The impact on arrears will be closely monitored and the budget proposals reflect an increasing provision for bad debts.

3.3 Extension of Right to Buy / High Value Asset Sales.

The Government had previously committed to extending Right to Buy to tenants in Housing Associations. The Government's original intention was to pay for the extension to Housing Association tenants, in part, by a levy on local authorities funded by the sale of high value vacant properties.

Although a pilot scheme is being trialled in the West Midlands, the Government has now confirmed that local authorities will not be required to finance this policy.

3.4 Right to Buy Receipts

The Government published a consultation paper in the summer which sought views on introducing more flexibility in the use of RTB receipts to fund new build. Though any relaxation in the conditions of use would be welcome, the suggestions put forward in the document would be limited in their impact and the sector response has been to request more wide ranging reform, including the abolition of RTB. The consultation closed in early October and the Government's response is awaited.

3.5 Abolition of the HRA Debt Cap

The Government has recently lifted HRA borrowing restrictions, abolishing the debt cap and leaving the level of borrowing to be controlled by the prudential code. This should allow a significant increase in the new build programme subject to the identification of appropriate sites and financial viability.

4. HRA Business Plan – Financial Projections

4.1 The 30 year HRA Business Plan has been updated to reflect:-

- Anticipated revenue outturn for 2018/19.
- The current development programme for the period from April 2019 to March 2022 which will deliver 105 new build units at a total cost of £14.83m.
- Contingency budgets for market acquisitions and the purchase of new affordable units on sites where Section 106 planning agreements are in place.
- A refreshed assessment of the 30 year "need to spend" on existing stock for both capital and revenue expenditure. This includes a new showers programme which has been identified as one of the most popular improvements requested during both the 2017 survey of tenants and residents and the voids review undertaken by the tenant services improvement panel (see further detail in paragraph 9.3).

4.2 The plan uses the following key assumptions:-

- CPI at 2% p.a. from April 2019
- Stock sales through RTB at 30 p.a. to March 2022 then reducing to 20 p.a. thereafter
- Rents reducing by 1% in 19/20 then increasing at CPI +1% p.a. for 5 years to March 2025 and by CPI p.a. thereafter.

4.3 The longer term viability of the plan has been strengthened by the Government confirmation of rent policy post 2020 and shows sufficient resources to finance the need to spend on existing stock and to repay existing debt as it falls due for repayment. It also indicates the availability of resources to fund additional new build and regeneration schemes through a combination of

borrowing, capital receipts and revenue **Page 88**, from reserves. Further capacity is now available following the abolition of the debt cap.

5. 2018/19 Revised Forecast

5.1 The forecast at Appendix 2 shows an increase in the operating surplus of £93,000 compared to the original budget. Significant variations (greater than £30,000) within the 2018/19 revised forecast have been identified in budget monitoring reports and are summarised below:-

Budget Heading	Change in resources
	£
Additional cost of IT licences and legal recharges	-47,200
Rent Income - additional income from earlier completion of new build properties and acquisition of stock, partially offset by higher void loss	25,000
Interest Receivable – higher than anticipated reserves and a higher interest rate	110,000
Other net variations	5,200
Increase in Operating Surplus (compared to budget)	93,000

3.2 The reduction in the use of revenue contributions to fund the capital programme (£1,992,000) arises from:-

- Capital expenditure lower than anticipated – stock acquisitions are expected to total £933,000 in year against a contingency budget of £2m. It is proposed that the unspent balance will be rolled forward to 2019/20.
- The availability of additional capital receipts from in year asset sales.

5.3 Revenue reserves are now estimated at £8,785,200 (previously £5,734,500) at 31st March 2019, reflecting a higher balance brought forward from 2017/18, the increase in the operating surplus and the reduction in revenue contributions to capital.

6. 2019/20 Budget Proposal

6.1 All rents will decrease by a further 1% in April 2019. The rent estimates assume a 0.8% void rate and 30 RTB sales in the year and also reflect additional income from new build and acquired properties.

6.2 Estimates of service charge income currently assume:-

- Increase of 2% for cleaning services supplied by CBH
- Overall charges for power to communal areas will be held at 2017/18 levels (under a 3 year fixed tariff deal until March 2020).

6.3 A new agreement for the HRA grounds maintenance work undertaken by Ubico is being finalised and will commence in April 2019 following Cabinet approval. There has been a comprehensive review of the areas maintained and the nature of work carried out. This will lead to some volatility in service charges to tenants and leaseholders. Those facing an increase in charges will be protected by transitional arrangements with increases being phased in over three years.

- 6.4 It is proposed that garage rents are increased from April 2019 in line with the Retail Price Index.
- 6.5 Significant changes to the HRA (greater than £30,000) in 2019/20 as compared to the revised forecast for 2018/19 are itemised in the table below. There is a reduction of £712,100 in the operating surplus for the year when compared with the 2018/19 forecast.

Budget Heading	Change in resources
	£
Increase in bad debt provision – impact of welfare reform	-34,000
Increase in CBH management fee (see paragraph 7.2 below)	-150,000
General & Special Management – primarily due to additional recharges from Council Departments	-59,400
Increase in Repairs & Maintenance - pay award and other inflation	-86,700
Depreciation – reflects change to stock numbers and inflation on replacement components	-69,200
Decrease in rents - rent reduction & net stock loss	-214,600
Interest receivable – lower reserves	-64,600
Other net variations	-33,600
Decrease in Operating Surplus (compared to 2018/19)	-712,100

- 6.6 Revenue contributions totalling £8,843,900 will be required to fund capital expenditure in the year, reducing revenue reserves to £1,502,400 at 31st March 2020.
- 6.7 The Discretionary Housing Payments (DHP) Scheme enables local authorities to provide benefit claimants with financial assistance towards housing costs through the General Fund. An annual allocation of funding from Government finances this scheme. In previous years the total of such payments has not exceeded the allocation. If anticipated payments are at a level which could match or even exceed Government funding, MHCLG have confirmed that authorities may be permitted to fund DHP payments made to its own tenants from the HRA. This requires a written application to MHCLG for a specific accounting direction. The level of payments continues to be monitored and the Executive Director, Finance and Assets has delegated authority to apply for such a direction if it appears probable that the annual allocation will be exceeded in any financial year. The draft HRA budget does not yet include any provision for such expenditure.

7. Cheltenham Borough Homes (CBH)

- 7.1 The draft budget includes provision for the management fees and other charges payable to CBH. The company has submitted its own detailed budget and fee proposal for 2019/20, which show a breakeven position on services provided to the Council.
- 7.2 The proposed management fee for 2019/20 (£5,294,000) is the sum forecast in the budget presented to Council in February 2018 plus an additional sum of £35,000 to fund the replacement of IT equipment previously financed by the HRA. The fee includes the cost of the agreed pay award of 2% in April 2019.
- 7.3 The HRA repair and maintenance budget for 2019/20 (£3,868,100) is also in line with projections within the four year plan and reflects cost increases from the pay award whilst also partly absorbing inflation on transport, materials and sub-contractors.
- 7.4 The cost of delivering the estate cleaning contract (£356,000) has risen by 4% which includes the anticipated cost of the pay award and additional services to communal areas (window cleaning and lighting checks).

8. CBH Plans & Progress

8.1 CBH has made substantial progress in plans to modernise and transform the housing management and maintenance services delivered to tenants. The key work streams that are driving these improvements are:-

- **Service Improvement programme** – a comprehensive review of all IT systems and associated manual processes has been undertaken and work is well advanced to implement new systems with an anticipated “go live” date in the summer of 2019.
- **Reactive repairs** – further efficiencies are anticipated from insourcing opportunities for fire protection works, aids and adaptations and delivery of the new showers programme, thus maximising use of in-house skills and reducing costs.
- **Non-traditional stock** – following a detailed option appraisal a refurbishment solution has been chosen to address non-decency within the Cornish type properties with delivery to commence in 2019/20.
- **Cheltenham West regeneration (Masterplan)** – this Government funded project was completed in 2018 with the final report setting out a potential regeneration programme for the area. This envisages 3 phases of delivery over a 20 year period. There is an ongoing review of potential funding mechanisms to finance the programme.
- **New supply** – Council approval of the Housing Investment Plan in October 2018 will enable CBH to build/acquire units both for market and affordable rent whilst also continuing to manage the delivery of new stock within the HRA. Significant additional resources, in excess of £200,000, have been set aside to provide project management and development expertise to support the delivery of these ambitious programmes.
- **Welfare reform/Universal Credit (UC)** – the company continues to monitor changes and, as referred to in paragraph 3.2 above, is conducting a proactive campaign to provide support and information to all tenants affected by the rollout of UC.
- **Accommodation strategy** – CBH is continuing to review opportunities to rationalise office accommodation to support more effective working practices and reduce future overhead costs.

9. Capital Programme

9.1 The revised capital programme for 2018/19 reflects the completion of schemes carried forward from the previous year as reported to Cabinet and further variations identified during the year.

9.2 The detailed capital programme for 2019/20 and indicative programmes for the following two years are shown at Appendix 4. These reflect the investment requirements identified via stock condition surveys and a recent review of the 30 year capital programme. The sum set aside for component replacements each year will vary in line with anticipated lifecycles.

9.3 The programme includes:-

- Ongoing funding to complete the replacement of windows and doors through the majority of the stock.
- A new showers programme. All new build properties are being fitted with a shower. Currently approximately 2,500 homes have either an over bath shower or shower cubicle/wet room leaving a further 2,000 homes without such a facility. The programme will fit over bath showers to these

Page 91
properties over a period of 10 years at a total cost of £2.4m. This expenditure and the subsequent cost of maintenance and renewal will total £7.7m over 30 years, which can be accommodated within the business plan.

- A provision of £2m to fund the refurbishment of Cornish properties commencing in 2019.

- 9.4 Appendix 4 also gives estimates for expenditure on new build and acquisitions in the period to 31st March 2022. The annual budgets for new build only include cost estimates for schemes currently being progressed. It is estimated these schemes will deliver a further 105 units. It is anticipated that additional schemes will be brought forward during the period as new sites are identified. There are also contingency budgets for market acquisitions and the purchase of new affordable units on sites where Section 106 planning agreements are in place.
- 9.5 The capital programme will require CBH to carry out procurement on behalf of the Council. The budget headings in Appendix 4 may include the award of more than one contract to the value of £100,000 and over (key decisions) which will be awarded in accordance with the Council's contract rules and the constitution.
- 9.6 The proposed funding of the capital programme, together with a statement of balances on the major repairs reserve, is shown at Appendix 3. The main sources of funding remain the major repairs reserve and contributions from the revenue account. The Government's policy to stimulate Right to Buy has also increased the availability of capital receipts. A proportion of those receipts are only retained by the Council if they are used to fund new affordable housing within 3 years. It is anticipated that further borrowing will be required in 2020/21 and 2021/22. The final annual funding plans will be determined by the Section 151 Officer to maximise cost efficiency.

10. Reserves

- 10.1 The recommended minimum revenue balance to cover contingencies is £1.5m. This figure was determined in 2012 at the start of the self-financing regime and equates to approximately £330 per unit of stock which is very much in line with the sector norm. Key risks other than significant changes to Government policy primarily relate to property damage. The stock is insured for fire damage with the Council self-insuring against other perils. The three year projections forecast a reserve balance of £1.5m at 31st March 2022.

11. Conclusion

- 11.1 The four year plan for the period to March 2020 that was approved by Council in February 2016 continues to be delivered successfully and has ensured that:-
- existing stock is maintained at the decent homes standard
 - the improved level of tenant and leaseholder services is retained
 - the Council can take advantage of opportunities to build new stock
- 11.2 The end of rent reduction, certainty on rent policy for 5 years and the lifting of the debt cap all strengthen HRA viability and give additional capacity to invest in both the existing stock (e.g. the new showers programme) and new build. Prudential borrowing rules will now govern the scale of borrowing that the HRA can undertake.
- 11.3 The budget provides additional resources to support a significant increase in the pace and scale of new supply within the HRA. This will complement the resources also made available to CBH through the Housing Investment Plan to deliver new market rented units.

12. Consultation process

12.1 The 2019/20 budget proposals have been endorsed by the CBH Board and members of the Tenant Scrutiny Improvement Panel. No other specific concerns or comments have been received.

<p>Report author</p>	<p>Steve Slater, Executive Director (Finance and Resources), Cheltenham Borough Homes</p> <p>Tel. 01242 387539;</p> <p><i>e-mail address steve.slater@cbh.org</i></p>
<p>Appendices</p>	<ol style="list-style-type: none"> 1. Risk Assessment 2. HRA Operating Account 3. Major Repairs Reserve and HRA Capital Programme (summary) 4. HRA Capital Programme (detail) 5. CBH Value for Money
<p>Background information</p>	<ol style="list-style-type: none"> 1. HRA 30 year Business Plan 2. CBH Budgets and Plans 2019/20

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The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.01	If CBH are unable to deliver savings to offset lower income as a consequence of 4 year rent reductions	Tim Atkins	December 2015	5	1	5	R	First 2 years of planned savings have been successfully delivered and current forecasts anticipate overall savings will exceed target. As a consequence the likelihood has been reduced. Performance will continue to be closely monitored by CBH with periodic reports being submitted to Council officers.	Mar 2020	CBH through management agreement	
1.02	If welfare reforms have a greater impact on tenants than anticipated and planned for, it may increase the level of debt and impact on vulnerable families	Tim Atkins	December 2012	3	4	12	R	The HRA budget includes specific resources to control rent arrears and support tenants through Welfare Reform/Universal Credit.	Mar 2020	CBH through management agreement	
1.04	If void rent loss is higher than estimated it will impact on assumed rent income in the HRA	Tim Atkins	December 2012	3	2	6	R	Demand for social housing remains high with significant waiting list. Quality of accommodation needs to be maintained and changes in void levels monitored.	Mar 2020	CBH through management agreement	
1.05	If the demand for reactive repairs increases there may be insufficient budget to meet demand	Tim Atkins	December 2012	4	3	12	R	Maintain robust stock condition data. Major peril to the stock is fire which is covered by appropriate insurance.	Mar 2020	CBH through management agreement	
1.06	If there is insufficient capacity to deliver the ambitious programme of	Tim Atkins	December 2012	2	3	6	R	The HRA budget includes specific resources to address capital	Mar 2020	CBH through management agreement	

	building works then the programme may not be deliverable							programme works.			
1.07	If the capital receipts held from RTB sales under the retention agreement with DCLG are not used within 3 years of receipt they are repayable with interest to the Government	Tim Atkins	December 2013	3	2	6	R	The current phase of the new build programme is continuing with officers monitoring spend against that required to retain receipts. CBH is reviewing all delivery opportunities to identify a pipeline of new schemes. An alternative strategy of acquiring property has so far prevented repayment of receipts. This will be kept under review and compared with other emerging opportunities.	Mar 2020	CBC/CBH via the Operational Working Group	

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HRA OPERATING ACCOUNT

	2018/19		2019/20	2020/21	2021/22
	Original	Forecast	Estimate	Projections	
	£	£	£	£	£
<u>EXPENDITURE</u>					
General & Special Management	2,194,600	2,240,700	2,300,100	2,130,000	2,182,000
ALMO Management Fee	5,144,000	5,144,000	5,294,000	5,399,900	5,507,900
Rents, Rates, Taxes and Other Charges	49,000	49,000	69,000	69,000	69,000
Repairs & Maintenance	3,781,400	3,781,400	3,868,100	3,964,800	4,063,900
Provision for Bad Debts	296,000	296,000	330,000	380,000	394,000
Interest Payable	1,684,700	1,684,700	1,684,700	1,783,500	1,908,500
Depreciation of Dwellings	4,465,100	4,460,900	4,533,900	4,601,900	4,731,900
Depreciation of Other Assets	296,200	295,300	291,500	293,100	294,700
Debt Management Expenses	81,600	81,600	83,200	84,900	86,600
TOTAL	17,992,600	18,033,600	18,454,500	18,707,100	19,238,500
<u>INCOME</u>					
Dwelling Rents	18,530,300	18,555,000	18,340,400	18,979,100	19,719,700
Non Dwelling Rents	460,500	472,700	484,300	490,400	496,800
Charges for Services and Facilities	855,700	843,100	857,500	896,900	931,400
Supporting People Grant	28,800	35,000	-	-	-
Feed in Tariff from PV Installations	238,600	232,000	229,000	235,800	242,900
TOTAL	20,113,900	20,137,800	19,911,200	20,602,200	21,390,800
NET INCOME FROM SERVICES	2,121,300	2,104,200	1,456,700	1,895,100	2,152,300
Interest Receivable	58,900	169,000	104,400	30,500	30,400
NET OPERATING SURPLUS	2,180,200	2,273,200	1,561,100	1,925,600	2,182,700
<u>Appropriations</u>					
Revenue Contributions to Capital	-4,081,500	-2,089,500	-8,843,900	-1,928,000	-2,182,700
Net Increase/(Decrease) in reserves	-1,901,300	183,700	-7,282,800	-2,400	-
Revenue Reserve brought forward	7,635,800	8,601,500	8,785,200	1,502,400	1,500,000
Revenue Reserve carried forward	5,734,500	8,785,200	1,502,400	1,500,000	1,500,000

Rent Decrease/Increase 1st April		-1.00%	3.00%	3.00%
Social Rent				
Average rent (+ 4 rent free weeks)	86.59	85.72	88.29	90.94
Average stock	4,414	4,389	4,359	4,329
Affordable Rent				
Average rent (+ 4 rent free weeks)	129.30	134.83	130.30	134.76
(nb average rent also reflect changes to stock mix following new build completions)				
Average stock	45	56	95	141

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MAJOR REPAIRS RESERVE

	2018/19		2019/20	2020/21	2021/22
	Original £	Forecast £	Estimate £	Projections £	
Balance brought forward	-	-	-	-	-
Depreciation of Dwellings	4,465,100	4,460,900	4,533,900	4,601,900	4,731,900
Depreciation of Other Assets	296,200	295,300	291,500	293,100	294,700
	<u>4,761,300</u>	<u>4,756,200</u>	<u>4,825,400</u>	<u>4,895,000</u>	<u>5,026,600</u>
Utilised to fund Capital Programme	-4,761,300	-4,756,200	-4,825,400	-4,895,000	-5,026,600
Balance carried forward	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HRA CAPITAL PROGRAMME

	2018/19		2019/20	2020/21	2021/22
	Original £	Forecast £	Estimate £	Projections £	
<u>EXPENDITURE</u>					
EXISTING STOCK					
Property Improvements & Major Repairs	7,069,800	6,913,300	8,471,300	9,429,600	7,311,400
Adaptations for the Disabled	350,000	400,000	400,000	400,000	400,000
Environmental Works (Tenant Selection)	10,000	10,000	10,000	10,000	10,000
Repurchase of Shared Ownership Dwellings	50,000	50,000	50,000	50,000	50,000
	<u>7,479,800</u>	<u>7,373,300</u>	<u>8,931,300</u>	<u>9,889,600</u>	<u>7,771,400</u>
NEW BUILD & ACQUISITIONS	3,500,000	2,402,000	7,631,000	6,423,000	3,096,000
TOTAL	<u>10,979,800</u>	<u>9,775,300</u>	<u>16,562,300</u>	<u>16,312,600</u>	<u>10,867,400</u>
<u>FINANCING</u>					
Capital Receipts	1,837,000	2,629,600	2,593,000	2,606,000	1,608,000
HRA Revenue Contribution	4,081,500	2,089,500	8,843,900	1,928,000	2,182,700
Leaseholder Recharges	300,000	300,000	300,000	300,000	300,000
Major Repairs Reserve	4,761,300	4,756,200	4,825,400	4,895,000	5,026,600
Borrowing				6,583,600	1,750,100
TOTAL	<u>10,979,800</u>	<u>9,775,300</u>	<u>16,562,300</u>	<u>16,312,600</u>	<u>10,867,400</u>

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PROPERTY IMPROVEMENT & MAJOR WORKS				
Description of works	2018/19	2019/20	2020/21	2021/22
EXTERNAL IMPROVEMENTS	213,700	929,100	1,255,900	1,144,600
INTERNAL IMPROVEMENTS	383,300	826,600	1,092,600	1,037,200
PATHS, FENCES & WALLS	485,200	246,700	246,700	246,700
PV INSTALLATIONS & OTHER SUSTAINABILITY MEASURES	60,600	95,000	80,000	-
RENEWAL OF HEATING SYSTEMS	934,000	900,900	1,087,900	1,134,100
MAJOR REFURBISHMENTS TO VOID PROPERTIES	715,300	660,000	560,000	560,000
WINDOWS & DOORS	2,307,200	2,118,200	1,574,300	1,588,300
ASBESTOS	167,700	190,000	190,000	190,000
SHELTERED ACCOMMODATION	30,600	80,000	80,000	50,000
DOOR ENTRY SCHEMES	35,800	116,800	269,000	133,600
STRUCTURAL WORKS	20,800	50,000	50,000	50,000
COMMUNAL LIGHTING	785,100	417,000	224,900	134,500
FIRE PROTECTION	105,000	79,000	95,000	78,000
LIFTS	20,000	15,000	135,000	15,000
NON TRADITIONAL HOMES	-	1,000,000	1,000,000	-
GARAGE IMPROVEMENTS	-	25,000	25,000	25,000
WARDEN CALL UPGRADE	-	30,000	500,000	-
FEE FOR MANAGING PROGRAMME	649,000	692,000	709,300	727,000
CONTINGENCY	-	-	254,000	197,400
TOTAL BUDGET FOR EXISTING PROPERTIES	6,913,300	8,471,300	9,429,600	7,311,400

NEW BUILD & ACQUISITIONS				
	2018/19	2019/20	2020/21	2021/22
COUNCIL APPROVED				
GARAGE SITES 2D	965,400	-	-	-
MARKET PURCHASE	933,000	1,067,000	-	-
S106 ACQUISITIONS		1,250,000		
SCHEMES SUBJECT TO TENDER & COUNCIL APPROVAL				
CURRENT ESTIMATE FOR PIPELINE SCHEMES	503,600	5,314,000	6,423,000	3,096,000
TOTAL ESTIMATE FOR NEW BUILD & ACQUISITIONS	2,402,000	7,631,000	6,423,000	3,096,000

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CHELTENHAM BUROUGH HOMES

WHO WE ARE



WHAT WE DO



HOW WE SPEND

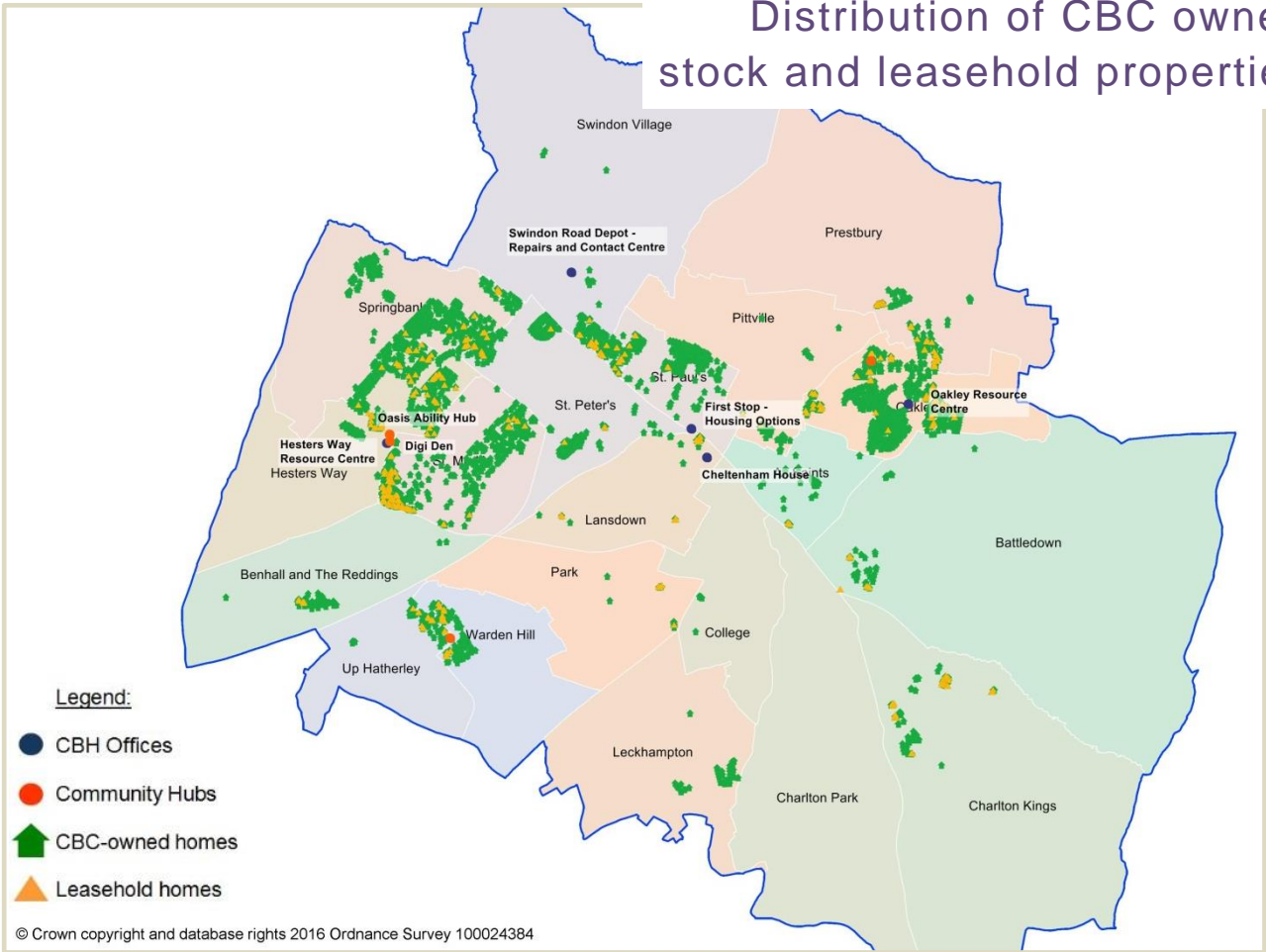


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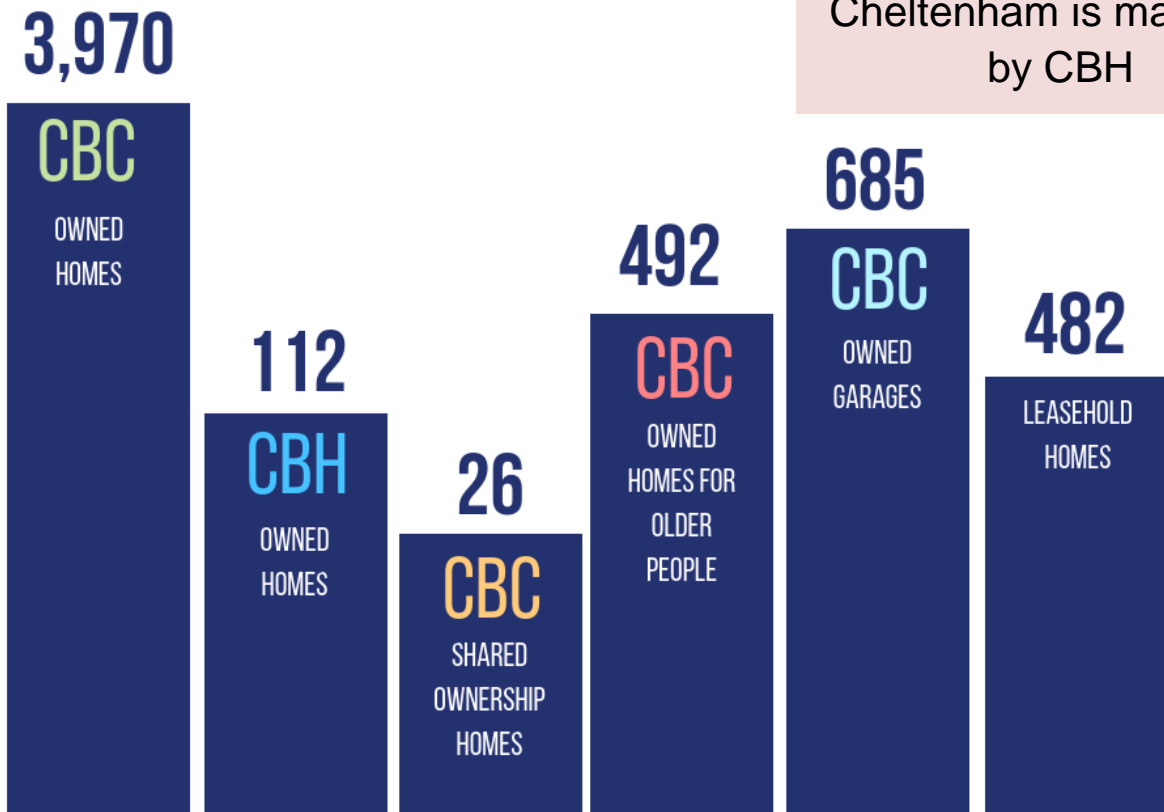
www.cbh.org



Distribution of CBC owned stock and leasehold properties



Almost 1 in 10 homes in Cheltenham is managed by CBH



ABOUT CBH

We are Cheltenham Borough Council's housing ALMO, set up in 2003 for the not-for-profit management and maintenance of council-owned homes. A 30 year Management Agreement sets out our relationship enabling clear plans to be set for the future and to continue fulfilling the aims of the Council's Housing Revenue Account (HRA) Business Plan, which are:

- ✓ **Maintain homes to a high standard**
- ✓ **Build new homes**
- ✓ **Provide value added services to people and communities**

We successfully manage the HRA by identifying the need to spend on homes and services each year; then investing that to deliver repairs and improvements, provide new homes, and to deliver high quality services to tenants and leaseholders. We monitor and manage spend throughout the year and identify efficiency savings on an ongoing basis that we **re-invest in services or homes**.

Working together

Our tenants and leaseholders give their time, energy and commitment to help us understand what is important to them and, in doing so, shape the services we provide. Tenants' overall satisfaction with CBH's services has **increased to 88%** placing CBH among the higher performing housing providers in England and Wales.

CBH is successful because the people that work for us demonstrate **pride, enthusiasm and dedication** in what they do. Our most recent figures show that 96% of colleagues reported that they were satisfied with CBH as an employer, again one of the highest figures in the housing sector. We have clear plans for the future and a robust approach to achieving value for money (VFM) in the HRA. We are successfully **delivering additional savings** over and above those identified in response to the Government's 1% annual rent reductions, which remain in place until 2020. We are achieving this at a time of **unprecedented change and challenge** for the housing sector.

We are a **committed** and **passionate** local organisation. We share your vision for Cheltenham to be a 'place where everyone thrives' and support the delivery of the Housing and Homelessness Strategy. We have an excellent relationship with CBC; it is transparent and suitably challenging, it is also collaborative as demonstrated by the recent work to arrive at the approved **Housing Investment Plan** enabling CBH to access a potential £100m to deliver **500 new, high quality homes for Cheltenham**.

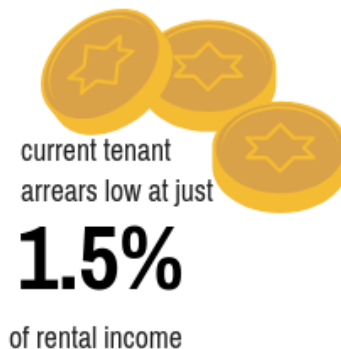
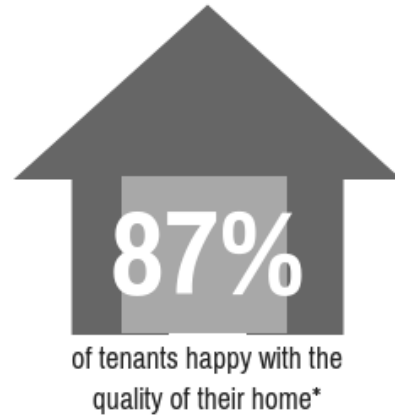
Delivering added value

We operate within the most deprived communities across Cheltenham and by understanding what is important, and the local pressures faced, we make use of our skills and knowledge to provide **enhanced services** to make a positive difference to people's lives. We deliver advice for people dealing with **benefits and money issues**; support people to **find work and training** opportunities; provide hubs for and deliver **community activities**; provide **digital inclusion** opportunities; work closely with **local schools** to help students to remain in mainstream education; and support local partners to help people start up their own businesses through the **'STRIVE' project**.

DELIVERING IN THE HRA, 2017/18

Maintaining homes to a high standard & build new homes

The infographics below provide a look behind the numbers in the HRA, providing context and a selection of achievements that highlight just some of the excellent work that went on in 17/18.

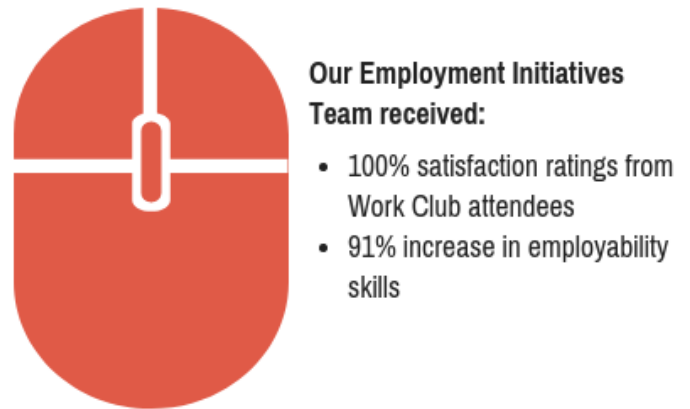
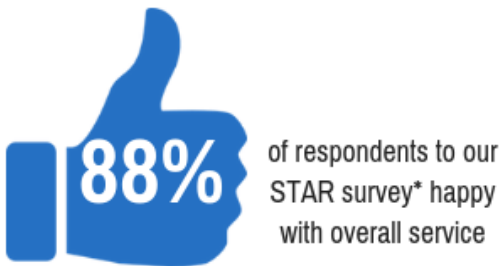
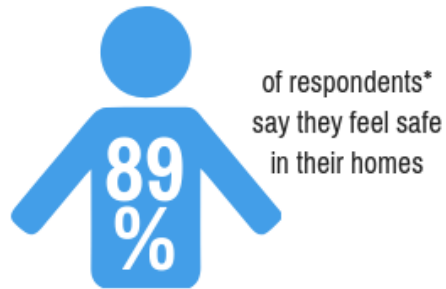


* Taken from comprehensive biennial STAR survey. Just over 1,000 tenants responded – almost ¼ of tenancies.

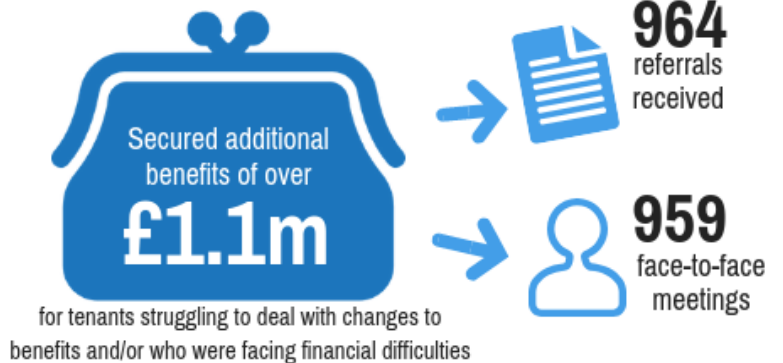
DELIVERING IN THE HRA, 2017/18

Provide value added services to people and communities

Where appropriate, CBH also delivers more than high quality landlord services: providing people with support and advice in areas that will enable them to improve their quality of life.



Housing Options Team secured **£1.74m** in unclaimed and backdated benefits



* Taken from comprehensive biennial STAR survey. Just over 1,000 tenants responded – almost ¼ of tenancies.

ENSURING VFM IN THE FUTURE

The previous two pages provided an overview of some of the excellent services we are delivering to meet the needs expressed by tenants and leaseholders. Our **Vision** and **Aims** help us continue to do this effectively and efficiently, while enhancing services further.

Our Vision:

Make Cheltenham a better place to live by providing great homes and stronger communities

Our Aims:


Great Homes

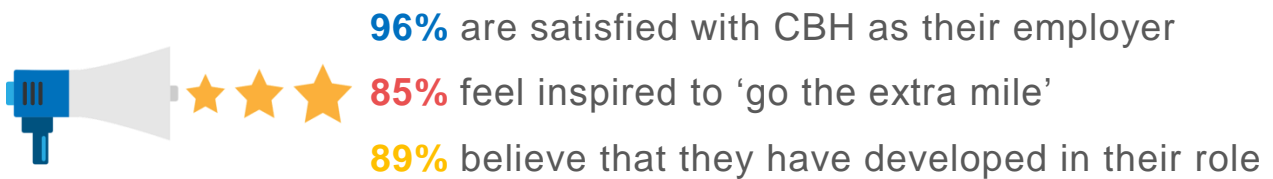

Stronger Communities


Inspired People

We are clear that **achieving good value for money** (VFM) is not just concerned with reducing costs; it is about understanding the need to spend and then managing that effectively, to maintain **strong core services** and continue to achieve positive change and outcomes.



At the heart of this is the recognition that we must look after our CBH colleagues, ensuring that they, in turn, are able to **look after our customers**. We want employees to feel valued and inspired to 'go the extra mile' for our customers. Our People Plan was developed through in-depth consultation, with colleagues helping to shape its direction and the suite of activities it is currently delivering. At the heart of this is our **#WeAreCBH** group, a collection of 21 colleagues who volunteer to be a consultative body and help deliver these actions. Satisfaction has improved with a recent survey returning impressive figures:












Our systems and processes are being improved as part of a major programme of work that is due to end in 19/20. This will enable employees to **work more efficiently and effectively than ever before** and be better able to meet customers' needs. Our structures and resources to deliver our plans and promises are regularly reviewed to ensure they are appropriate.

We have clear and measurable plans in place setting our priority areas of work, to ensure that we are always improving and seeking to find new and more innovative ways of working. On the following page is a selection of some of those priority areas of work that are being delivered now, that will ensure we achieve our Aims and maintain **excellent value for money**.







We Aim to provide Great Homes by:

-  **Improving systems** – to make it easier for customers to interact with us online
-  **Enabling Asset Modelling** – to make sure we have a clear understanding of the costs involved in maintaining each property enabling even more informed decisions about investment
-  **Continuing the ‘Cheltenham West Vision’ regeneration project** – refining the potential options to regenerate areas of Cheltenham to improve the quality of life for the people living there
-  **Providing new windows & doors** – across all homes to improve security and energy efficiency
-  **Deliver the solution for non-traditional build properties** –to refurbish and extend the life of these property types
-  **Insourcing existing works programmes** – to make best use of the skills we have in-house, improve quality and reduce costs
-  **Completing our Service Improvement Programme (SIP)** – which will develop and enhance the processes, applications and supporting technologies that enable CBH to deliver efficient & effective services into the future
-  **Managing Welfare Reform impacts** – to mitigate the effects that ongoing changes to benefits are having on tenants, people in need of social housing and the business
-  **Supplying new homes for Cheltenham** – this programme will be significantly expanded to help meet local housing need and balance CBC-owned stock lost to Right to Buy. Recent developments with CBC will enable a number of routes to be explored for the supply of both affordable and private homes including s106, acquisition and new build. We are looking into innovative construction techniques, for example modular and 3D printed builds, where this is appropriate






We Aim to build Stronger Communities by:

-  **Supporting community projects and initiatives** – through sourcing external funding, resourcing community organisations and harnessing partner support and capacity
-  **Enhancing our role as a local community builder** – to work with partners to deliver locality based community investment
-  **Moving away from direct delivery** – to true partnership working
-  **Understanding our Social Value** – to demonstrate the social value we bring to communities



We Aim to deliver this with Inspired People by:

-  **Developing people** – by enhancing our support for colleagues to help them achieve their potential through opportunities for personal and professional development we empower people to challenge the business where they feel something can be done better, or spot where they make a difference for customers, and then go the extra mile to achieve that
-  **Enhancing recruitment** – by modernising our recruitment and selection process to ensure we are attracting and recruiting excellent people who add extra value to the business and are committed to helping us achieve our Aims. Our suite of benefits help colleagues to maintain good health and wellbeing at work and at home
-  **Living our Values** – by continuing to listen to our colleagues to understand their needs and adapt the business to support them our colleagues are continually shaping the business. Our #WeAreCBH group is delivering our People Plan with colleagues, ensuring they feel valued and inspired to live the values they chose: #WeAreSupportive, #WeAreOne Team, #WeAreRespectful and #WeAreTrustworthy

ENSURING VFM

We are responsible for managing the resources of both CBH and the Council's HRA. A suite of Key Performance Indicators demonstrates the balance across costs, performance and satisfaction.

We make use of an established sector model to provide an understanding of Costs per Property (CPP) for the financial year just completed and set targets based on future budgets: they are directly linked to actual spend and budgets. These, combined with performance and satisfaction levels, demonstrate **the balance across the three strands of value for money: costs, performance and satisfaction**. Our current suite of VFM KPIs is included on the following pages, aligned to our Aims, and show outturn at the end of 17/18 and challenging targets to 19/20. Commentary is included to provide some context to the numbers.

Key to RAG colours:

■ On or better than target ■ Slightly off target ■ Off target



Providing Great Homes

	2017-18	2018-19	2019-20
	year-end outturn compared to target (as a RAG)	year-end target (approved)	year-end target (draft)
Direct cost per property of Major Works & Cyclical Maintenance	£1,756	£1,867	£2,284
% dwellings non-decent at the end of the period	0.37%	0.97%	0.35%
% dwellings with a valid gas safety certificate	99.81%	100%	100%
Average SAP rating (2009 methodology)	71.67	72	72.2
Windows and doors total installations	3,117	1,768	1,045
STAR satisfaction with overall quality of the home	87.19%	89%	89%
Number new homes supplied	9	25	41
Direct cost per property of responsive repairs & void works	£568	£581	£580
% of emergency, urgent and routine repairs completed within target	99.04%	99%	99%
% tenants satisfied with repairs carried out	99.22%	99%	99%
Direct cost per property of rent arrears and collection	£89	£100	£101
Current arrears as % of rental income (excluding court costs)	1.51%	2.86%	3.81%
Rent collected from current & former tenants as % rent due (excluding arrears brought forward)	99.19%	97%	97%
Direct cost per property of Lettings	£38	£42	£44
% Rent lost through CBC dwellings becoming vacant excluding temporary furnished	0.68%	0.71%	0.73%
Ave time taken to re-let minor void CBC properties (exc. temporary Furnished Accommodation and James Donovan Court) in days	17.85	16.5 days	19 days
Number of downsizers moved	New	18	22
Complaints closed at stage 1 - % within agreed timescales	100%	96%	96%
Average time taken to respond to initial complaints	7.6 days	12 days	10 days
Number of complaints per 1000 properties	9.47	13	12
Percentage of contact centre calls answered	92.98%	96%	tbc
% online customer contact	New	7%	12%
Meeting CBH financial plan and budget targets	New	£58,000	£45,000
Meeting HRA financial plan and budget targets	New	£2,180,200	£1,573,400

Major works and Cyclical Maintenance

It is vital to maintain appropriate capital investment in homes, based on up to date data sourced from our stock surveys: this enables decency levels and the long term viability of the stock to be maintained. Changes in costs each year reflect the different levels of spend that is required as part of the planned investment profile (30years long, with detailed plans for the next 5years): the increases in CPP reflects our desire to modernise stock to narrow the gap between new and existing properties and investment in non-traditional properties. It also takes into account feedback from tenants, which has seen an increased shower installation programme developed.

When compared with the external peer group, CPP is worse than the average figure, however Local Authorities and ALMOs tend to have an older stock profile than the majority of the sector, requiring greater investment. The range of indicators in the table above shows strong performance against local targets and future targets are challenging, maintaining a clear direction of travel. The non-decency target reflects the decision to pause decent homes work on a small number of non-traditional properties that are awaiting options appraisal. SAP figures have risen as a consequence of investment in energy reduction initiatives, and the ongoing windows and doors replacement programme.

Responsive repairs and void works

The responsive repair service is a flagship service for tenants that delivers emergency, urgent and more routine responsive repairs. CPP figures are subject to the number and type of repairs raised, or exceptional weather during the year. Prudent budgeting takes this into account and, means that future year-end targets show a higher CPP. Void costs are affected by the number of terminations within a year and the state of repair of those homes, both of which can fluctuate significantly.

Current CPP figures are better than average when compared with our peer group. Repairs completed within target time remains excellent and satisfaction levels very high, both positioning CBH in the top quartiles for the sector. In order to improve efficiency and quality for tenants our current and future plans for this area are to insource more types of work.



Our responsive repairs service is very important to and highly regarded by tenants: over 10,000 repairs were delivered during 2017/18, with satisfaction levels running at 99%

Rent Arrears and Collection

CPP for 17/18 is better than the target modelled and slightly worse than the sector average when compared with our peer group. We have proactively resourced the housing revenues team to deal with the challenges faced by both tenants and the business following changes to the Welfare System and the roll out of Universal Credit (UC) in Cheltenham. This has been carefully modelled and has enabled continued strong rent performance with levels demonstrating top quartile performance. Evictions for rent arrears are a last resort, we always seek to provide support through our benefit and money advice and rent collection teams to sustain tenancies and these numbers are some of the lowest in the sector. Future targets are arrived at following analysis of in-year change and use of sector modelling tools: they reflect the continuing challenges as the roll out of UC continues across the town: currently 700 tenants are claiming UC, who have more arrears than the rest of the tenant population: a final total of around 3,000 UC is currently expected.

Lettings

CPP outturn was better than the target set for 2017/18. When compared with our peer group CPP is just below the average figure. This area continues to demonstrate strong performance, with the time it takes to re-let empty homes and the rent lost while they are empty both low: this outturn places CBH in the top quartile for the sector. Satisfaction with the allocation and lettings process remains high and the reasons for terminating a tenancy are regularly analysed to spot trends or emerging issues. In order to make the best use of Council homes and help older people who may be living in large properties with large gardens, there has been a drive to proactively support tenants to 'downsize' to more appropriately sized homes. This activity, along with the decision to act on tenant feedback to install showers when an appropriate property becomes empty, is resulting in slightly longer re-let times and future targets reflect this, whilst seeking to maintain top quartile sector performance levels.

Complaints and contact centre

Performance remains strong, reflecting the ease with which customers can make complaints and the effectiveness of the processes dealing with them. Learning from complaints and adapting services accordingly is a major part of the process. Contact Centre calls answered is slightly off target but future targets reflect the desire to drive that figure higher. The recently completed project to enhance the telephony system has resulted in a more resilient system with better call handling and functionality, enhancing the customer experience. It also provides improved reporting capabilities and more data which will help to improve performance and provide an opportunity to review the KPI reported to make sure it is the most appropriate measure.

Finances

These KPIs are a high level check supplementing the in-depth financial monitoring the CBH management fees included in the draft HRA budget account for 95% of CBH activity on a break even basis. The deficit derives from CBH's own stock of homes which is in line with the CBH business plan and is projected to change to a surplus in 2 years. The operating surplus on the HRA has been extracted from the budget presented to Council for approval.

Building Stronger Communities

	2017-18	2018-19	2019-20
	year-end outturn compared to target (as a RAG)	year-end target (approved)	year-end target (draft)
Direct cost per property of ASB	£58.30	£55	£57
STAR tenants feeling safe in their own homes	89.25%	93%	97%
% closed ASB cases that were resolved	96.79%	98%	99%
% satisfied with the way their ASB complaint was dealt with	100%	95%	98%
Direct cost per property of Resident Involvement	£62	£75	£68
STAR % customers satisfied that CBH listens to their views and acts upon them	65.84%	70%	70%
Direct cost per property of Tenancy Management	£93	£93	£99
Overall customer satisfaction (%) STAR Survey	88.18%	89%	90%
STAR satisfaction with value for money of the rent	87.47%	88%	88%
Income generated on behalf of customer year to date	£1,105,268	£680,000	£1m

ASB

Actual CPP at the end of 2017/18 was better than the target modelled as part of the budget process. This was possible due to more efficient structures and processes bedding in over the year. CPP is worse than the sector average, but investment in ASB work reflects the importance in which it is held by tenants.

Our ASB team is proactive and preventative, seeking mediation between complainants and working with local schools to raise awareness of the consequences of anti-social behaviour. We also work very closely in partnership with the Police, supporting various community initiatives, for example the 'Cocooning' day held in The Moors estate, and crime operations like the 'County Lines' campaign aimed at tackling drug gangs exploiting young and vulnerable people. This area of service demonstrates strong performance and satisfaction; feedback from satisfaction surveys show that 89% of respondents felt safe in their homes and satisfaction with the way the case was handled reflects top quartile performance when compared to the sector.

Resident Involvement

CPP was better than the target set in 2017/18. This was achieved following a review of structures and roles. When compared with our peer group CPP is worse than the sector average but CBH places tenant engagement high on our agenda. A dedicated tenant scrutiny panel helps to monitor and develop services; over 840 tenants (18% of all tenancies) are currently involved with our teams, ensuring there is opportunity to shape current and future services to meet their needs.

Our new Customer Services Strategy will prioritise and focus efforts in this area over the coming years to drive up performance and satisfaction levels.

Tenancy Management

CPP has decreased, following a successful review of structures and processes. When compared with peers CPP is worse than average, placing CBH in the bottom quartile. Draft 19/20 targets are affected by a change in the methodology used to calculate the CPP and will be revisited in early 2019 once the enhancements are complete. Increasingly CBH is managing tenants with a range of issues and needs and, wherever possible, we seek to identify the most appropriate support and help tenants to sustain their tenancy. To that end our tenancy management team has close working links with social services and support groups. A programme of tenancy audits is drawing to a close in the coming year which will result in a framework to help identify where resources are best used.

CBH has made the decision to continue to invest appropriately in supporting strong communities through effective neighbourhood and community management and involving residents. This supports local agendas which CBH is well placed to help deliver. Overall customer satisfaction with CBH remains high, exceeding target and when compared with the sector is better than the average figure.



Our annual tenant and leaseholder awards bring people of all ages together to celebrate their achievements and communities





	2017-18	2018-19	2019-20
	year-end outturn compared to target (as a RAG)	year-end target (approved)	year-end target (draft)
Average number of working days lost to total sickness	8.86	8 days	7 days
Leavers as % of average number of employees	14.40	12%	12%
Percentage of staff satisfied with your organisation as an employer	64.96%	82%	96%
% of colleagues feeling they are developing at CBH	New	75%	90%
% of colleagues inspired to 'go the extra mile'	New	No Target	90%

Employees

Sickness and leavers figures are strong with both better than the sector average, future targets seek to improve these further. Satisfaction and feedback from our colleagues is regularly sourced and used to shape our values and Inspired People Plan. Current overall satisfaction with CBH as an employer sourced from a very recent survey shows that the figure has increased to 96%, which is top quartile performance when compared to the sector.

Our People Plan aims to make CBH a great place to work and create an environment where colleagues feel supported and empowered to make great things happen for both colleagues and customers alike. Future targets reflect our desire to further enhance satisfaction, development and engagement. Creating an environment where colleagues are encouraged to 'go the extra mile' will inspire and enable people to continue to deliver great new projects, both large and small which truly improve the lives of our customers. Examples of such projects include:

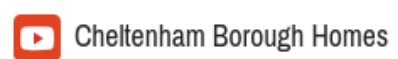
 The **hugely successful 'Hamper Scamper' appeal**, aims to buy gifts for children living within disadvantaged households. This year CBH colleagues used their contacts to encourage other local businesses, including John Lewis, P3, The Freedom Church, Christchurch and St Paul's Church, plus some very generous local people to team up with us. This meant we were able to provide **over 250 toys and gifts**, and almost **270 winter coats** for local children. We also collected **48 hampers of food and Christmas treats** for young people, families and vulnerable adults.

 Created by CBH employees, the **Help2 programme helps tenants** who find themselves in unexpected hardship or are facing exceptionally difficult circumstances; this could be as a consequence of bereavement, abuse or illness for example. Our colleagues volunteer to help out with projects, such as garden or home clearances or decorating and actively work with local partners who contribute materials and time. An annual discretionary fund is used to provide extra assistance in the shape of goods, vouchers or services to help individuals and families. **These projects make a huge difference to people**, for example a tenant suffering extreme anxiety due to historic abuse had cut themselves off from contact with the wider world. She worked three part time jobs with unsociable hours to avoid contact with people but was falling into arrears due to the financial difficulties she had been left with, and could not see a future in a home that she felt she could no longer cope with. We pitched in with home and garden clearance, decorating and money and benefit support. She fed back her thanks and one of her comments that struck a cord with the team is as follows:



For further information about the contents of this report please contact:

business.support@cbh.org



great homes | stronger communities | inspired people

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Cheltenham Borough Council

Cabinet – 12th February 2019

Council – 18th February 2019

General Fund Revenue and Capital – Revised Budget 2018/19, and Final Budget Proposals 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	Overview and Scrutiny Committee and Budget Scrutiny Working Group
Ward(s) affected	All
Key Decision	Yes
Executive summary	This report summarises the revised budget for 2018/19 and the Cabinet’s final budget proposals and pay policy statement for 2019/20.
Recommendations	<p style="text-align: center;">Cabinet / Council</p> <ol style="list-style-type: none"> 1. Approve the revised budget for 2018/19. 2. Consider the budget assessment by the Section 151 Officer at Appendix 2 in agreeing the following recommendations. 3. Approve the final budget proposals including a proposed council tax for the services provided by Cheltenham Borough Council of £209.08 for the year 2019/20 (an increase of 2.99% or £6.07 a year for a Band D property), as detailed in paragraphs 4.18 to 4.23. 4. Approve the growth proposals, including one off initiatives at Appendix 4. 5. Approve the savings / additional income totalling £1,677,600 and the budget strategy at Appendix 5. 6. Approve the use of reserves and general balances and note the projected level of reserves, as detailed at Appendix 6. 7. Note that the Council will remain in the Gloucestershire business rates pool for 2019/20 (paragraphs 4.5 to 4.17). 8. Approve the recommendations made by the Independent Remuneration Panel (IRP), as detailed in paragraph 5.14. 9. Approve the Pay Policy Statement for 2019/20, including the continued payment of a living wage supplement at Appendix 9.

10. Approve the Medium Term Financial Strategy (MTFS) detailed in Section 5 and Appendix 10.

11. Approve a level of supplementary estimate of £100,000 for 2019/20 as outlined in Section 13.

<p>Financial implications</p>	<p>As contained in the report and appendices.</p> <p>Contact officer: Paul Jones, Executive Director Finance and Assets.</p> <p>E-mail: paul.jones@cheltenham.gov.uk</p> <p>Tel no: 01242 264365</p>
<p>Legal implications</p>	<p>The budget setting process must follow the Council's Budget and Policy Framework Rules.</p> <p>Members are not generally regarded as having a personal or prejudicial interest in the setting of the council budget and council tax. However, any member who is in arrears of council tax needs to give careful consideration to the provisions of section 106 of the Local Government Finance Act 1992. This states that if any arrears remain unpaid for at least two months then the member must disclose this at the beginning of the meeting, which is to consider the council tax calculation and shall not vote on the matter. It is a criminal offence to disregard this requirement. Any member likely to be in such a position should seek advice as quickly as possible from the Monitoring Officer.</p> <p>There is a legal requirement under the Local Government Finance Act 1992, sections 31A and 42A to set a balanced budget. The budget proposals includes budgets for expenditure and income and uses reserves to fund one off expenditure, fund future expenditure or phase in the impact of increased expenditure in accordance with the Medium Term Financial Strategy.</p> <p>Section 38 of the Localism Act 2011 requires local authorities to produce Pay Policy Statements. The Act also contains requirements for local authorities to hold a referendum where council tax is proposed above specific levels and this has been taken in to account in recommending a 2.99% increase as set out in the report.</p> <p>Section 25 of the 2003 Local Government Act requires the Authority's Section 151 Officer to comment on the robustness of the estimates and the adequacy of reserves.</p> <p>Contact officer: Peter Lewis</p> <p>E-mail: peter.lewis@tewkesbury.gov.uk</p> <p>Tel no: 01684 272012</p>

HR implications (including learning and organisational development)	<p>Relationships with the two recognised trade unions continue to remain very positive. The Executive Leadership Team and the HR team will continue to work closely with TU colleagues in order to ensure that any potential impacts on employees as a result of realisation of budget savings are kept to a minimum.</p> <p>Contact officer: Julie McCarthy</p> <p>E-mail: julie.mccarthy@publicagroup.uk</p> <p>Tel no: 01242 264355</p>
Key risks	As outlined in Appendix 1
Corporate and community plan Implications	The aim of the budget proposals is to direct resources towards the key priorities identified in the Council's Corporate Business Plan whilst recognising the reduction in Government funding.
Environmental and climate change implications	The final budget contains a number of proposals for improving the local environment, as set out in this report.

The Council takes its statutory duties to promote equality of opportunity seriously. The 2010 Equality Act sets out that we must have due regard to the need to advance equality of opportunity between people who share a protected characteristic and those who do not. The groups that share a protected characteristic include those defined by age, ethnicity, disability, religion or belief and sexual orientation

The Cabinet Member Finance and Executive Director Finance and Assets have been mindful of this statutory duty in how the budget proposals have been prepared. The community and equality impacts of the various budget proposals are as follows:

Budget Proposal (excerpt from appendix 5)	Potential community and equality impacts and any mitigating actions
1. Place and Economic Development	
Transformation of Regulatory and Environmental Services delivery	Ensuring that the human resource processes that area used to enable any staff restructuring are compliant with equality legislation
Review of fees & charges and income generation opportunities	None identified at this stage; the individual proposals for revising fees and charges will be subject to separate equality impact assessments to ensure that particular groups are not disadvantaged.
Car parking strategy – volume / price analysis	An equality impact assessment was carried out on the car parking strategy as this was included in the papers that went to cabinet on 13 June 2017.
Environmental services efficiencies	Ensuring that the human resource processes that area used to enable any staff restructuring are compliant with equality legislation
2. People and Change	
Revenues and Benefits restructure	Ensuring that the human resource processes that area used to enable any staff restructuring are compliant with equality legislation
L&C Review - trust savings deferral	The equality and community impacts of the work to establish the Cheltenham Trust were set out in report to cabinet on 12 December 2012; the report identified that the agreed outcomes recognise the groups where participation is potentially lowest. This is being monitored through quarterly review meetings
Publica Savings	None identified as part of this report

3. Finance and Assets	
Investment portfolio income generation	None identified
Local council tax support scheme	An equality impact assessment was carried out on the new local council tax support scheme and this was included in the papers that went to council on 10 December 2018.
LGPS up-front payment discount	None identified
Municipal offices - Letting of surplus office accommodation space	None identified
4. Use of Reserves	
Use of Budget Strategy (Support) Reserve	None identified

1. Background

- 1.1** In accordance with the Council's Budget and Policy Framework Rules, which are part of the Council's constitution, the Cabinet is required to prepare interim budget proposals for the financial year ahead and consult on its proposals for no less than four weeks prior to finalising recommendations for the Council to consider in February 2019. The consultation took place between the period 19th December 2018 to 25th January 2019 and this report sets out the final proposals for 2019/20.
- 1.2** The Local Government Finance Settlement for 2013/14 marked the introduction of the new local government resource regime with a significant change in the way local authorities are financed. Under the new regime, more than 75% of the Council's Government funding comes directly from Business Rates and, as a consequence, has the potential to vary either upwards or downwards during the year. This is a key strand of the Government policy to localise financing of local authorities and brings the potential for increased risks or increased rewards.
- 1.3** In December 2018 the Cabinet proposed a net budget requirement for consultation totalling £14.666m and was based on a 2.99% (£6.07 for Band D property) Council Tax increase.
- 1.4** Since the draft budget proposals were published, additional pressures have been identified which have been captured within the growth proposals in Appendix 4.
- 1.5** The final financial settlement was announced on 29th January 2019 which resulted in some changes to the assumptions used in the interim budget proposals that were presented at the Cabinet meeting held on 18th December 2018. The most significant changes and announcements proposed in the settlement were:
- The announcement that Gloucestershire was not successful in its application to pilot 75% Business Rates Retention (BRR) in 2019/20;
 - No changes in the way that the New Homes Bonus (NHB) is calculated and the baseline target will remain at 0.4%. This equates to an additional £228,797 NHB in 2019/20;
 - The distribution of £180m business rates retention levy pro-rata to the 2013/14 Settlement Funding Assessment. This equates to an additional £42,893 in 2019/20;
 - An upward adjustment to the 2017/18 tariff for business rates revaluation which resulted in a reduction in retained business rates of £81k;
 - Fair Funding Review and Retained Business Rates consultations on new funding methodology from 2020/21 which closes on 21st February 2019;
 - Confirmation to the removal of 'negative Revenue Support Grant (RSG)' in 2019/20.
- 1.6** The additional pressures outlined in Appendix 4 have been funded by the additional funding, which will result in a revised net budget requirement of £14.831m as detailed in Appendix 3.

2. Budget Assessment of the Section 151 Officer

- 2.1 Under Section 25 of the 2003 Local Government Act, there is a legal requirement for the Section 151 Officer to make a report to the authority when it is considering its budget, council tax and housing rents (see separate report on HRA to Council) covering the robustness of estimates and adequacy of reserves. The Act requires councillors to have regard to the report in making decisions at the Council's budget and council tax setting meeting.
- 2.2 The Section 151 Officer is satisfied that the proposed budget for 2019/20 has been based on sound assumptions and that the Council has adequate reserves to fund operations in 2019/20. The full assessment is attached at Appendix 2.

3. 2018/19 Budget Monitoring to December 2018

- 3.1 The budget monitoring report to the end of December 2018, also considered by Cabinet on 12th February 2019, indicates that despite a number of variances to the budget it still anticipates the delivery of services within budget in 2018/19.

4. Settlement Funding Assessment

- 4.1 The principles of the settlement allow 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 are noted as being one element of an efficiency plan through a voluntary drawdown of reserves as the price for greater certainty for future settlements.
- 4.2 The proposed levels of government funding for this Council are set out in the table below. Overall 'core' central government funding (referred to as the Settlement Funding Assessment) is set to reduce by a further 1.4% in 2019/20 which is significantly less than expected due to the removal of negative RSG.

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Revenue Support Grant	1.273	0.544	0.102	0.000
Baseline Funding (Cheltenham's target level of retained Business Rates)	2.600	2.653	2.733	2.796
Settlement Funding Assessment	3.873	3.197	2.835	2.796
Actual cash (decrease) over previous year	(0.816)	(0.676)	(0.362)	(0.039)
% cash cut	(17.4%)	(17.5%)	(11.3%)	(1.4%)

- 4.3 The Government's policy of phasing out revenue support grant and in due course potentially allowing councils to benefit from a higher share of business rates creates a need for this Council to develop a long-term strategy which is significantly different from that followed in past years. Since 2013 the Council has had a direct financial interest in economic and business growth in the town, and will have a larger stake in it under the Government's proposals for reforming

business rates.

- 4.4** As detailed within the Medium Term Financial Strategy (MTFS) at Appendix 10, a technical consultation paper on the funding mechanism for Local Government finance from 2020/21 (the Fair Funding Review) was launched through the provisional settlement with a closing date of 21st February 2019. In addition, there is a further consultation paper on business rates retention with the same closing date. Officers will work with colleagues within Gloucestershire to ensure a robust response is put forward on behalf of this Council.

Business Rates Retention (BRR)

- 4.5** 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.
- 4.6** Continuation within the pool was delegated to the Section 151 Officer and Chief Executive and this is reviewed on an annual basis.
- 4.7** 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.
- 4.8** 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 Tewkesbury Road, 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'.
- 4.9** 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.
- 4.10** 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.
- 4.11** 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.
- 4.12** The existing 100% business rates pilot will end on 31st March 2019. Gloucestershire, alongside all other authorities in England, were invited to make an application to the Ministry of Housing, Communities and Local Government (MHCLG) to pilot 75% business rates retention in 2019/20, and a bid was submitted ahead of the closing date of 25th September 2018.
- 4.13** The provisional financial settlement announced on 13th December 2018 (and ratified by the final settlement announced on 29th January 2019), confirmed that Gloucestershire was not successful in its application to pilot in 2019/20 but it has been confirmed as having pool status, which will result in a reduced levy being payable. The Government were committed to providing opportunities for new pilots to be established in 2019/20 which included Northamptonshire, Somerset, Worcestershire and Buckinghamshire.

4.14 One of the key documents in the budget setting process is the estimate of business rates yield which is reported in the National Non Domestic Rates return (NNDR1) which is submitted to the MHCLG. The NNDR1 return was submitted to the MHCLG by the deadline of 31st January 2019 and the budget is based on the figures in that return. The table below incorporates figures from the NNDR1 return and it is pleasing to report that the estimated net surplus from retained business rates against the baseline funding position is £1.6m. However, due to large reductions made by the Valuation Office (VO) in the rateable values of supermarket ATM's (which are backdated several years) and other rateable value changes, deficit adjustments need to be made from previous years to the value of £105,170.

	2018/19 Original 100% system £	2018/19 Revised 100% system £	2019/20 Original 50% system £
Retained business rates	27,178,478	26,957,989	21,993,793
Tariff payable to government	(23,875,005)	(23,875,005)	(18,936,362)
Grant to compensate for government decisions	1,474,787	1,599,062	1,651,218
Estimated levy payable to government after Pool surplus	-	-	(311,468)
Net retained business rates	4,778,260	4,682,036	4,397,181
Less Baseline Funding (target level of net retained rates)	(2,835,551)	(2,835,551)	(2,795,889)
Net surplus on business rates against baseline funding	1,942,709	1,846,495	1,601,292
Deficit adjustment re 2016/17	(235,484)	(235,484)	-
Deficit adjustment re 2017/18	(510,226)	(510,227)	73,117
Deficit adjustment re 2018/19	-	220,489	(178,287)
One-off adjustments re previous years' deficits	(745,710)	(525,222)	(105,170)
Net retained business rates (after one-off deficit adjustments)	4,032,550	4,156,814	4,292,011
Transfer to BRR earmarked reserve	(633,457)	(633,457)	-
Net retained business rates	3,399,093	3,523,357	4,292,011

4.15 The move to local business rates retention still appears to be a positive one, but local authorities have faced a series of obstacles in trying to make it a success. The Government's desire is to make sure that the system is fair and that there is a balance between incentives and managing risks, and is being addressed through the current consultation.

- 4.16** A significant level of risk remains due to the volume of outstanding business rates appeals which are being processed by the Valuation Office. Where appeals are successful, refunds of business rates may be repayable back to the 2010/11 financial year, which reduces the business rates yield in the year in which the refund is made. The Council has made provision for its share of the cost of outstanding appeals in its financial statements. The level of provision has been reviewed as part of the preparation of the business rates estimates for 2019/20.
- 4.17** Local authorities have been inundated with various regulation updates but we are still struggling to get access to critical information, such as the likely outcome of appeals against business rates. Large appeals and RV reductions from other public sector organisations could also undermine local government's ability to make business rates retention a success.

Council Tax

- 4.18** 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.
- 4.19** CPI inflation was 2.1% in December 2018, which is above the Monetary Policy Committee's (MPC) 2% target. With increased pressure to deliver services with reducing government support, there is a clear mandate from central government for the reliance of council tax to fund our local services.
- 4.20** The tax base has increased by 2.16% in 2019/20 which has significantly exceeded the target of 0.8%. This increase comes from additional properties completed in the past year, the adoption of the empty homes premium and changes to the council tax support scheme (0.55%).
- 4.21** With this in mind, the Cabinet has had to consider what level of increase in council tax is sustainable, without creating an increased risk of service cuts and/or larger tax increases in the future.
- 4.22** The uncertainty surrounding the future of New Homes Bonus, the fair funding review and the reset in the business rates post 2020 which represents a significant proportion of our income, places a greater reliance on council tax as our main source of income.
- 4.23** Therefore, the Cabinet is proposing a 2.99% increase in council tax in 2019/20; an increase of £6.07 for the year for a Band D property.

Collection Fund

- 4.24** In accordance with the Local Authorities Funds (England) Regulations 1992, the Council has to declare a surplus or deficit on the collection fund by 15th January and notify major preceptors accordingly. This Council's share of the collection fund surplus for 2018/19 is £110,500 which will be credited to the General Fund in 2019/20. Collection fund surpluses arise from higher than anticipated rates of collection of the council tax collection rates.

5. The Cabinet's general approach to the 2019/20 budget

- 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 council has a sizeable funding gap to resolve as well as a number of financial risks to manage. Given the ambitious nature of the council and its desire to ensure Cheltenham is a

place where people wish to work, visit and live the budget strategy for the medium term must reflect these aspirations and not jeopardise these core priorities.

- 5.3** The key building blocks for the executive team structure of Place and Growth; People and Change; and Finance and Assets, together with a planned and proactive approach to the use of reserves, are the key drivers for delivering the budget strategy as detailed within the Medium Term Financial Strategy (MTFS) at Appendix 10.
- 5.4** The budget strategy looks inwards at service transformation and modernisation, outwards at economic growth and investment, and relies heavily on collective ownership and oversight. The Council has an ambition to become more commercial in order to move towards a greater level of financial self-sufficiency. This will require a change at strategic level that will affect the whole organisation, taking into account the tight geography of the Borough, the pace of change desired and the high level of senior leadership buy-in required.
- 5.5** 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.
- 5.6** 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”.
- 5.7** 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.
- 5.8** The MTFS indicates broadly how the Council will close the projected funding gap over the period 2019/20 to 2022/23. In future years, it includes targets rather than necessarily specific worked up projections of cost savings and additional income to allow the Executive leads autonomy and flexibility. Engaging with stakeholders will be crucial when it comes to developing a sense of ownership in local decision-making and service delivery. Working with stakeholders will allow the council to fine tune services based on actual needs. Holding adequate information upon which to base the allocation of scarce resources is essential to address under-met needs.
- 5.9** The Cabinet’s interim budget proposals for 2019/20, approved at a meeting on 18th December 2018, included an estimate of £2.019m for the 2019/20 budget gap i.e. the financial gap between what the Council needs to spend to maintain services (including pay and price inflation) and the funding available.
- 5.10** The final assessment of the budget gap for 2019/20, based on the detailed budget preparation and the final local government financial settlement is £1.934m.
- 5.11** 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 identified efficiency savings and additional income of £1.678m as detailed in Appendix 5.
- 5.12** 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.

5.13 In preparing the interim budget proposals, the Cabinet and officers have considered the following:

- Prepared a budget projection under a general philosophy of no growth in services unless there is a statutory requirement or a compelling business case for an 'invest to save' scheme. The list of proposals for growth, including one off initiatives, is included in Appendix 4.
- Provided for inflation for contractual, statutory, and health and safety purposes at an appropriate inflation rate where proven.
- Budgeted for pay inflation at 2% for 2019/20.
- Budgeted for an increase in Members allowances of 2% for 2019/20.
- Budgeted for superannuation increases in accordance with the triennial review 2016 for the financial year 2019/20.
- Increased income budgets for the Cemetery and Crematorium, assuming an average increase in fees and charges of 2%.
- Increased garden waste charges by £3 whilst retaining the prompt payment discount at £3 per bin for households renewing their subscription ahead of their annual renewal date.
- All other fees and charges, including car parking charges, are subject to annual review by the Regulatory and Environmental Services management team. A target of £50k per annum has been established as part of the budget strategy approved to deliver a balanced budget.
- Assessed the impact of prevailing interest rates on the investment portfolio, the implications of which have been considered by the Treasury Management Panel.

Members Allowances

5.14 In view of the fact that Members did not raise any issues to bring to the attention of the Independent Remuneration Panel (IRP) as part of the scheme for 2019/20, agreement was received in December 2018 from Paul Johnstone, Chair of the IRP that we would adopt the following approach:

- That the Basic Allowance payable to all Councillors is increased from April 2019 by an % equal to the proposed increase to staff relating to 2019/20 (i.e. 2 %).
- That the level of all Special Responsibility Allowances (SRA) be increased by the same %.
- That the allowances for Mayor and Deputy Mayor are increased by the same %.
- That Council is to note that the next full review will start in September 2019.

6. Treasury Management

6.1 Appendix 3 summarises the budget estimates for interest and investment income activity. Security of capital remains the Council's main investment objective.

6.2 Investment interest rates will probably remain very low in the medium term until there is more

economic certainty following Brexit. Returns from traditional fixed term cash deposits are minimal so growth has been achieved through alternative investment sources such as investment in property assets and multi-asset funds which include exposure to the bond and equity markets.

7. Reserves

- 7.1** Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to comment upon “the robustness of the estimates and the adequacy of the reserves for which the budget provides”. This assessment is included within Appendix 2.
- 7.2** The Cabinet is proactive in strengthening reserves when appropriate and necessary through the use of underspends and one-off income. It is therefore recommended that any future underspends or fortuitous windfalls are earmarked for transfer to either general balances or the budget strategy (support) reserve.
- 7.3** A projection of the level of reserves to be held at 31st March 2019 and 31st March 2020 respectively is detailed in Appendix 6.

8. Capital Programme

- 8.1** The proposed capital programme for the period 2018/19 to 2020/21 is at Appendix 7.
- 8.2** The strategy for the use of the council's capital resources is led by our corporate priorities. The existing programme includes sums for infrastructure investment to be funded from capital receipts and the purchase of new vehicles through Ubico. It also includes the allocations agreed by the Council in April 2015 to facilitate the redevelopment to the Town Hall and the Crematorium, and an earmarked contribution to public realm works within the Town Centre.
- 8.3** In addition the capital programme sets aside an allocation for enhancing our property portfolio with the aims of delivering economic growth and regeneration.

9. Property Maintenance Programmes

- 9.1** The budget proposals include the 2019/20 property maintenance programme, which has been reviewed by the Asset Management Working Group, and the budget includes a revenue contribution of £470k to planned maintenance and £130k to reactive repairs, as detailed in Appendix 8.

10. Pay Policy Statement

- 10.1** Section 38 of the Localism Act requires local authorities to produce pay policy statements which should include the authority's policy on pay dispersion. Pay dispersion is the relationship between remuneration of Chief Officers and the remuneration of other staff.
- 10.2** The Pay Policy attached at Appendix 9 includes the following key requirements of the Localism Act 2011:
- policy on pay for each of the ‘in scope’ Officers;
 - policy on the relationship between Chief Officers and other Officers;
 - policy on other aspects of remuneration, namely recruitment, increases in remuneration, performance related pay and bonuses, termination payments, and transparency.

11. Reasons for recommendations

11.1 As outlined in the report.

12. Consultation and feedback

12.1 The formal budget consultation on the detailed interim budget proposals took place over the period 19th December 2018 to 25th January 2019. The Cabinet sought to ensure that the opportunity to have input into the budget consultation process was publicised to the widest possible audience. During the consultation period, interested parties including businesses, parish councils, tenants, residents, staff and trade unions were encouraged to comment on the initial budget proposals. They were asked to identify, as far as possible, how alternative proposals complement the Council's Business Plan and Community Plan and how they can be financed.

12.2 The Budget Scrutiny Working Group has been meeting during the course of the year and has made a positive contribution to the budget setting process in considering various aspects of the budget leading to its publication. The group met on 7th January 2019 and comments have been fed back to the Cabinet.

13. Supplementary Estimates

13.1 Under financial rule B11.5, the Council can delegate authority to the Cabinet for the use of the General Reserve up to a certain limit. This is to meet unforeseen expenditure which may arise during the year for which there is no budgetary provision. It would be prudent to allow for a total budget provision of £100,000 for supplementary estimates in 2019/20 to be met from the General Reserve, the same level as in 2018/19.

14. Alternative budget proposals

14.1 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 changes are properly captured.

14.2 It is also 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.

15. Final budget proposals and Council approval

15.1 The Cabinet has presented firm budget proposals having regard to the responses received. In reaching a decision, the Council may adopt the Cabinet's proposals, amend them, refer them back to the Cabinet for further consideration, or in principle, substitute its own proposals in their place.

15.2 If it accepts the recommendation of the Cabinet, without amendment, the Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.

15.3 An in-principle decision will automatically become effective 5 working days from the date of the Council's decision, unless the Leader informs the Executive Director Finance and Assets in

writing within 5 working days that he objects to the decision becoming effective and provides reasons why. It should be noted that a delay in approving the budget may lead to a delay in council tax billing with consequential financial implications.

- 15.4** In that case, another Council meeting will be called within 7 working days of the date of appeal when the Council will be required to re-consider its decision and the Leader’s written submission. The Council may (i) approve the Cabinet’s recommendation by a simple majority of votes cast at the meeting or (ii) approve a different decision which does not accord with the recommendation of the Cabinet by a majority. The decision will then become effective immediately.

16. Performance management – monitoring and review

- 16.1** The Executive Leadership Team hold regular progress meetings to monitor the delivery of savings and this will need to be matched with performance against the corporate strategy action plan to ensure that resources are used to best effect and prioritised.
- 16.2** The delivery of the savings workstreams included in the final budget proposals, if approved by full Council, will be monitored by the Budget Scrutiny Working Group.

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<p>Appendices</p>	<ol style="list-style-type: none"> 1. Risk Assessment 2. Section 151 Officer budget assessment 3. Summary net budget requirement 4. Growth 5. Savings / additional income 6. Projection of reserves 7. Capital programme 8. Programmed Maintenance programme 9. Pay Policy Statement 10. Medium Term Financial Strategy (MTFS)

Background information	<ol style="list-style-type: none">1. Budget strategy and process report 2019/20 (Cabinet 6th November 2018)2. General Fund Revenue and Capital – Interim Budget Proposals 2019/20 (Cabinet 18th December 2018)3. Budget Monitoring Report 2018/19 position as at December 2018 (Cabinet 12th February 2019) <p>https://www.gov.uk/government/consultations/review-of-local-authorities-relative-needs-and-resources</p> <p>https://www.gov.uk/government/consultations/business-rates-retention-reform</p> <p>https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2019-to-2020-written-statement</p> <p>https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2019-to-2020</p>
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The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible Officer	Transferred to risk register
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 Strategy (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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STATEMENT OF THE SECTION 151 OFFICER UNDER THE REQUIREMENTS OF SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003

ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES 2019/2020

1. INTRODUCTION

The Local Government Act 2003 Section 25 includes a specific duty on the Chief Finance Officer (Section 151 Officer) to make a report to the authority when it is considering its annual budget and council tax levels. The report must deal with the robustness of the estimates and the adequacy of the reserves included within the budget. (For the purpose of the Act 'reserves' includes 'general fund balances'.) The Act requires the Council to have regard to the report in making its decisions at the Council's budget and council tax setting meeting in respect of 2019/20.

In making this report I have considered the risks arising from it, outlined below, and the Council's mitigating actions in arriving at my conclusions which, in summary are:

- Supplies and services and staffing budgets are sufficient to maintain services as planned.
- Budgeting assumptions for treasury management activity reflect the impact of sustained low interest rates and diversification of investments.
- The approach to budgeting for income is prudent.
- The approach taken to using the New Homes Bonus to support the base revenue budget is prudent and is consistent with the Government's statement that Councils are free to spend the Bonus as they choose, including on front-line services and keeping council tax low
- The proposal to increase council tax is required to ensure the viability of this Council in future years without having to make significant cuts to front-line services.
- The medium term financial planning assumptions, including future cuts in government support, are prudent and the continued development and revision of the budget strategy for closing the projected budget gap is providing a planned and measured approach to meeting future financial challenges.
- The approach to financing maintenance is acceptable. Looking ahead, the need to model and prioritise future investment aspirations will become critical if the Council is to meet some of the targets within the Medium Term Financial Strategy (MTFS).
- The level of reserves, including General Balances, is satisfactory.

2. ROBUSTNESS OF ESTIMATES

Budget estimates are assessments of spending and income made at a point in time, based on service needs and known expenditure patterns. The statement about the robustness of estimates cannot give a guaranteed assurance about the budget, but

gives members reasonable assurances that the budget has been based on the best available information and assumptions.

In order to meet the requirement of assessing the robustness of estimates the Section 151 Officer will consider and rely upon the key processes that have been put in place:

- the issuing of clear guidance to Service Managers on preparing budgets through the annual budget strategy report;
- peer review by finance staff involved in preparing the standstill base-budget, i.e. the existing budget plus contractual inflation;
- the use of in-year budget monitoring to re-align budgets in line with projected changes for 2019/2020;
- a medium term planning process that highlights priority services;
- a review of the corporate risk register;
- a service review by the Cabinet, Executive Leadership Team and Service Managers of detailed budget and proposed savings and their achievability; and
- Finance staff providing advice throughout the process on robustness, including vacancy factors, increments, current demand, and income levels.

Notwithstanding these arrangements that are designed to test the budget throughout its various stages of development, considerable reliance is placed on Service Managers having proper arrangements in place to identify issues, project demand data, to consider value for money and efficiency and record key risks within their operational risk register.

The table below identifies assumptions made during the budget process and comments upon the risks and decisions taken when preparing the budget.

Budget Assumption	Financial Standing and Management
<p>1. The treatment of demand led pressures.</p>	<p>Service Managers will be expected to manage changes within their budgets by re-prioritising or by taking steps to reduce expenditure where income streams decrease significantly. Where this is not possible it will be necessary to use the working balance or earmarked reserves on the understanding that they may need to be restored in future years.</p> <p>After significant delays to the introduction of Universal Credit (UC), the full rollout began in Cheltenham in December 2017. There are currently 555 claimants (November 2018) with 800 being anticipated by March 2019. Under present regulations there could eventually be up to 2,000 claimants, placing considerable pressure on rent arrears. CBH is conducting a proactive campaign to provide support and information to all tenants affected by these changes. The impact on arrears will be closely monitored and the budget proposals reflect an increasing provision for bad debts.</p>

Budget Assumption	Financial Standing and Management
<p>2. The treatment of inflation and interest rates.</p>	<p>The following assumptions have been made in the preparation of the Medium Term Financial Strategy in respect of inflationary pressures:</p> <ul style="list-style-type: none"> • Pay awards are modelled at 2% per annum from 2019/20. • Employer's Superannuation contributions – agreed until 2020 through the latest triennial valuation and through agreement to pay the required secondary sum payments to the Local Government Pension Scheme (LGPS) as an up-front payment for the last 2 years future liability. Future uncertainty in the economy / fund performance may increase or decrease pension fund deficits although budgeting assumptions follow actuarial advice. Current modelling and results suggest the current strategy will ensure the Council is in a positive cash-flow position by 2019/20, resulting in an improved funding level. • Contract inflation has been allowed for at the appropriate contractual rate • In line with previous practice, general inflation has not been provided for unless the relevant professional officer has indicated that there are inflationary pressures. Whilst this creates natural efficiency savings it could lead to insufficient budget to maintain service levels. In-year increases will need to be managed. • The Council provides a number of demand led services e.g. green waste collection, car parking, building control charges, etc. The estimates for 2019/20 have been prepared on the advice of officers who have taken a professional view on income levels, based on their opinion about the local economic conditions. Income from fees and charges will generally have been increased where legislation permits although a more targeted approach to demand led services have been appraised by Service Managers. • On 8th July 2015 the Chancellor announced that rents in social housing would be reduced by 1% a year for four years. This resulted in an estimated loss of rental income of £6.7m in the period to 31st March 2020. The proposals agreed in 2016/17 recommended a balanced approach to cost savings and planned use of reserves. Rents will again be reduced by 1% in April 2019 being the final year of the four year policy that commenced in April 2016 and will finish in March 2020. The Government has previously confirmed that rent policy will then revert back to the previous guidelines of allowing annual increases of up to CPI + 1% per annum for the following 5 years before a further review. • The treasury management strategy continues to diversify into pooled funds which will expose the Council to investments within property, bonds and equities. These funds have the advantage of providing wide diversification of investment risk, coupled with the services of professional fund managers in return for a fee. These funds offer enhanced returns over the longer term, but are more volatile in the short-term but will allow the authority to diversify into asset classes other than cash. • The Council adheres to the CIPFA Code of Practice for Treasury Management 2011 and updates its policy and strategy statements annually. The Investment Strategy is reviewed annually to ensure security of public money. Following the banking crisis, our treasury advisors continue to advise the Council and Treasury Management Panel on policy. <p>Risks around inflation and interest rate variations have been built into my assessment of the budget. In-year increases will need to be managed but may need to be funded from General Balances and subsequently be built into base budget in future years.</p> <p>The recommended minimum HRA revenue reserve to cover contingencies is £1.5m. The three year projections forecast a reserve balance of £1.5m at 31st March 2022.</p>

Budget Assumption	Financial Standing and Management
3. Estimates of the level and timing of capital receipts.	<p>Property services need to ensure our land and property asset portfolio is fit for purpose, secures increased income generation, maximises capital receipts and stimulates growth and investment in the Borough. In December 2016, Full Council agreed that a minimum of 50% of all future asset disposal proceeds be ring-fenced to enhancing the Council's land and asset portfolio. In that same report, Full Council endorsed an aim to generate a minimum 5% yield on future investment in property to help towards achieving a sustainable MTFS.</p> <p>No major General Fund capital receipts are anticipated that would affect the planned capital expenditure in 2019/2020. A strategic review of our property portfolio has been undertaken to support the development of the investment property portfolio and to ensure that the council's assets make the maximum contribution possible to support the MTFS.</p> <p>Housing stock sales through Right to Buy (RTB) are estimated to be at 30 per annum to March 2022 then reducing to 20 per annum thereafter. These receipts will be ring-fenced towards the supply of new housing.</p>
4. The treatment of efficiency savings/productivity gains.	<p>The majority of savings proposals for 2019/2020 are already in progress and no identified slippage has been identified. This should not undermine our ability to keep expenditure within budget in 2019/20 although provision is made for slippage within working balances.</p>
5. Government support.	<p>The following assumptions have been made in the preparation of the Medium Term Financial projections in respect of Government support:</p> <ul style="list-style-type: none"> • The estimates for 2019/20 are based on the final financial settlement notified by the Ministry of Housing, Communities and Local Government (MHCLG) on 29th January 2019. • The medium term financial projections assume a full business rates reset under the fair funding review, which will only allow for growth achieved in 2019/20 to be retained. It also assumes this Council will no longer receive any Revenue Support Grant (RSG) and that New Homes Bonus (NHB) will be phased out from 2020 in its current format – i.e. the Council will only receive legacy payments from 2020/21. • The budget requires £1.469m of New Homes Bonus (NHB) to support the revenue budget in 2019/20. The fact that this source of funding is being top-sliced from the RSG, means that the Council has little alternative but to regard this money as an important part of its income stream and is therefore assumed to be base funding across the period of the MTFS, albeit phased out. • The budget for 2019/20 includes assumptions for business rates based on estimates of collection rates, bad debts, appeals, reliefs (mandatory and discretionary) and assumed 40% share under the 50% retention system. The medium term financial projections assume a move to 75% retention (although no decision has been made on tier split) and that a full reset will be implemented as part of the fair funding review. As in previous years, an earmarked reserve is maintained to help mitigate the risk of any future fluctuations. <p>Despite the uncertainty over future government funding, I am comfortable that the Council has been sufficiently prudent in budgeting for reductions in government support, including dealing with the uncertainty of business rates and NHB receipts.</p> <p>The Government has recently lifted HRA borrowing restrictions, abolishing the debt cap and leaving the level of borrowing to be controlled by the prudential code. This should allow a significant increase in the new build programme subject to the identification of appropriate sites and financial viability.</p>

Budget Assumption	Financial Standing and Management
<p>6. Proposed level of council tax.</p>	<p>When setting the level of council tax, members should always consider the medium term outlook to ensure that a sustainable budget position is maintained</p> <p>Members also need to acknowledge that the Localism Act 2011 contains requirements for local authorities to hold a referendum where council tax is proposed above a specific increase (the greater of up to 3% or £5 in 2019/20).</p> <p>Council tax is the main source of locally-raised income for this authority and has previously been referred to by MHCLG as 'an important source of funding which is used to meet the difference between the amount a local authority wishes to spend and the amount it receives from other sources such as government grants.</p> <p>When calculating the core grant settlement, the Government assumes that all Shire Districts will increase their Council Tax by the threshold amount for 2019/20. The indicative grant levels for the period 2019/20 also assumes that all local authorities will increase their Council Tax levels up to the threshold each year.</p> <p>CIPFA is currently piloting a financial resilience index and their recommended good practice is that this is referred to within the s25 report for 2019/20 before this becomes a requirement when the Financial Management Code is adopted by CIPFA.</p> <p>One of the indicators is the council tax requirement as a ratio to net revenue expenditure. This indicator provides a measure of the relative importance of council tax and grants. A low ratio suggests higher dependency on grants which may suggest that a council may experience financial difficulties as grants diminish further. The ratio for this council in 2019/20 is 60.12% and is projected to rise over the duration of the MTFS which equates to this council having a diminishing dependency on grants.</p> <p>There has been an important shift in the Government's principles, most noticeably, the shift away from freezing council tax to using council tax to generate additional funding. Given that this budget relies on the use of reserves to generate a balanced budget in 2019/20 and the relevance of the indicator outlined above, I support a council tax increase of 2.99% as this will avoid the requirement for a referendum (cost c. £50k) for council tax increases over the government cap.</p>

Budget Assumption	Financial Standing and Management
<p>7. Medium Term Financial Strategy (MTFS) – the strategy for closing the projected funding gap.</p>	<p>Sound financial management requires that the Section 151 Officer and Councillors have full regard to affordability when making recommendations about the local authority's future revenue and capital programme.</p> <p>The 2019/20 budget includes medium term financial projections of the projected funding gap and indicates broadly how the Council may close the projected funding gap over the period 2020/21 to 2022/23. The Medium Term Financial Strategy outlines the strategy for closing the funding gap and includes efficiency savings and income targets rather than necessarily specific worked up projections of cost savings.</p> <p>The Council has traditionally provided 'one off' funding for investment in systems or staff costs i.e. additional short-term resource, redundancy / pension costs funded from savings or earmarked reserves.</p> <p>The Council's approach to modelling and monitoring the MTFS and planning for meeting future funding gaps outlined in the budget strategy demonstrates robust and effective planning for closing the funding gap and is effectively scrutinised.</p> <p>The Council is developing a more commercial approach to service provision with the aim of becoming self-financing and less dependent of Central Government funding. This approach has helped to refocus on delivering a sustainable MTFS. It is anticipated that the move to a greater share of business rates is a step in the right direction for Cheltenham, although we are already aware that a system of tariffs and top-ups will remain which effectively distributes funding across the Local Government sector. Developing strategies for business and economic growth which will generate revenue for the council to offset the reductions in government funding streams will be a key strand of the development of the MTFS.</p>
<p>8. The authority's capacity to manage in-year budget pressures.</p>	<p>The authority has proven its ability to manage in-year budget pressures with no recorded overspends in recent years. Improvements to our Devolved Budgetary Control scheme have improved our management of cash limited budgets.</p>
<p>9. The strength of the financial information and reporting arrangements.</p>	<p>The Council has strong internal and external reporting standards. Quarterly management reports are made to the Cabinet. These procedures have allowed firm management of any projected overspends in the past. These reports have been enhanced with detailed financial commentary and clear direction with regards to in-year virements which aids transparency and full scrutiny.</p>
<p>10. The authority's virement and end of year procedures in relation to budget under/overspends at authority and departmental level.</p>	<p>The Council's virement and carry forward rules are clear. The Council is operating management disciplines to ensure management and policy actions are considered in relation to overspending budgets. Generally virement is considered at a corporate level against corporate priorities, including the contribution towards the optimal level of general fund reserves. The Council's Devolved Budgetary Control scheme gives managers flexibility to manage budget variations within their services. Service overspends may be clawed back from future budgets.</p>
<p>11. The adequacy of the authority's insurance arrangements to cover major unforeseen risks.</p>	<p>The Council's insurance arrangements are considered adequate. The Council does self-insure on small claims and has reserves to meet any excesses relating to claims. No uninsured risks have been identified.</p>

Budget Assumption	Financial Standing and Management
12. The approach to financing the maintenance programme.	The Council has £600k built into the base revenue budget to fund the annual maintenance budget of the property portfolio. The maintenance schedule of planned commitments has been established for 2019/20 and will be reviewed by the Asset Management Working Group on an annual basis.

Given consideration of the above factors and the detailed scrutiny of the budgets that has been undertaken this year I can give positive assurance on the robustness of the budget estimates.

3. ADEQUACY OF RESERVES AND BALANCES

The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

Within the statutory and regulatory framework it is the responsibility of the Section 151 Officer to advise the authority on its level of reserves that should be held and to ensure that there are clear protocols for their establishment and use. Councillors, on the advice of the Section 151 Officer, should make their own judgements on such matters taking into account local circumstances. The adequacy of reserves can only be assessed at a local level and requires a considerable degree of professional judgement. The assessment needs to be made in the context of the authority's MTFS, its wider financial management, and associated risks over the lifetime of the plan. The Secretary of State has reserved powers to set a minimum level of reserves to be held by councils if required.

The CIPFA resilience index also has a number of indicators measuring reserves. The indicators suggest that whilst earmarked reserves held are mid-range compared to other district councils, our unallocated reserves (i.e. general balances) are in the lower quartile. Whilst this is useful information, it needs to be more qualitative, which is around whether reserves are being used in line with policy. There appears to be an assumption within these indicators that having high levels of reserves is a good measure which doesn't necessarily fit well with the equity perspective that Council's should not be sitting on high levels of reserves as this is being funded by local taxpayers that are not getting any benefit.

Reserves should not be held without a clear purpose. Should it be considered that the level (or proposed levels of reserves) is inadequate then a report must be made to Council outlining how this has arisen and what action should be taken to prevent a reoccurrence in subsequent years.

As part of the annual budget setting process and in reviewing the MTFS, the Council needs to consider the establishment and maintenance of reserves. These can be held for three main purposes:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;

- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- a means of building up funds (earmarked reserves) to meet known or predicted requirements.

GENERAL (WORKING) BALANCES – CALCULATION OF OPTIMUM LEVEL

There are two approaches for deciding the optimum level of working balance. One approach is to apply a percentage range to the Net Budget Requirement, currently assessed as between 5% and 10% or a level between £0.742m and £1.484m. The alternative is a level based upon a risk assessment of the budget. In 2019/20 the Section 151 Officer has used a risk based approach to assess the appropriate level of general balances.

The framework for assessing the risks surrounding the budget needs to consider the following:

- Inflationary pressures.
- Pension Fund changes.
- Planned savings measures.
- Interest rate variations.
- Volume variations on demand-led services such as planning fees, land charges.
- New services/initiatives including waste and recycling.
- The risk of litigation.
- Emergency planning.
- Financial guarantees.
- Grant income.
- Future budget projections.

	Area of Risk	Explanation
1.	Inflationary Pressures	Historically the cost of pay awards has caused major variations to budget estimates. The current agreed pay award is in place until 2020 which means no provision is required within the working balance in 2019/20. Inflationary risks on other costs are a factor elsewhere. The Ubico contract is driven by fuel and pay increases and a provision of 1% on the 2019/20 General Fund contract value suggests a figure of £90,000 should be kept as a provision within the working balance.
2.	Pension Fund Changes	The 2016 triennial review has brought a degree of certainty to future pension costs for 2018-2020. These will not impact adversely on the Council in the next 12 months so no specific provision is required at this point. .
3.	Planned savings measures	The Savings Strategy identifies £4.721m of targets to be delivered across 2019/20 to 2022/23. Slippage can occur and the Red Amber Green (RAG) system for identifying those work streams at risk of slippage within the Savings Strategy. Currently the strategy notes £250,000 of work streams considered ‘amber’ for 2019/20 in terms of delivery and so these are accommodated within the working balance. The Council’s base budget includes an annual target of £375k to recognise staff vacancy management which has been allocated out to cost centre managers which has ensured more transparency and ownership of the target. However, a smaller workforce coupled

	Area of Risk	Explanation
		with reducing opportunities in a depressed public sector could impact on this budget principle and therefore a 10% allowance, equivalent to £38,000 for this is included within the working balance.
4.	Interest rate variations	The current low levels of investment rates suggest that there is little down-side risk at present on cash deposits. However, the Council has diversified some of its cash balances away from fixed term deposits towards pooled property funds and multi-asset funds such as equities and bonds and as such £100,000 provision is recommended for 2019/20.
5.	Volume variations demand led	During the economic downturn the Council was vulnerable to drops in key income streams, e.g. planning fees, car parking income, etc. The budget projections reflect current levels of income however the risks associated with volatility should be better reflected particularly given recent fluctuations in planning, car parking and building control income. As such a provision amounting to £250,000 to reflect the volatility is recognised in the working balance.
6.	Risk of litigation contingency	The level of risk associated with litigation is considered to be reducing over time however risk does still remain and as such a provision of £200,000 is retained. The council holds a separate earmarked reserve for planning appeals which is also available if required.
7.	Emergency planning	Whilst the government will step in to assist in the event of a major disaster there are thresholds at which assistance is given. This threshold is 0.2% of the net budget. Financial support is then given at 85% of costs above this level. Provision of £1m would cost this Council £170,000 which is provided for within the working balance; the cash flow impact would need to be handled from invested cash balances.
8.	Financial guarantees/contingent liabilities	Run-off of the old Municipal Mutual Insurance claims has begun but no provision is required at this stage.
9.	Grant income	No new grant streams are anticipated in the 2019/2020 budget. No risks have been identified around existing grant flows that require specific provision in the working balance.
10.	Business rates retention	As part of the pooling arrangement, the Council could be required to contribute to large scale revaluations such as occurred with Virgin Media via Tewkesbury Borough Council. Provision for such occurrences should therefore be included within the working balance and as such £150,000 is held. The council holds a separate earmarked reserve for Business Rates Retention which is also available if required.
11.	The Cheltenham Trust	A contingency provision of £100,000 is to be held in general balances for any unforeseen instances incurred by the Trust as they go through re-organisation and transformation.

The assumptions above total £1,348,000 suggesting that we strive to maintain a working balance around this figure during 2019/20. The Council should aim to not allow the working balance to fall below this figure. The current working balance is £1,358,591.

EARMARKED RESERVES

In order to assess the adequacy of earmarked reserves when setting the budget, the Section 151 Officer should take account of the strategic, operational and financial risks facing the authority. Accepting that there are still some areas of uncertainty, the level of reserves appears adequate at this point in time and no other changes are currently

recommended, although every effort should be made to increase the level of reserves held as a way of future-proofing against further funding reductions.

Whilst the majority of these reserves are held for specific purposes, there are three reserves which are available to help meet the cost of any changes as the Council meets the challenges of future funding reductions; these are:

	Balance projected at 31st March 2019 £
Budget Strategy (Support) Reserve	674,041
New Initiatives Reserve (Transformation)	452,623
Pension and Restructuring Reserve	280,800
	1,407,464

In determining the budget strategy in October 2015, the Section 151 Officer recommended the creation of a specific earmarked reserve: a 'budget strategy (support) reserve', to provide greater resilience. This reserve secures the Council against short-term challenges which we know we will encounter in the coming years such as the one-off drop in business rates income due to redevelopment, and the delay in securing a revenue stream from the North Place development.

I have reviewed the revenue reserves and propose the transfers as identified in Appendix 6. I also consider that the financial reserves and working balance as proposed in these papers are adequate to fund spending plans for 2019/2020. However, given the uncertainty surrounding the outcome of the Fair Funding Review and the Business Rates Retention reset proposed in 2020, I recommend that any future underspends or fortuitous windfalls are earmarked for transfer to either general balances or the budget strategy (support) reserve.

4. OVERALL CONCLUSION

There is a legal requirement under the Local Government Act 1992, section 32 and 43 to set a balanced budget. The budget proposals includes budgets for expenditure and income and uses reserves to fund one off expenditure, fund future expenditure or phase in the impact of increased expenditure per the MTFs without drawing on the General Reserve.

I am, therefore, satisfied that the proposed budget is balanced and meets the legal requirement to set a balanced budget.

My overall view is that the budget is a sound response to continuing challenging financial circumstances, which maintains services, maximises efficiencies and responds to anticipated future financial challenges.

In line with statutory duties, Members are asked to consider the advice provided in this report, based upon my assessment of the robustness of the overall budget and estimates in the medium term financial projections.

PAUL JONES

Executive Director Finance and Assets (Section 151 Officer)

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NET GENERAL FUND FINAL BUDGET 2019/20

GROUP	2018/19 ORIGINAL	2018/19 REVISED	2019/20 ORIGINAL
	£	£	£
Projected cost of 'standstill' level of service			
Chief Executives Directorate	1,721,359	1,551,335	1,487,229
Finance & Assets Directorate	6,262,145	9,650,685	9,289,791
People & Change Directorate	2,497,956	3,902,169	3,726,409
Place & Growth Directorate	7,231,306	7,376,840	7,026,213
Programme Maintenance	0	0	470,000
Bad debt provision	20,000	20,000	20,000
	17,732,766	22,501,029	22,019,642
Capital Charges	(1,474,800)	(3,763,856)	(2,959,971)
Interest and Investment Income	(1,650,500)	(1,983,037)	(2,440,827)
Use of balances and reserves	734,196	(1,320,282)	85,925
Savings / Additional income identified - Appendix 5			(1,677,600)
Growth - Appendix 4	0	0	60,000
Use of Budget Strategy Support reserve	(913,058)	(880,986)	(256,082)
NET BUDGET	14,428,604	14,552,868	14,831,087
Deduct:			
National Non-Domestic Rate	(3,303,474)	(3,303,474)	(2,788,856)
National Non-Domestic Rate - 2016/17 surplus / deficit	235,484	235,484	0
National Non-Domestic Rate - 2017/18 surplus / deficit	510,227	510,227	(73,117)
National Non-Domestic Rate - 2018/19 surplus / deficit	0	0	178,287
National Non-Domestic Rates - S31 Grants	(1,474,787)	(1,599,051)	(1,651,218)
New Homes Bonus	(1,754,530)	(1,754,530)	(1,468,797)
Less: Grant allocated to Parishes (council tax support)	5,169	5,169	0
Collection Fund Contribution	(172,000)	(172,000)	(110,500)
	(5,953,911)	(6,078,175)	(5,914,201)
NET SPEND FUNDED BY TAX	8,474,693	8,474,693	8,916,886
Band 'D' Tax	£203.01	£203.01	£209.08
Increase per annum			£6.07
Increase per week			£0.12
% Rise			2.99%
Gross Collectable Tax Base	42,166.87	42,166.87	43,078.99
Collection Rate %	99.00%	99.00%	99.00%
Net tax base	41,745.20	41,745.20	42,648.20

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Ref	Division	Project Name	Description				Capital Costs
				2019/20	2020/21	2021/22	2019/20
				£	£	£	£
SUPPORTED ONE OFF GROWTH (FUNDED FROM FLEXIBLE HOMELESSNESS SUPPORT GRANT AND HOUSING REVENUE ACCOUNT)							
1	Place & Growth Directorate	Additional Housing Strategy & Enabling Officer	A second Housing Strategy & Enabling Officer to create capacity to deliver increased affordable housing and reduce rough sleeping and homelessness. Temporary position funded to 2021 by a 50% contribution from the Housing Revenue Account and 50% use of the flexible homeless support grant.	42,000	42,000	-	
				42,000	42,000	0	
OTHER SUPPORTED ONE OFF GROWTH							
2	People and Change Directorate	Documentation of the council's Art Gallery & Museum collection in 2019/20	2 temporary documentation officers and ADLIB Licence and other costs required in 2019/20 only, to document the council's Art Gallery & Museum collection, required to retain accreditation of the the Art Gallery & Museum service, managed by The Cheltenham Trust on behalf of the council.	50,000	-	-	
3	People and Change Directorate	City of Light	Feasibility budget to assess using a contemporary and progressive approach, develop a yearly programme of unique events using light and audio visual projections to celebrate aspects of Cheltenham's history and heritage and leisure.	10,000			
				60,000	0	0	

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SAVINGS STRATEGY		
	2018/19	2019/20
1. Place and Growth		
Transformation of Regulatory & Environmental Services delivery	157,500	50,000
Review of fees & charges and income generation opportunities	50,000	50,000
Car Parking Strategy - volume / price analysis		550,000
Environmental Services efficiencies		200,000
Total	207,500	850,000
2. People and Change		
Revenues and Benefits restructure	80,000	40,000
L&C Review - trust savings		100,000
Publica savings		39,000
Total	80,000	179,000
3. Finance and Assets		
Additional Depot rent - Ubico	25,000	
Investment portfolio income generation - direct purchase	50,000	397,600
Local Council Tax Support scheme		40,000
Treasury Management activity	240,000	
LGPS up-front payment discount	114,000	161,000
Municipal offices - Letting of surplus office accomodation space		50,000
Total	429,000	648,600
4. Use of Reserves		
* Use of Budget Strategy (Support) Reserve	913,058	145,299
Total	913,058	256,082
Total Identified Savings/Income	1,629,558	1,933,682

NB: traffic lights denote risk associated with delivery

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		<u>31st March</u> <u>2018</u> £	<u>2018/19</u> <u>Movement</u> <u>Revenue</u> £	<u>2018/19</u> <u>Reserve</u> <u>Re-alignment</u> £	<u>2018/19</u> <u>Movement</u> <u>Capital</u> £	<u>31st March</u> <u>2019</u> £	<u>2019/20</u> <u>Movement</u> <u>Revenue</u> £	<u>Proposals</u> <u>to Support</u> <u>2019/20 Budget</u> £	<u>31st March</u> <u>2020</u> £
<u>EARMARKED RESERVES</u>									
<u>Other</u>									
RES002	Pension Reserve	(210,600)	(70,200)			(280,800)	(150,000)		(430,800)
RES003	Economic Development & Tourism Reserve	(4,200)				(4,200)			(4,200)
RES006	Cultural Development Reserve	(22,361)				(22,361)			(22,361)
RES008	House Survey Reserve	(42,116)	36,500			(5,616)			(5,616)
RES026	Social Housing Marketing Assessment (SHMA) Reserve	(46,034)	32,000			(14,034)	(2,500)		(16,534)
RES009	Twinning Reserve	(8,366)				(8,366)			(8,366)
RES010	Flood Alleviation Reserve	(137,900)	50,000			(87,900)	50,000		(37,900)
RES014	GF Insurance Reserve	(91,606)	14,500			(77,106)			(77,106)
RES016	Joint Core Strategy Reserve	(18,780)				(18,780)			(18,780)
RES018	Civic Pride Reserve	(196,088)	105,100			(90,988)	90,988		0
RES020	Ubico Reserve	(94,000)				(94,000)			(94,000)
RES022	Homelessness Reserve	(41,100)	35,000			(6,100)			(6,100)
RES023	Transport Green Initiatives Reserve	(33,825)				(33,825)			(33,825)
RES024	New Initiatives reserve	(685,657)	233,034			(452,623)	116,000		(336,623)
RES025	Budget Strategy (Support) Reserve	(1,555,027)	880,986			(674,041)		256,082	(417,959)
		(3,187,660)				(1,870,740)			(1,510,170)
<u>Repairs & Renewals Reserves</u>									
RES201	Commuted Maintenance Reserve	(144,207)	59,000			(85,207)	59,000		(26,207)
RES204	I.T. Repairs & Renewals Reserve	(37,200)	(50,000)			(87,200)	(50,000)		(137,200)
RES206	Delta Place Reserve	(200,000)	(100,000)			(300,000)	(100,000)		(400,000)
RES205	Property Repairs & Renewals Reserve	(1,552,905)	566,353		632,982	(353,570)	52,000		(301,570)
		(1,934,313)				(825,978)			(864,978)
<u>Equalisation Reserves</u>									
RES101	Rent Allowances Equalisation	(480,100)	(44,183)	200,000		(324,283)	110,687		(213,596)
RES102	Planning Appeals Equalisation	(207,932)				(207,932)			(207,932)
RES105	Local Plan Equalisation	(107,230)				(107,230)			(107,230)
RES106	Elections Equalisation	(195,487)	70,000			(125,487)	(62,100)		(187,587)
RES107	Car Parking Equalisation	(330,000)	(400,000)		400,000	(330,000)			(330,000)
RES108	Business Rates Retention Equalisation	(767,425)	362,254			(405,171)			(405,171)
RES109	Cemetery income Equalisation reserve	(373,550)	62,600			(310,950)			(310,950)
		(2,461,724)				(1,811,053)			(1,762,466)
<u>Reserves for commitments</u>									
RES301	Carry Forwards Reserve	(308,324)	308,324			0			0
<u>CAPITAL</u>									
RES402	Capital Reserve - GF	(228,767)	(200,000)		183,000	(245,767)	(200,000)		(445,767)
TOTAL EARMARKED RESERVES		(8,120,788)				(4,753,538)			(4,583,381)
<u>GENERAL FUND BALANCE</u>									
B8000 - B8240	General Balance - RR	(1,408,591)	250,000	(200,000)		(1,358,591)			(1,358,591)
		(1,408,591)				(1,358,591)			(1,358,591)
TOTAL GENERAL FUND RESERVES AND BALANCES		(9,529,379)	2,201,268	0	1,215,982	(6,112,129)	(85,925)	256,082	(5,941,972)

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Code	Funding	Directorate / Scheme	Scheme Description	Original Budget 2018/19 £	Revised Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £
CAP128	C	CHIEF EXECUTIVE Council chamber audio visual equipment	Replacement of the audio visual system in the council chamber plus the potential to improve access to public meetings using webcasting technologies linked via social media and/or the council's website. Funded from capital reserve	-	75,000	-	-
CAP131	C	One Legal case management system	The new Case Management System, when fully implemented, should deliver staffing efficiencies of between 5% - 10% which would free up resource to take on additional third party work as envisaged by the Business Plan and the anticipated increase in third party income would be estimated to exceed, over the three year period, the procurement cost	-	80,000	-	-
				-	155,000	-	-
FINANCE & ASSET MANAGEMENT							
Property Services							
CAP506	GCR	Enterprise Way Phase 2	Industrial units to complete development	525,000	585,000	-	-
CAP508-511	PB/GCR	Enhancing Investment Property Portfolio	To increase the Council's property portfolio.	-	43,083,001	-	-
CAP402	P	West Cheltenham \ Cyber Hub	Infrastructure to support cyber hub	21,000,000	-	-	-
Financial Services							
CAP010	GCR	GO ERP	Development of ERP system within the GO Partnership	-	14,700	-	-
				21,525,000	43,682,701	-	-
PEOPLE & CHANGE							
Leisure & Culture							
CAP126	GCR/R	Town Hall redevelopment scheme	Preliminary work, subject to Council approving a detailed scheme and a business case	-	329,119	-	-
CAP127	PPMR/P/GCR/PB	Sports and Play Hub Phase 1	Capital improvements to the leisure centre changing rooms, extension of gym facilities and creation of new splashpad area scheme, in partnership with the Cheltenham Trust	-	2,169,197	-	-
ICT							
CAP026	GCR	IT Infrastructure	5 year ICT infrastructure strategy	100,000	134,107	100,000	100,000
CAP028	HCR	Telephony	Infrastructure plus the handsets/one off licences	-	16,400	-	-
Revenues & Benefits							
CAP132	SGG	Council Tax Support / NNDR New Burdens software	Software to enable changes to council tax support scheme and NNDR new burdens	-	50,000	-	-
				100,000	2,698,823	100,000	100,000
PLACE & GROWTH							
CAP601/2/3	PB/PPMR/HCR/GCR/R	Crematorium Scheme - new chapels	Construction of new chapels	-	5,578,723	-	-
CAP606	GCR	Crematorium Scheme - existing chapel	Redevelopment of existing chapel	-	-	285,000	-
CAP152	GCR	Public Realm - Promenade pedestrianised area	Upgrade of Promenade pedestrianised area including remodelling of tree pits, providing seating, re-pointing existing Yorkstone	-	34,832	-	-
CAP154	GCR	Public Realm - St. Mary's Churchyard	Public Art Scheme	-	56,900	-	-
CAP155	P/GCR	Pedestrian Wayfinding	GCC Pedestrian Wayfinding	-	48,000	-	-
CAP156	S106	Hatherley Art Project	Public Art - Hatherley	-	11,800	-	-
CAP204	GCR	Public Realm - Improvements to Grosvenor terrace car park (Town Centre East)	Improving linkages to the High Street, signage and decoration.	-	115,500	-	-

Code	Funding	Directorate / Scheme	Scheme Description	Original Budget 2018/19 £	Revised Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £
CAP201	GCR	CCTV	Additional CCTV in order to improve shopping areas and reduce fear of crime	50,000	317,520	50,000	50,000
CAP205	GCR	Public Realm Improvements - High St.	High Street & Town Centre public realm improvement including repaving work in the High Street and town centre	-	598,500	-	-
CAP205	GCR	Public Realm Improvements - fees	High Street & Town Centre public realm improvement including repaving work in the High Street and town centre	-	62,500	-	-
CAP206	GCR	Car Park Investment	Car park strategy priority actions: improvements to Regent Arcade payment system and refresh payment machines across the estate.	-	287,100	-	-
CAP129	R	Improvements to off-street car parking (£400k)	Additional capital funding for investment in infrastructure improvements to the Council's off- street car parks, aligned to the actions proposed in the Car Parking Strategy approved by Cabinet in June 2017. Funded from car parking earmarked reserve.	-	400,000	-	-
CAP130	C	Community Infrastructure levy software	Costs anticipated for the implementation of CIL software and licensing. Funded from capital reserve.	-	28,000	-	-
CAP507	C	Changing Places	Two changing room accessible toilets in the town centre	-	136,000	-	-
		Housing					
CAP221	BCF	Disabled Facilities Grants	Mandatory Grant for the provision of building work, equipment or modifying a dwelling to restore or enable independent living, privacy, confidence and dignity for individuals and their families.	500,000	736,264	500,000	500,000
CAP222	GCR	Adaptation Support Grants	Used mostly where essential repairs (health and safety) are identified to enable the DFG work to proceed (e.g. electrical works). Or where relocation is the more cost effective solution.	15,000	-	-	-
CAP223	PSDH	H&S, vacant property & renovation grants	Assistance available under the council's Housing Renewal Policy	-	211,425	-	-
CAP224	PSDH	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems	-	38,400	-	-
CAP228	S106	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Homes and Communities Agency (HCA)	-	252,746	-	-
		Parks and Gardens					
CAP101	S106	S.106 Play area refurbishment	Developer Contributions	50,000	35,000	50,000	50,000
CAP102	GCR	Play Area Enhancement	Ongoing programme of maintenance and refurbishment of play areas to ensure they improve and meet safety standards	80,000	80,000	80,000	80,000
CAP501	GCR	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infra-structure.	-	563,904	-	-
CAP101	P/R/S106	Clyde Scooter Skate Park	Construction of a concrete scooter skate park in Clyde Crescent open space.	-	66,979	-	-
CAP133	GCR	Replacement Vehicles	Replacement vehicles for use by the Parks & Gardens service.	-	28,000	38,000	-
		Waste & Recycling					
CAP301	PB/GCR	Vehicles and recycling equipment and receptacles	Replacement vehicles and recycling equipment	1,000,000	1,496,000	1,704,000	328,800
CAP305	GCR	Depot workshop enhancements	Modifications and enhancement of workshops	-	114,100	-	-
				1,695,000	11,298,193	2,707,000	1,008,800
		BUDGET PROPOSALS FOR FUTURE CAPITAL PROGRAMME:					
	GCR	Town Hall redevelopment (£1.8m)	Subject to Council approving a detailed scheme and a business case				
	GCR	Public Realm improvements (£1.8m)	Pending the completion of the Cheltenham Transport Plan process				
TOTAL CAPITAL PROGRAMME				23,320,000	57,834,717	2,807,000	1,108,800

		Funded by:					
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Code	Funding	Directorate / Scheme	Scheme Description	Original Budget 2018/19 £	Revised Budget 2018/19 £	Budget 2019/20 £	Budget 2020/21 £
	BCF	Better Care Fund (DFG) / government grant		500,000	736,264	500,000	500,000
	SGG	Specific government grant		-	50,000	-	-
	P	Partnership Funding		21,000,000	402,807	-	-
	PSDH	Private Sector Decent Homes Grant		-	249,825	-	-
	PPMR	Property Planned Maintenance Reserve		-	632,982	-	-
	S106	Developer Contributions S106		50,000	314,546	50,000	50,000
	HCR	HRA Capital Receipts		-	46,400	-	-
	GCR	GF Capital Receipts		1,357,000	4,328,670	1,844,000	558,800
	PB	Prudential Borrowing		413,000	50,485,223	413,000	-
	R	Revenue (RCCO) / other revenue reserves		-	405,000	-	-
	C	GF Capital Reserve		-	183,000	-	-
				23,320,000	57,834,717	2,807,000	1,108,800

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Planned Maintenance Programme 2019 - 2020

Summary by Priority

Priority Grading

Priority 1: Critical work that will prevent immediate closure of premises, and/or address an immediate high risk to health & safety of occupants, and/or remedy a serious breach of legislation

Priority 2: Essential work required within two years that will prevent deterioration of fabric or services, and/or to the health & safety of occupants, and/or remedy a lesser breach of legislation

Priority 3: Desirable work required within two years that will prevent deterioration of fabric or services, and/or to the health & safety of occupants, and/or remedy a lesser breach of legislation

Order of Estimated Cost		Financial Year 2019 - 2020			Total
		Priority 1	Priority 2	Priority 3	
Property Name	Description				
All Properties (H&S)	Consequential works arising from risk assessments/ inspections/report	10,000			
All Properties (H&S)	Fixed Wiring inspections/ EIC Certification programme	5,000			
All Properties (H&S)	Contingency fund for compliance/ H&S remedial work	21,000			
All Properties (H&S)	Repairs to car parks pot hole and other misc repairs	15,000			
Town Hall	Paint the underside of entrance portico and make safe to plaster		4,500		
Town Hall	Roof repairs		11,000		
Town Hall	sand and seal floors		5,000		
Town Hall	Internal redecorations to Regency Café		6,000		
Town Hall	Internal redecorations to kitchen		3,000		
Pump Room	Remedial repairs to ornate internal plasterwork to ceiling		2,500		
Pump Room	sand and seal floors		5,000		
Pump Room	Redecorations to receptionstairs and toilet lobby		4,500		
Pump Room	Internal redecorations to kitchen		2,500		
Municipal Offices	redecorations to toilets		3,000		
Municipal Offices	Repairs to render		15,000		
Municipal Offices	Replace boilers		30,000		
Municipal Offices	overhaul and repair windows		5,000		
Art Gallery & Museum	replace remainder of humidifiers		12,000		
Art Gallery & Museum	renew pigeon netting to plant room area		2,000		
Art Gallery & Museum	Renew/upgrade plant room pumps		20,000		
Art Gallery & Museum	Waterproof plant room floor (inconjunction with pump replacement)		3,000		
Art Gallery & Museum	Rendering to front wall of No 51.		8,000		
Pittville Recreation Centre	Replacement of fire doors (wet side areas)		15,000		
Pittville Recreation Centre	replace areas of suspended ceiling		20,000		
General	top up to the reactive maintenance budget,		130,000		
Pittville Recreation Centre	Main hall - Seat replacements (ongoing)		2,500		
Pittville Recreation Centre	Duct cleaning		10,000		
Depot	Renew areas of roof covering to bulking shed where leaking		30,000		
Prince of Wales Stadium	External / Cladding panel redecoration		10,000		
Prince of Wales Stadium	High level lighting inspection		8,000		
QE11 Playing Field	Annual leachate removal from catch-pit		4,000		
Honeybourne Line	Structural masonry repairs to retaining/boundary walls		10,000		
Central Depot	Replacement of CCTV cameras		7,000		
Central Depot	Replace Security fencing		15,000		
All Properties	Estates works to be undertaken for lease purposes		15,000		
Agg Gardner Pavilion	Renew skylights		3,500		
Agg Gardner Pavilion	Replace water pressure booster		3,000		
Mary Godwin Pavilion	Replace 2Nr 1200ltr water heaters,install mains gas and gas boiler,remove tanks		15,000		
Mary Godwin Pavilion	Renew shower heads		3,500		
Minotaur and Hare	Repairs wanting from recent vandalism		6,500		
Town centre East car park	Internal deep clean		6,000		
Town centre East car park	Redecorations		10,000		
Regent arcade car park	redecorations and repairs		20,000		
Regent arcade car park	renewal of fencing to perimitors		25,000		
High Street Car Park	Resurface and line marking		15,000		
Bath Parade car park	Rebuild Italian Garden wall		3,000		
Montpellier Band Stand	Reroof		6,500		
West End Car Park	Reduce height of defective boundary wall	5,000			
Enterprise Way	renewal of fencing with security fencing		8,500		
Sub Totals:		£ 56,000	£ 544,000	£ -	£ 600,000

Total of Priority 1's 2's & 3's:

£ 600,000

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Pay Policy Statement

For all Employees at
Cheltenham Borough Council

2019-2020



Title: Pay Policy Statement

Issued by: Publica HR Team on behalf of CBC

First Issued: 31 March 2012

last updated: February 2018

next update: February 2019

1. Purpose

- 1.1. This Pay Policy Statement (The Statement) is provided in accordance with Section 38(1) of the Localism Act 2011 and will be updated annually prior to the commencement of the new financial year.
- 1.2. The Statement sets out Cheltenham Borough Council's (The Council) policies relating to the Pay of its workforce for the financial year 2019-2020, in particular: -
 - o the remuneration of its Chief Officers
 - o the remuneration of its "lowest paid employees"
 - o the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers

2. Definitions

2.1. For the purpose of this Pay Policy Statement the following definitions will apply:

- o **Chief Officers** as detailed in paragraph 7.1 of the document.
- o **Lowest paid employees** of the Council are defined as those employees (excluding Apprentices) who are in a full time or part time role, who are above the age of 21, and are paid within Grade A of the Council's Job Evaluation scheme (the lowest band). As at 1st April 2019 the Grade A band will be from £17,364 to £17,712 per annum, made up of 2 incremental pay points after the adjustment to SCP from 1st April 2019 – lowest point equal to the Real Living Wage of £9.00.
- o **Employees who are not Chief Officers** - refers to all staff not covered under the Chief Officer group detailed above.

3. Pay Framework & Remuneration Levels

3.1. Remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to fulfilling the council's business objectives and delivering services to the public. This has to be balanced by ensuring remuneration is not, nor is seen to be unnecessarily excessive. Each council has responsibility for balancing these factors and each council faces its own unique challenges and opportunities in doing so. Flexibility to cope with various circumstances that may arise is retained by the use of market supplements. (See Market Forces Supplement section below) for individual categories of posts where appropriate.

4. Responsibility for Decisions

4.1. The Council is a member of the local government employers association for national collective bargaining in respect of Chief Executives, Chief Officers, and all other employees.

Listed below are the separate negotiations and agreements in respect of each of these three groups.

- Chief Executives - Joint Negotiating Committee for Local Authority Chief Executives (ALACE is normally the negotiating body for pay, unless varied locally);
- Chief Officers – Joint Negotiating Committee for Chief Officers of Local Authorities
- All other employees – National Joint Council for local Government Services.

In addition to pay the national agreements cover other terms and conditions such as:

- Pension
- Occupational Sickness Scheme
- Maternity Scheme
- Overtime

5. Grading Framework & Salary Grades

5.1. Grading Framework

The Chief Executive and Chief Officers have their basic pay determined by a job evaluation scheme (the Hay scheme).

All other employees have their basic pay determined by a different job evaluation scheme (the National Joint Council Job Evaluation scheme). Both schemes ensure that different jobs having the same value are paid at the same rate. The “job score” determines the pay grade for the job. With the exception of the Head of Paid Service who is on a spot salary grade (with no provision for incremental progression nor additional payment on completion of a period of service), all other pay grades have 4 incremental points.

Employees move up one incremental point per year. Annual increments within a pay band shall be payable until the maximum incremental point of the grade is reached subject to the line manager being satisfied that an employee has achieved a suitable standard of performance. Increments may be accelerated or withheld based upon outstanding or poor performance respectively.

Annual increments will be payable on 1 April each year to the maximum of the grade. Employees must have completed a minimum of six months service in their current post to qualify for an increment at 1 April.

For clarity, employees starting in their current post between 1 April and 1 October receive an increment, if applicable, the following April. Employees starting after 1 October and before 1 April receive an increment, if applicable, after six months in the post.

Job evaluation is carried out for all new roles, for roles where a substantial change of duty has occurred, or as required as a result of an equal pay audit. A fair and transparent process is in place for managing job evaluations, which includes Trade Union input, and moderation of evaluation outcomes to ensure consistency of application of the scheme. Equal pay audits are carried out as required.

5.2. Shared Posts/Lead Employer

Where these are agreed and set in place, the costs of any role are appropriately apportioned and recharged via the employment/secondment/management agreement. Such roles, where the Council is the employer, are evaluated according to the Council’s existing job evaluation scheme.

5.3. Salary Grades

A full list of the Council’s salary grades and associated spinal column pay points can be found in Appendix A. NJC have this year amended the SCP’s and a number have been deleted within Grades A-C, but Grades D-F had SCP’s added – all shown in Appendix A.

6. Electoral Registration and Returning Officer

The scale of fees for this role is approved by the Gloucestershire Elections Fees Working Party for local elections, or the relevant scales of fees prescribed by a Fees Order in respect of national, regional or European Parliament elections, polls or referendums.
<http://www.legislation.gov.uk>

The fees constitute payments for separate employment and in most cases are eligible for superannuation purposes.

The fees are paid as part of the election account for each election and all costs, including employer superannuation costs, are recovered from the body responsible for the assembly to which candidates are being elected, or for which a poll or referendum is being carried out.

The Electoral Registration and Returning Officer for the Council is the Chief Executive.

7. Remuneration - level & element

7.1 Chief Officers (Pay award Pending - figures as at 2018/2019)

Chief Executive	Director Level Band 1	£105,000 - £115,000 p.a
MD CDTF	Director Level Band 2	£82,798 - £95,700 p.a
MD Place & Growth/Executive Directors	Director Level Band 3	£68,427 - £80,236 p.a.
Director	Director Level Band 4	£57,443 - £65,536 p.a.

7.2. Non Chief Officers

Employees 11 Grades A to K (see appendix A)

7.3. New Starters Joining the Council

Employees new to the Council will normally be appointed to the first point of the salary range for their grade. Where the candidate's current employment package would make the first point of the salary range unattractive or where the employee already operates at a level commensurate with a higher salary, a higher salary point within the pay grade for the post may be considered by the recruiting manager. The candidate's level of skill and experience should be consistent with that of other employees in a similar position on the salary range. These arrangements apply to all posts up to the level of Chief Officer.

In professions where there is a particular skills shortage, as a temporary arrangement, it may be necessary to consider a market supplement to attract high quality applicants. The level and duration of premium will be determined by reference to a combination of national comparators, local conditions, recruitments difficulties, inflation, and whether the post has recently been advertised and the process has been unsuccessful.

In guidance set out by the Secretary of State states Full Council should be given the opportunity to vote before large salary packages are offered in respect of new appointments. The guidance states a threshold of £100,000 should set. This Council acknowledges this guidance and is committed to seeking Full Council approval for any new appointment in excess of £100,000.

7.3. Lowest Paid Employees

Lowest paid employees of the Council are defined as those employees (excluding Apprentices) who are in a full time or part time role, who are above the age of 21, and are paid within Grade A of the Council's Job Evaluation scheme (the lowest band). As at 1st April 2019 the Grade A band will be from £17,364 to £17,712 per annum, made up of 2 incremental pay points – with the lowest point being the same as the Real Living Wage of £9.00 a hour.

For pay comparison purposes the top of pay grade will always be used.

7.4. Relationship between Remuneration of Highest Paid Employee (Chief Officer) and Lowest Paid Employee

The Council does not explicitly set the remuneration of any individual or group of posts by reference to a simple multiple of another post or group of posts. The use of multiples cannot capture the complexities of a dynamic and highly varied workforce in terms of job content and skills required. In terms of overall remuneration packages the Council's policy is to differentiate by setting different levels of basic pay to reflect differences in responsibilities but with the exception of overtime payments not to differentiate on other allowances, benefits and payments it makes.

The Council aims to pay no more than median salary levels when looking at market rates, and in the case of senior roles it will seek to maintain pay differentials well within the parameters recommended by the pay and pensions review (1:20). For the Council, using the salary information as at 1st April 2019 the current ratio of *highest paid to lowest paid is 1:7 The ratio between the *highest paid salary and the median paid salary of the Council's workforce is 1:4.

Lowest Paid Employee (Top of current salary band Grade A)	£17,712
Mean Paid Employee (Average salary band of all employees up to & including Chief Officers)	£32,029
(Middle Salary band value of all employees up to & including Chief Officers)	£26,999
Highest Paid Employee	£111,800

7.5. Bonuses

The Council does not operate any bonus schemes for any chief officer or any other employee.

7.6. Performance Related Pay

Other than incremental progression through the pay grade of a post (see section 5.1) the Council does not operate performance related pay for any chief officer or any other employee.

7.7. Pay Protection

The Council seeks to ensure that all employees receive equal pay for work of equal value. To be consistent with equal pay principles the council's protection arrangements will not create the potential for pay inequalities (e.g. open-ended protection).

There may be times when the grade for an individuals role changes for reasons unrelated to their performance e.g. restructures, In such cases the protection arrangements outlined will apply for 12 months from the date of the change.

7.8. Severance Payments

The Council has a consistent method of calculating severance payments which it applies to all employees without differentiation. The payment is intended to recompense employees for the loss of their livelihood and provide financial support whilst they seek alternative employment.

In line with the statutory redundancy payment scheme, the Council calculates redundancy severance payments using the following calculation. The calculation is based on an employee's age and length of continuous local government service (please note that employees must have a minimum of 2 years' continuous service to qualify for a redundancy payment) the multiplier for the number of weeks is then applied to the employee's actual weekly earnings.

The amount of redundancy pay will be calculated as –

- 0.5 week's pay for **each full year of service** where age at time of redundancy is less than 22 years of age
- 1.0 week's pay for each **full year of service** where age at time of redundancy is 22 years of age or above, but less than 41 years of age
- 1.5 weeks' pay for **each full year of service** where age at time of redundancy is 41+ years of age

The maximum number of year's service taken into account is 20. The maximum number of weeks pay is 30 for anyone aged 61 years of age or older with 20 years or more service.

In guidance set out by the Secretary of State states Full Council should be given the opportunity to vote before large severance packages are offered and arrangements are finalised for employees leaving the organisation. The guidance states a threshold of £100,000 should set. This Council acknowledges this guidance and is committed to seeking Full Council approval for any severance packages (including salary paid in lieu, redundancy compensation, pension entitlements/costs, holiday pay, fees or allowances) offered by the authority in excess of £100,000.

7.9. Settlement Agreements

In exceptional circumstances to avoid or settle a claim or potential dispute, the Council's Head of Paid Service may agree payment of a settlement sum on termination.

All cases must be supported by a business case and take account of all legal, financial, contractual and other responsibilities. The level of payment will be taken on the individual merits of the case and in consultation with the HR Manager/Head of HR and the Executive Director of Finance and Assets.

7.10. Pension - The Local Government Pension Scheme (LGPS) and policy with regard to the exercise of discretions

Pension provision is an important part of the remuneration package. All employees may join the LGPS. The LGPS is a statutory scheme with contributions from employees and from employers. For more comprehensive details of the LGPS please visit the following web page:-

<http://www.lgps.org.uk>

For district Councils in Gloucestershire, the LGPS is administered by Gloucestershire County Council. For information please visit the following web page:

<http://www.gloucestershire.gov.uk>

Neither the LGPS nor the Council adopt different policies with regard to benefits for any category of employee: the same terms apply to all employees of the Council.

The LGPS provides for the exercise of discretion that allow for retirement benefits to be enhanced. The Council will consider each case on its merits but has determined that it does not normally enhance pension benefits for any of its employees (see the LGPS Statement of Policy/Discretions on the Council's website). This policy statement reaffirms this in respect all employees.

The LGPS provides for flexible retirement. The LGPS requires a minimum reduction in working hours and/or that there is a reduction in grade and that any consequential payments to the pension fund are recoverable within a set pay back period. (See section below)

7.11. Early/Flexible Retirements

The precise terms of the Council's policy are discretionary and may be varied unilaterally.

Subject to the criteria of the policy and service delivery needs being met, any employee over the age of 55 and who is a member of the Local Government Pension Scheme (LGPS) can request to either reduce their hours or take a job at a lower grade/rate of pay and gain access to their pension even though they have not retired.

It is the intention of the Council that this facility be used in order to provide employees with the opportunity to take a one-off step towards permanent retirement. Any agreed requests will be treated as a permanent change to an employee's contract of employment.

7.12. Honorarium Payments

The Council has a responsibility to ensure equal pay for all employees and so the use of honoraria payments should be carefully considered, and be capable of justification. A payment can be made for the following reasons:-

- To recognise a *specific* contribution that an employee has made by making a single payment to him/her,

Or

- To recognise that an employee is temporarily undertaking some but not all the additional responsibility of a higher graded role for a continuous period of at least four weeks by making a regular monthly payment to them during that temporary period.

7.13. Acting up Allowances

'Acting Up' is when an employee is authorised by their line manager to provide cover for a more highly graded post for an agreed period of time.

The payment ('acting up' allowance) is a temporary payment and will be made to the individual employee for covering the duties of the higher graded job for the agreed period of time. The policy applies to all employees. The supplement to be paid will be the difference between the employee's current salary and depending on experience up to the second scale point of the grade relating to the higher level post. The payment will cease on completion of the 'acting up' period and the employee's salary will revert to that which it would have been had 'acting up' not occurred.

7.14. Market Forces Supplement

The Council is committed to the principles of single status employment and seeks to ensure employees receive equal pay for work of equal value.

In exceptional circumstances it may be necessary to ensure the effective recruitment and retention of employees and to pay individuals and/or groups of employees a premium rate to reflect the market competitiveness of the job. Any market supplement must be provided for from within existing budgets and be objectively justifiable. The job evaluation determined grade for that post will not be changed. Market supplements will be paid as a temporary fixed allowance. The supplements will be reviewed bi-annually and consequently can be withdrawn, should the review demonstrate that current evidence does not justify a supplementary payment continuing. Should such a supplement continue to be paid for an extended period, e.g. several years or more, the need for continuation will be examined carefully during the annual review in order to ensure that such continuation continues to be objectively justifiable in the circumstances.

8. Reimbursement of Expenses

8.1 Travel & Subsistence

The Council will meet or reimburse authorised travel and subsistence costs for attendance at approved business meetings and training events. Claims should be submitted via the agreed process, be supported by appropriate receipts in all cases and authorised by the appropriate line manager.

The Council pays the HMRC mileage rate of 45 pence per business mile.

The Council does not regard such costs as remuneration but as non-pay operational costs.

8.2 Disturbance Allowance

All employees who incur additional costs arising from a compulsory change in their work place will be reimbursed in accordance with the Council's Disturbance Allowance policy. Claims should be submitted via the agreed process, be supported by appropriate receipts in all cases and authorised by the appropriate line manager. The Council does not regard such costs as remuneration but as non-pay operational costs.

8.3. Relocation Expenses

The Council operates a scheme of relocation allowances to assist new employees who need to move in order to take up an appointment with the Council. Relocation allowances are paid at the discretion of the Directors (or Appointment Committee for Chief Officers and above) where they think that it is essential to pay such allowances in order to attract the right candidate for the job.

The same policy applies to Chief Executive, Chief Officers and other employees in that payment will be made against a range of allowable costs for items necessarily incurred in selling and buying a property and moving into the area. The costs include estate agents fees, legal fees, stamp duty, storage and removal costs, short term rental etc up to the value of £8,000.(including VAT). An employee who leaves within 2 years of appointment will have to make a repayment of 1/24th for each month short of the 2 year period.

8.4. Professional Fees & Subscriptions

The Council meets the cost of one annual professional membership body fee or subscription where it is a statutory requirement for the role and where applicable meets the cost of membership of SOLACE (Society of Local Authority Chief Executives).

9. Re-employment of Former Council Employees

With regards to re-employing former local government employees who have been made redundant, in line with LGA guidance **if there is less than a 4 week gap between the date the employee was made redundant from the Council/a body under the modification order and the date of joining/re-joining a Council the employee will be required to repay their redundancy payment to their previous employer as continuity of service will be protected and their employment classed as continuous.** If the gap is longer than 4 weeks the employee can retain their payment as continuity of service will have been broken and continuous service will not be protected.

10. The Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.

The Council notes the discretion and confirms that it will not make use of this discretionary power.

11. Trade Union Recognition and Facility Time

The Council supports the system of collective bargaining and the principle of solving employee relations problems by discussion and agreement.

The Council recognises two trade unions for collective bargaining purposes. These are GMB and Unison. All parties recognise that it is vital to good employee relations for the workforce to be properly represented. Furthermore all parties believe that a truly representative and effective union will enhance workforce employee relations.

The Trade Union and Labour Relations (Consolidation) Act 1992 sections 168 and 170 make provision for employees to be given the right to take reasonable time off under various circumstances. Trade Union representatives engaged on recognised duties will be given reasonable paid time off during normal working hours to carry out functions related to their representational responsibilities. The table below contains the estimated amount of reasonable time permitted for TU activity/duties over a normal business year.

Activity/Duty	Estimated Hours per week	No of Reps	Total Estimated time per business year.*
Case Management & Advice to Membership	Average 0.5 hours per week	1	23.5
Training	Average 0.5 hours per week	1	23.5
Health and Safety	Average of 0.5 hours per week	1	23.5
Corporate meetings, TU meetings and prep time	Average 0.5 hours per week	1	23.5
Estimated Total Hours			94 hours
Estimated Average Total Hours per TU Rep Per Week		2 hours per week	

*business year assumes TU reps each have 25 days annual leave. Calculation based on 47 weeks per year)

The Council does not have any full time trade union representatives in its employment.

12. National Minimum Wage/Living Wage

The National Minimum Wage (NMW) is a legal requirement that applies to most workers in the UK over school leaving age. The NMW rates are reviewed each year by the Low Pay commission.

The NMW rates from 1 April 2019 are:

- £7.70 (per hour) for workers 21 years of age and over
- £6.15 (per hour) 18 - 20 years of age
- £4.35 (per hour) for 16-17 years of age, who are above school leaving age but under 18 years of age

The National Living Wage

From **1 April 2019** all workers aged 25 and over are legally entitled to at least £8.21 an hour

The Council's comparative hourly rate is Grade A SCP 7 - £9.00.

Grade A is used as a stepping stone grade from Apprentice to Trainee role. The employees on Grade A are usually under 21. The majority of the Council's employees are on Grade C SCP 14 £9.74 and above.

The UK Living Wage

The UK Living Wage (LW) is not a legal requirement but a recommended hourly rate set independently and updated annually. The UK LW is calculated by the Centre for Research in Social Policy whilst the London LW is calculated by the Greater London Authority and is based according to the basic cost of living in the UK.

Employers **can choose to** pay the LW on a voluntary basis.

The Living Wage rates for 2019 are:

- £9.00 (per hour) UK rate outside London
- £10.55 (per hour) UK rate for London

From the 1st October 2014, this Council has chosen to pay the Living Wage Hourly rate to **all eligible employees** by way of an additional Living Wage Allowance. The Council will review its decision to pay the Living Wage annually at the Budget Setting Council meeting.

13. Other operational/non-operational pay and conditions

Other pay and conditions in operation, as follows:

- Shift premium
- Stand by and call out payments
- Premium for bank holiday/public holiday working
- Long Service Award
- Enhanced Leave – buy or sell up to an additional 5 days leave.
- Childcare Vouchers Salary Sacrifice Scheme
- Training Fees Reimbursement (post entry training scheme)

- Employee Welfare Service
- Eye Test Voucher Scheme

14. Publication and access to information

The publication of and access to information relating to remuneration of the Council's Chief Officers will be published annually on the Council's Website.

Appendix A

Cheltenham Borough Council

New pay scales following pay award April 2019

Updated February 2019

Payroll	Payroll	New	New		WEEKLY	HOURLY	JE Points
SCP	GRADE	NJC	Annual Salary	MONTHLY	Weekly RATE	Hourly RATE	Score
GRADE		SCP	April 2019	SALARY	37 hr week	37 hr week	
LW	Living Wage		£17,364	£1,447.00	£333.01	9.00	
006	Grade A		Deleted	£0.00	£0.00	£0.00	0-294
007	Grade A	1	£17,364	£1,447.00	£333.01	9.00	
008	Grade A		Deleted	£0.00	£0.00	£0.00	
009	Grade A	2	£17,711	£1,476.00	£339.69	9.18	295-344
010	Grade B		Deleted	£0.00	£0.00	£0.00	
011	Grade B	3	£18,065	£1,505.42	£346.46	9.36	
012	Grade B		Deleted	£0.00	£0.00	£0.00	345-394
013	Grade B	4	£18,426	£1,535.50	£353.38	9.55	
014	Grade C		Deleted	£0.00	£0.00	£0.00	
015	Grade C	5	£18,795	£1,566.25	£360.46	9.74	395-444
016	Grade C		Deleted	£0.00	£0.00	£0.00	
017	Grade C	6	£19,171	£1,597.58	£367.67	9.94	
018	Grade D	7	£19,554	£1,629.50	£375.01	10.14	445-494
019	Grade D	8	£19,945	£1,662.08	£382.51	10.34	
020	Grade D	9	£20,344	£1,695.33	£390.17	10.54	
020/2	Grsade D	10	£20,751	£1,729.25	£397.97	10.76	495-544
021	Grade D	11	£21,166	£1,763.83	£405.93	10.97	
022	Grade E	12	£21,589	£1,799.08	£414.04	11.19	
022/2	Grade E	13	£22,021	£1,835.08	£422.33	11.41	545-594
023	Grade E	14	£22,462	£1,871.83	£430.79	11.64	
024	Grade E	15	£22,911	£1,909.25	£439.40	11.88	
024/2	Grade E	16	£23,369	£1,947.42	£448.18	12.11	595-644
025	Grade E	17	£23,836	£1,986.33	£457.14	12.35	
025/2	Grade E	18	£24,313	£2,026.08	£466.28	12.60	
026	Grade F	19	£24,799	£2,066.58	£475.61	12.85	645-694
027	Grade F	20	£25,295	£2,107.92	£485.12	13.11	
027/2	Grade F	21	£25,801	£2,150.08	£494.82	13.37	
028	Grade F	22	£26,317	£2,193.08	£504.72	13.64	595-644
029	Grade F	23	£26,999	£2,249.92	£517.80	13.99	
030	Grade G	24	£27,905	£2,325.42	£535.17	14.46	
031	Grade G	25	£28,785	£2,398.75	£552.05	14.92	595-644
032	Grade G	26	£29,636	£2,469.67	£568.37	15.36	
033	Grade G	27	£30,507	£2,542.25	£585.08	15.81	
812	Grade H		£31,170	£2,597.50	£597.79	16.16	595-644
813	Grade H		£32,380	£2,698.33	£621.00	16.78	
814	Grade H		£33,589	£2,799.08	£644.18	17.41	
815	Grade H		£34,794	£2,899.50	£667.29	18.03	645-694
722	Grade I		£35,489	£2,957.42	£680.62	18.39	
723	Grade I		£36,860	£3,071.67	£706.92	19.11	

724	Grade I		£38,248	£3,187.33	£733.54	19.82	
725	Grade I		£39,621	£3,301.75	£759.87	20.54	
632	Grade J		£40,256	£3,354.67	£772.05	20.87	695-744
633	Grade J		£41,949	£3,495.75	£804.51	21.74	
634	Grade J		£43,642	£3,636.83	£836.98	22.62	
635	Grade J		£45,345	£3,778.75	£869.64	23.50	
542	Grade K		£46,226	£3,852.17	£886.54	23.96	745 +
543	Grade K		£48,313	£4,026.08	£926.57	25.04	
544	Grade K		£50,388	£4,199.00	£966.36	26.12	
545	Grade K		£52,471	£4,372.58	£1,006.31	27.20	

For more information about this Statement and/or its content please contact the Publica HR Manager (acting on behalf of the Council) on

01242 264355 or email HR@cheltenham.gov.uk

Please note all HR policies referred to in this statement are available on request.

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Medium Term Financial Strategy

2019/20 to 2022/23



CHELtenham
BOROUGH COUNCIL

Follow our progress:
www.cheltenham.gov.uk



The council's corporate plan 2019-2022 sets out 5 key priorities for the council:

- We will work toward making Cheltenham the Cyber Capital of the UK; a national first, which will deliver investment in homes, jobs, infrastructure and enable the Council to deliver inclusive growth for our communities.
- Deliver a number of Town Centre and wider public enhancements that will continue the revitalisation the town ensuring its longer-term viability as a retail and cultural destination.
- Deliver enhancements to our environmental services and develop the way we commission these services.
- We will be seeking new opportunities to bring in additional resources e.g. introduction of Cheltenham lottery as well as leveraging more value from our assets and commissioned providers to deliver our £100m housing investment plan.
- Improve the way services and information are accessed by residents and businesses by maximising new technology opportunities and different ways of working the outcome of which will contribute towards our financial self-sufficiency.

The MTFS is the council's key financial planning document for the General Fund budget and as such sets out and considers the financial implications of the council's priorities and factors in financial pressures, including reducing government funding. The diagram below shows how the MTFS is the overarching framework which support all other financial strategies, plans, policies and decisions.

Category	Overall	Revenue	Capital	Treasury Mgmt	Risk Mgmt
Strategies	Medium Term Financial Strategy				
	Commercial Strategy	Investment Strategy	Capital Strategy	Treasury Mgmt (TM) Strategy	Risk Mgmt
	Asset Management Strategy				
Guidance	CIPFA and Technical Guidance	Budget Guidance	Capital Guidelines	CIPFA Code for Practice for TM	Risk Management Guidance
Plans	MTFP Projection	Annual Budget	Capital Programme & Asset Mgmt Plan	Treasury Policy Statements	Risk Register
Governance	Constitution and Annual Governance Statement	Quarterly Performance Reports		Prudential Indicators and Annual Report	Risk Register reporting and regular review
	Contract and Finance Procedure Rules				Audit Committee and Cabinet Reports
	Internal and External Audit Plans and our response to audit review				
Decision Making	Cabinet/Council				

The council's external auditor, Grant Thornton, undertakes a Value for Money review each year which assesses the council's finances against National Audit Office (NAO) guidance. This guidance states, that for local government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place. The guidance identifies one single criterion for auditors to evaluate:

"In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people." This is supported by three sub-criteria; informed decision making, sustainable resources deployment and working with partners and other third partners.

In order to achieve an unqualified value for money conclusion, the external auditor will focus their findings based on the council having robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future which is demonstrated by the MTFs. Grant Thornton's audit findings for 2017/18 including value for money assessment can be found at:

cheltenham.gov.uk/audit-report

The Housing Revenue Account (HRA) is not included, as a separate budget and Business Plan is produced for the HRA to cover its planning processes.

The vision for the services that has emerged through the P&ED transformation programme is services that:

- are financially sustainable
- have a commercial mind-set
- foster creativity and innovation
- have a strong customer and community ethos
- which are flexible and drive out as much as efficiency as possible.

The objectives of the services are to be:

- Customer focussed - with services delivered in a way that is convenient for the customer and in a way that meets their changing needs through maximising advancements in technology;
- Supportive to economic growth - through freeing up resources to focus on corporate priorities and improved data to enable more informed decision making;
- Efficient - with joint up services provided at minimal cost and underpinned by clear data;
- An organisation - that is placed to best support the Council in achieving its aims and objectives and to meet the opportunities and challenges ahead;
- Investing in our people - invest in our people to create culture that consistently supports and encourages:
- Commercial thinking
- Innovation
- Continuous improvement through new ways of working.

Our Current ^{Page 176} Business Model

2019/20 - Gross Expenditure

£21 Million **DIRECTLY PROVIDED**

Community Welfare & Safety
Economic Development,
Regeneration & Tourism
Planning
Housing Enabling
Revenues & Benefits
Asset Management
Elections & Democratic processes
Bereavement Services
Car Parking
Strategy & Communications
Support Services

£14 Million **PROVIDED BY CONTRACTORS** **JOINTLY OWNED BY CBC**

Waste & Recycling
Parks & Grass verges
Street Cleaning
Public Conveniences
Leisure & Culture
Housing Options
Finance & Procurement
Human Resources & Payroll
ICT & Telecommunications
Internal Audit & Fraud

£1 Million **SHARED WORKING**

Legal Services
Building Control

£0.2 Million **JOINT WORKING**

Joint Core Strategy
Development Task Force
Strategic Planning



Contents Page 177

The purpose of this document is to produce a robust and thoughtful MTFs which captures the growing needs and continuing aspirations of the council during a period of prolonged public spending austerity and the following areas are considered and discussed:

Section 2 ***NATIONAL AND LOCAL FINANCIAL RISKS***

Section 3 ***CURRENT FINANCIAL BUDGET GAP***

Section 4 ***RESERVES STRATEGY***

Section 5 ***SAVINGS STRATEGY***

2. *National and Local* Financial Risks

INTRODUCTION

2.1 - The Council is operating in a challenging and uncertain economic environment. As the Government continues to negotiate the country's exit from the European Union, the financial impact of Brexit on the country and on local government is unknown, but potentially significant in terms of legislation, inflation, interest rates and economic growth.

“The Council is operating in a challenging and uncertain economic environment.”

2.2 - The impact on the UK economy may affect aspirations for the Government's deficit reduction programme, despite the notion that the Government has stated that austerity is over, and therefore the amount of funding available to local government. The political situation is also complicated by the general election held in June 2017 that saw the Government's parliamentary majority eroded.

2.3 - Economic growth in the UK slowed in the three months to November 2018, expanding at its weakest pace in six months. The economy grew by 0.3% during the period, less than the 0.4% in the three months to October 2018. Inflation is also marginally higher than the Government benchmark of 2%, with inflation in December 2018 measured at 2.1% (Consumer Price Index). The unemployment rate however is at an all-time low of 4.0% as at Quarter 2 2018.

2.4 - The state of the UK economy will influence the amount of taxation income available to the Government and also the cost of income-based benefits and social support. This in turn can influence the national deficit reduction strategy of the Government and the balance of funding available to local government.

2.5 - The MTFs for 2019/20 to 2022/23 recognises the significant changes to the national funding system as well as locally driven cost pressures and political choices. It has therefore taken a risk based approach in reviewing the financial pressures facing the council and how they should be mitigated across the medium term.

2.6 - The Council will no longer receive Revenue Support Grant funding from the Government from 2019/20 and will have to rely on income generated in the Borough to fund services. The final year of the existing four-year settlement was anticipating the introduction of a Tariff Adjustment for the first time which for Cheltenham amounted to £391,000 and had been referred to as negative Revenue Support Grant. The provisional finance settlement has removed this concept, to the benefit of Cheltenham taxpayers, but there remains a risk that this could be revisited under the fair funding review post 2020.

“The Council will no longer receive Revenue Support Grant funding from the Government from 2019/20 and will have to rely on income generated in the Borough to fund services.”

2.7 - The National Fair Funding Review (FFR) is reviewing the underlying needs formula and distribution methodology used for assessing need and allocating funding to Local Government as the formula has not been reviewed since 2013. The Ministry of Housing, Communities and Local Government (MHCLG) are looking for a formula based model with common cost drivers such as population, accessibility and remoteness with the principles of being simple, transparent, contemporary, sustainable, robust and stable.

2.8 - The intention is for each local authority to be set a new baseline funding allocation based on an assessment of relative needs and taking into account the relative resources of local authorities. The timeline for its introduction is 2020 and the government are committed to putting in place transitional arrangements to ‘smooth’ the impact.

“The government is working on the principles that there will be no redistribution of council tax or fees and charges between authorities and they do not intend to reward or penalise authorities for exercising local discretion.”

2.9 - In assessing relative resources, the government is working on the principles that there will be no redistribution of council tax or fees and charges between authorities and they do not intend to reward or penalise authorities for exercising local discretion. The government therefore intends to use a notional council tax level rather than the actual council tax level, which will determine whether a council's share of total need is higher than its share of taxbase.

2.10 - Whilst the bulk of fees and charges are raised at cost recovery levels for services delivered, the government are reviewing on-street and off-street car parking as it is considered that in some areas an authority's income from these fees and charges generates a surplus. As a result, there remains a risk that Cheltenham could be penalised through a relative resources adjustment in respect of its car parking revenues. This is embedded within the governments principles of the FFR that Local authorities with a lesser capacity to fund services through locally raised resources will receive a smaller reduction to their relative needs share.

BUSINESS RATES RETENTION

- 2.11 - Business Rate income generated under the Retained Business Rates funding mechanism is an important income stream, but is complex and potentially volatile. The Retained Business Rates scheme places considerable financial risk on the Council in terms of fluctuating business rates and funding the costs of business rate appeals, which directly affect the income that the Council can recognise. Alongside the FFR, the government is also consulting on how the new scheme post 2020 can continue to reward and incentivise growth, whilst mitigating the risk of appeals. The current thinking is to introduce a 'floating' tariff / top-up system which will result in a recalibration to take account of appeals.
- “Business Rate income generated under the Retained Business Rates funding mechanism is an important income stream, but is complex and potentially volatile.”**
- 2.12 - Under the current system roughly £13bn per year of business rates income is kept by Central Government to fund local authority services. This is referred to as the “Central share” and is redistributed to councils in the form of Revenue Support Grant (RSG) and other grants including New Homes Bonus (NHB). In future, if this sum is retained by local authorities, new burdens of a broadly similar value will be passed across to local government. As a result local government will not initially have more funding; over the longer term this will depend on whether business rates grow faster or slower than local authority service demands and costs, and to add further complication will depend on where the revised business rates baseline is set for the council from 2020/21.
- 2.13 - The council's MHCLG set business rates baseline is £2.796m whilst, as a result of economic growth, £4.292m is now forecast to be generated and support the base budget in 2019/20. It is proposed that the new baseline will be set taking into consideration business rates income retained in 2018/19 and this will be compared to the reassessed needs of the Borough resulting in either a top-up or tariff to manage the difference between the two. If Cheltenham's baseline goes up then in order to retain any additional income the level of growth will need to increase.
- 2.14 - Growth will be calculated as business rates income in excess of the revised baseline and will continue to be shared with the upper tier authority; the split of which is yet to be determined and forms part of the current MHCLG thinking on Business Rates Retention.

2.15 - Whilst it is proposed that levies on growth will no longer exist under the new system (the cost of which had been mitigated through the establishment of the Gloucestershire Business Rates Pool) it is likely that some form of safety net will remain in place, and as a result councils will be subject to local volatilities within its own economies.

“Moving to a 75% retained system means more risk transfers to local government”

2.16 - In previous years, local authorities have been funded through a mixed structure of grant e.g. RSG and locally driven income e.g. council tax and business rates which provided some mitigation of risk. Moving to a 75% retained system means more risk transfers to local government and as such individual councils must assess their level of risk and make appropriate contingency plans to manage the potential costs of the changing system and furthermore the local fluctuations in business rates revenue over time.



2.17 - There have long been concerns as to the sustainability of this funding stream, and in 2017/18 the Government changed the calculation for the award of the grant. Prior to 2017/18 the grant comprised six annual tranches, reducing to five in 2017/18 and four thereafter. A baseline of 0.4% housing growth was introduced under which no New Homes Bonus grant is paid.

MHCLG recently consulted on further proposed changes to the current New Homes Bonus scheme which is intended to incentivise house building within local authority boundaries and may include an increase in the baseline target although the scheme has remained unchanged in 2019/20.

2.18 - It is likely that further changes will be implemented post 2020 although NHB is not currently included as an element of the FFR. It is this Council's belief that NHB in its current format, does not equate to the needs of the authority and the Council will continue to lobby on this front.

COUNCIL TAX

2.19 - Council tax is considered an increasingly important mode of local government financing by Central Government. This is reflected in the decision to allow districts to increase council tax by £5 per annum or up to 2.99%, whichever is higher. Current projections also assume growth in the taxbase of 0.80% per annum.

“Council tax is considered an increasingly important mode of local government financing by Central Government.”

2.20 - The assumptions were made by the Government when establishing the reduction in RSG linked to the level of council tax base growth; however, locally the council will need to consider what levels of growth are likely and financially sustainable.

2.21 - Furthermore, there is a corresponding cost to increasing the tax base with additional properties and residents to service which needs to be recognised and captured at certain steps or “trigger” points e.g. refuse / recycling collections. Council tax revenue appears to be being seen nationally as a future “cash cow” and it may be possible that the current limits in increases are raised, particularly given the likelihood of further funding cuts.

FEES AND CHARGES

2.22 - A significant proportion of the council's funding comes from fees and charges. This is fast becoming an ever more important funding mechanism and one which is within the council's gift to control, subject to any legislative, economic or political constraints.

“A significant proportion of the council's funding comes from fees and charges.”

2.23 - However, as more reliance is placed on income there is increased pressure to understand current performance levels coupled with the risks and opportunities arising from each income stream whether it is new or existing. It is also important to consider how “recession-proof” an income stream is so that appropriate levels of mitigation can be put in place under a Reserves Strategy to meet dips arising in a recession.

RECESSION

2.24 - The last recognised recession was in 2008; as a result it is likely that the country is closer than ever to the next economic dip. Economic peaks and troughs are a recognised inevitability and the council's finances should be managed with this in mind – save during the peak years to support spend during the troughs. Taking this approach will see more emphasis placed on maintaining increasing levels of reserves, than in previous financial years.

RESOURCES

2.25 - Concerns around the council's capacity and resources available to deliver multiple competing priorities has been raised and this is a key consideration for the Executive Leadership Team and Cabinet when determining their priorities and the delivery of the proposed Savings Strategy. In particular, there will be a necessity to both realign base budgets and make one-off budgetary provision to support the delivery of priority schemes being supported and delivered. This specifically relates to the delivery of major growth, public realm and infrastructure schemes which will be crucial to the delivery of the council's Savings Strategy.

2.26 - The key risk is that if resource is not deployed to allow focus on the schemes which are of financial importance to the council the proposed Savings Strategy will not be delivered within the timescales required, resulting in a less managed response to funding cuts set down by central government.



3. Current Financial Budget Gap Page 184

INTRODUCTION

3.1 - The MTFS develops a series of financial projections to determine the longer term financial implications, in order to deliver the council's aims. As in previous years, the approach is to use the current financial year as a base position, inflate this to the price base of the budget year, and add unavoidable spending pressures and the implications of immediate priorities and previous decisions. This is then measured against the projection of available funding to determine affordability which determines the funding gap. The package of measures required to equalise the two calculations forms the "Savings Strategy" identified in section 5.

3.2 - The projection of the funding gap is shown in Table 1 below:

Table 1: Projection of Funding Gap	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £
Net Cost of Services brought forward from previous year (assuming a balanced budget has been set)		15,341,662	15,087,169	14,829,669	14,526,669

IN YEAR BUDGET VARIATIONS

Increased costs of existing services

General Inflation		149,998	65,000	65,000	65,000
Employee and Members related expenditure		188,963	177,000	177,000	177,000
Shared Services contract inflation		25,000	19,000	19,000	19,000
Publica contract inflation		30,000	31,000	32,000	33,000
Ubico contract inflation		865,200	150,000	150,000	150,000
Contract costs - waste transfer		50,000			
Pension costs - 2016 Revaluation		401,000			
Pension costs - 2019 Revaluation			200,000	200,000	200,000
External audit fees		(14,200)			
Revenue savings from new Crematoria		(27,200)			

GROWTH - ONE - OFF

60,000 (60,000)

INCOME

Green Waste		(64,200)	(11,000)	(11,000)	(11,000)
Trade Waste		(12,700)			
Cemetery & Crematorium		(43,189)	(35,000)	(35,000)	(35,000)
Sponsorship (roundabouts)		(6,024)			
Charges to other clients (TCT, CBH and Ubico)		(13,000)			
Recycling income		(109,700)			
Ubico finance lease interest		(36,000)			

Minimum Revenue Provision and Interest Payable

(133,095)

Table 1: Projection of Funding Gap	2017/20	2018/19	2020/21	2021/22	2022/23
	£	£	£	£	£
RESERVES					
Net Contribution from BRR Reserve		112,254			
SAVINGS STRATEGY					
Place and Growth		(850,000)	(350,000)	(450,000)	(550,000)
People and Change		(179,000)	(193,500)	(200,000)	
Finance and Assets		(648,600)	(250,000)	(250,000)	(800,000)
Projected Net Cost of Service	15,341,662	15,087,169	14,829,669	14,526,669	13,774,669
Government Grant support (RSG)	0	0	0	0	0
Business Rates	(3,303,474)	(2,195,963)	(3,000,000)	(3,400,000)	(3,800,000)
Business Rates pooling surplus contribution	0	(550,000)			
Business Rates S31 Grants	(1,474,787)	(1,651,218)			
Business Rates - 2016/17 (surplus) / deficit	235,484				
Business Rates - 2017/18 (surplus) / deficit	510,227	(73,117)			
Business Rates - 2018/19 (surplus) / deficit		178,287			
New Homes Bonus	(1,754,530)	(1,468,797)	(900,000)	(700,000)	(200,000)
Parish Council Tax Support Funding	5,169				
Collection Fund surplus contribution	(172,000)	(110,500)	(50,000)	(50,000)	(50,000)
Business Rates Retention Levy surplus	0	(42,893)	0	0	0
Council tax income assuming council tax increases by £5 per annum from 2017/18	(8,474,693)	(8,916,886)	(9,258,867)	(9,613,326)	(9,980,705)
Contribution to / (from) Budget Strategy support reserve	(913,058)	(256,082)	(1,620,802)	(763,343)	256,036
Projected Funding	(15,341,662)	(15,087,169)	(14,829,669)	(14,526,669)	(13,774,669)

3.3 - The projections above reflect a funding gap for the period 2020/21 to 2022/23 of £2.787m (i.e. the financial gap between what the council needs to spend to maintain existing services and the funding available excluding the use of the Budget Strategy Support Reserve). The key assumptions for the preparation of these projections are explained on the next page.

- 3.4 - The net costs of services have been estimated by using the approved 2018/19 base budget as the base for future projection's though to 2022/23.
- 3.5 - This has included general inflation at 2% on insurances, utilities, postage, IT maintenance agreements and 3% for non-domestic rates. Where information is available, major contracts and agreements are rolled forward based on the specified inflation indices in the contract or agreement. Historically, annual premises repairs and maintenance budgets have not been inflated which has resulted in increased pressure to be able to maintain and run the council's buildings within budget each year as prices continue to rise. To address this, inflation at 2% has been included in each of the years within the MTFS.
- 3.6 - An inflationary increase of 2.5% on shared service contracts has been included to take account of the increase in staff costs incurred in employing councils which will be recharged to the council.
- 3.7 - Following a review of the council's environmental services provided by Ubico, it is evident that under investment over a period of time now needs to be addressed resulting in the requirement to increase the contract sum for 2019/20 significantly. However, in order to offset this increase, savings of £200k are necessary within the MTFS. These savings will be found by a review of the services provided by Ubico identifying operational and process efficiencies. Following a public consultation exercise, service provision such as the recycling service, household recycling centre at Swindon Road, the recycling bring banks around the borough and further reducing the cost of collection for residual waste, will be determined. Opportunities to explore ways in which income can be increased to offset the need for savings will be maximised.



EMPLOYEE RELATED COSTS

- 3.8 - On 5th December 2017, the National Employers made a final pay offer covering the period April 2018 to March 2020. The offer comprised a flat rate increase of 2% for the next two financial years with some bottom-loading on the lower pay points in order to continue to close the gap with the National Living Wage (NLW). For budget modelling, a 2% increase has been assumed throughout the duration of the MTFS post 2020.
- “For budget modelling, a 2% increase has been assumed throughout the duration of the MTFS post 2020.”**
- 3.9 - The net cost of service assumes an employee turnover saving of £372k per annum by the Council, which equates to 5.52% of base salary budget. This is allocated across service areas according to headcount and gives managers clear cash targets within which they have to manage.
- 3.10 - The Council is part of the Gloucestershire Pensions Fund, which is administered by Gloucestershire County Council. The rate of contribution paid to the fund by participating employers is set following a triennial revaluation of the Fund by the appointed actuary. The triennial revaluation of the Fund based on the position as at 31st March 2016, found that the Fund’s objective of holding sufficient assets to meet the estimated current cost of providing members’ past service benefits was not met at the valuation date.
- 3.11 - Contribution rates are calculated on an individual basis for each participating employer. For the Council’s element of the fund, the funding level was assessed at 65% (compared with 60% in 2013), with a shortfall of £38.998m. The fund actuary is aiming for this deficit to be recovered over a 17 year period, giving the following target contribution rates for the Council for this three-year valuation period:
- a 18.3% future service rate which should cover the liabilities scheme members will build up in the future, plus
 - an annual lump sum past service deficit contribution (£3.536m in 2018/19), to cover the shortfall in the Fund. Under the existing strategy the council is projected to move to a positive cash-flow position by 2019/20. This works on the assumption, as built into the MTFS, that the council pays a cumulative increase of £401k per annum reducing to £200k per annum in 2020/21 when the council moves to a positive cash-flow position.
- 3.12 - The Chief Finance Officer requested analysis from the actuary to explore the cash flow benefit to the council in making the required secondary sum payments to the Local Government Pension Scheme (LGPS) as a pre-payment for future year liability i.e. pay some of the liability up front which impacts on cash flow but does not represent an additional budgetary commitment. Previously monthly contributions were paid to the pension fund, however, a prepayment of £7.473 million was made in January 2018, generating a base budget saving of £275k over the final two years of the three year actuarial cycle.
- 3.13 - An increase of 2% per annum has been assumed on members’ allowances, in line with the anticipated employee annual pay award. This inflation is included within staff costs and totals c. £7k per annum.

FEES AND CHARGES

3.14 - In previous years, a general assumption for a 2% increase in non-statutory fees and charges has been factored in. However, this has resulted in an increasing necessity to freeze prices within certain service areas that would be detrimentally impacted as a result either through local pressures or as a result of national legislative requirements.

The MTFS no longer assumes a 2% inflationary increase

3.15 - Rather than continue with this approach, the MTFS no longer assumes a 2% inflationary increase but instead has opted for a fundamental year on year review of fees and charges to ensure they consider the costs of service provision, legislative requirements and competitive pricing structures.

RETAINED BUSINESS RATES

3.16 - The Business Rates Retention Scheme was introduced on 1st April 2013. Under the Scheme, the Council retains some of the business rates raised locally. The business rate yield is divided – 50% locally and 50% to the Government. The Government's share is paid into a central pool and redirected to local government through other grants. Of the 50% local share, the district councils' share has been set at 80%, with the County Council's share being 20%. A tariff is applied to reduce the local share to a baseline funding level set by the Government. Where the value of retained business rates exceeds the baseline funding level, 50% of the surplus is paid over to the Government as a levy; the remaining 50% can be retained by the Council.

3.17 - In order to maximise the value of business rates retained within Gloucestershire, the Council entered into the Gloucestershire Business Rates Pool. Being a part of the Pool has the benefit of reducing the government levy from 50% to 15.32%. Any surpluses generated by the Pool are allocated in accordance with the governance arrangements agreed by the Gloucestershire councils.

“There is a high level of volatility in the business rates system”

3.18 - There is a high level of volatility in the business rates system, mainly due to the level and impact of appeals lodged against rateable values but also due to the natural turnover of businesses, properties being left empty or demolished and the increasing trend for commercial properties to be converted into domestic dwellings. Changes to the value of businesses can have a significant impact upon the business rates collected. These factors make it difficult to predict the level of income the Council can retain in the future. Previously, for modelling purposes growth of 3% against the baseline has been predicted. Additional work has been undertaken to gather intelligence available about any growth or decline in the business rate property base and forecast the level of business rates income over the next 3 years. There is still a degree of uncertainty as forecasting is based on high level information and it is not until the Valuation Office Agency visits a completed building that a final rateable value is known. The estimated timing for new, redeveloped or demolished premises may also be incorrect.

NEW HOMES BONUS (NHB)

- 3.19 - The Government introduced the NHB as a cash incentive scheme to reward councils for new home completions and for bringing empty homes back into use. This now provides match funding of £1,671 for each new property for four years (based on national average for band D property – i.e. £6,684 per dwelling over four years), plus a bonus of £350 for each affordable home (worth £2,100 over six years).
- 3.20 - Councils are free to spend the Bonus as they choose, including on front-line services and keeping council tax low. Funding is split 80:20 between district and county authorities.
- 3.21 - The Council now includes 100% of its New Homes Bonus funding within base budget equating to £1.468m in 2019/20 under the current methodology.

Councils are free to spend the Bonus as they choose

COUNCIL TAX

- 3.22 - Collection fund surpluses arise from higher than anticipated rates of collection of the council tax collection rates. This is assessed annually and an estimate of £50k per annum has been assumed for the period covered in this MTFS with the exception of 2019/20 which has been calculated based on data held.
- 3.23 - The taxbase represents the total number of chargeable properties in the borough, expressed as band D. The net budget requirement is divided by the taxbase to calculate the level of council tax for band D each year. The Council's taxbase is forecast to increase by 0.80% each year for the purposes of modelling the MTFS and a council tax increase of 2.99% per annum is assumed from 2019/20.

FUNDING GAP

- 3.24 - Given the expectations on councils to make a significant contribution to reducing the national budget deficit, this Council faces a significantly more challenging financial position in the early years of the MTFS. The latest projections indicate a gap of £2.787m for the period 2020/23 to 2022/23, primarily as a result of the baseline funding allocation reset proposed in 2020 whereby the growth generated from business rates since 2013/14 will be redistributed based on need under the fair funding review.
- 3.25 - To enable time to deliver such a significant savings target over the period to 2022/23, to mitigate the financial risks captured in section 3 and to smooth out fluctuations in income levels a robust Reserves Strategy is required to supplement and support the Savings Strategy.

“A robust Reserves Strategy is required to supplement and support the Savings Strategy.”

4. Reserves ^{Page 190} Strategy

INTRODUCTION

“The council is aspirational and horizon scanning in the approach it takes to delivering its services, and supporting those it works with in partnership to ensure Cheltenham is a vibrant and desirable place to live, work and invest.”

- 4.1 - The council is aspirational and horizon scanning in the approach it takes to delivering its services, and supporting those it works with in partnership to ensure Cheltenham is a vibrant and desirable place to live, work and invest. As a result, when funding has become available either through budget underspends or one-off funding, a strategy of utilising opportunities for improving and investing in the town has been followed.
- 4.2 - However, recognising the change in the council's short to medium term finances has required an alternative approach to be taken over the next few financial years with a focus on delivering services within approved budgets and enhancing the council's reserves to ensure it is able to meet any unforeseen costs in the future and also mitigate known risks and forecast cost pressures, particularly those arising from changes in the way local government is financed post 2019/20. This was also reflected in the recent peer review whereby they recommended we review inherent financial risks and build levels of reserves to withstand future uncertainty.

BUDGET STRATEGY SUPPORT RESERVE (BSSR)

- 4.3 - As part of the 2016/17 budget setting process, the Budget Strategy Support Reserve (BSSR) was established to provide greater resilience and time for the council to embed its savings strategy and allow for slippage in savings delivery.
- 4.4 - The BSSR will need to be suitably resourced to not only mitigate any delay in the delivery of savings but also be robust enough to support any reported slippage during the MTFS period.
- 4.5 - The Savings Strategy detailed in Section 6, identifies a need to fund £2.128m from the Budget Strategy Support Reserve in addition to the £256k used to support the 2019/20 budget, a total need of £2.384m.

- 4.6 - The move to 75% locally driven funding following the introduction of 75% Business Rates Retention will build in an increased risk of volatility in the council's financial planning. This needs to be appropriately managed and understood by the organisation as full reliance will be placed on the performance of the local economy with a drop in business rates income having the potential to force service re-prioritisation.
- 4.7 - The BRRR should aim to be maintained to a target of £500k to allow for the potential reduction in income arising from the risks as identified. There is currently £150k in general balances specifically to cover fluctuations arising from pooling arrangements together with £400k projected to be held in the BRRR at 31st March 2020. The council is already mitigating fluctuations in income levels arising from changes in the local economy and moving forward will face even greater exposure to such volatilities under the reformed retention system.
- 4.8 - Any Collection Fund and Pool surpluses over and above those assumed in the Savings Strategy should be earmarked for the BRRR to ensure a base level of reserve is in place in advance of the implementation of 75% Business Rates Retention.

GENERAL BALANCES

- 4.9 - General Balances are held to protect existing service levels from reductions in income levels as a result of economic downturn and other unforeseen circumstances. CIPFA's Local Authority Accounting Panel (LAAP) issued a guidance bulletin on local authorities' reserves and balances.
- 4.10 - As part of the annual budget setting process and in reviewing the MTFs, the council needs to consider the establishment and maintenance of reserves. These can be held for three main purposes:
- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
 - A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
 - A means of building up funds (earmarked reserves) to meet known or predicted requirements.
- 4.11 - The council has, over a number of years, earmarked significant funds for specific reserves. These are reviewed twice yearly by Full Council under the guidance of the Chief Finance Officer (S151 Officer). Over the course of this MTFs, the value of earmarked reserves will be reduced as they are used to finance planned expenditure.

5. Savings Strategy Page 192

INTRODUCTION

5.1 - As detailed in the previous sections, the council has a significant funding gap to resolve as well as a number of financial risks to manage. Given the ambitious nature of the council and its desire to ensure Cheltenham is a place where residents and visitors wish to work, visit and live the savings strategy for the medium term must reflect these aspirations and not jeopardise these core priorities whilst recognising that the net cost of the council's services must reduce over time.

5.2 - 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.

“The Cabinet’s overriding financial strategy has been, and is, to drive down the Council’s net costs via a commercial mind-set”

5.3 - The proposed key building blocks for the executive team structure of Place and Growth; People and Change; and Finance and Assets, together with a planned and proactive approach to the use of reserves, are the key drivers for delivering the budget strategy.

5.4 - The budget strategy looks inwards at service transformation and modernisation, outwards at economic growth and investment, and relies heavily on collective ownership and oversight. The Council has an ambition to become more commercial

“The budget strategy looks inwards at service transformation and modernisation”

in order to move towards a greater level of financial self-sufficiency. This will require a change at strategic level that will affect the whole organisation, taking into account the tight geography of the Borough, the pace of change desired and the high level of senior leadership buy-in required.

5.5 - 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.

5.6 - 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”.

5.7 - 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

“Part of our drive towards financial sustainability includes identifying new opportunities to generate income and investment in projects which provide good financial returns.”

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.

“Cheltenham Borough Council has entered a new era of business enterprise, growth and innovation.”

5.8 - The budget strategy indicates broadly how the Council may close the projected funding gap over the period 2019/20 to 2022/23. In future years, it includes targets rather than necessarily specific worked up projections of cost savings and additional income to allow the Executive leads autonomy and flexibility. Engaging with stakeholders will be crucial when it comes to developing a sense of ownership in local decision-making and service delivery. Working with stakeholders will allow the council to fine tune services based on actual needs. Holding adequate information upon which to base the allocation of scarce resources is essential to address under-met needs.

PLACE AND GROWTH

A “place where everyone thrives”.

5.9 - Place and Growth – refers to “place shaping” in its widest sense – being clear on the ambitions for Cheltenham, gaining alignment and commitment from others on the scale of ambition, and having clarity of purpose, intent and delivery to make sure that Cheltenham is and continues to be a “place where everyone thrives”.

5.10 - One of the strengths of the Cheltenham economy is its diversity. With the exception of GCHQ, we are not overly dependent on one or two major employers or on the performance of a specific industrial or service sector. It is possible to influence how Cheltenham is shaped, by supporting and encouraging existing and new businesses, marketing the town’s rich cultural and dynamic offer and promote inward investment and building a strong and cohesive community. The place strategy is closely linked to the commercial strategy. Driving growth, increasing gross value added (GVA), investment into Cheltenham, encouraging businesses to thrive and improving employment opportunities; the town’s economy will grow, as should the council’s income through business rates and council tax, providing longer term financial sustainability.

5.11 - A new senior leadership post was created - MD for Place & Growth. The savings targets were set for the Cost of Service Reduction (£157.5k) which is scheduled for delivery in 2018/19 as approved by Cabinet. However, a transformation programme was agreed to bring a new approach to service delivery – encouraging cost effective and agile working practices as well as increasing income generation.

“A new approach to service delivery”

The new approach has enabled the delivery of Marketing Cheltenham (officially launched in Nov 2017), the creation of a business support team, an intern programme and the delivery of an agile working project. The programme will continue to drive the savings targets whilst delivering priorities and service improvements.

5.12 - Following the change in approach to income inflation for fees and charges within the forecast for the funding gap, a target has been introduced under the Place & Economic Development (P&ED) Transformation programme covering a review of fees and charges and income generation opportunities. This reflects that whilst it is recognised that a flat

% inflationary increase is no longer appropriate, a review of the fees and charges made by the services within P&ED should year-on-year result in an additional base budget contribution. The £50k per annum target represents less than 1% of the P&ED 2018/19 income budgets, inclusive of car parking and excluding cemetery & crematorium which is subject to an inflationary increase. Initiatives such as the pre-application advice services, various licencing initiatives and planning performance agreements have seen a more commercial approach and a sustained growth in income.

“Cheltenham is uniquely placed to grow.”

5.13 - Cheltenham is uniquely placed to grow. The creation of a growth zone, as promoted in the Strategic Economic Plan (SEP), is to ensure the availability of quality employment land in proximity to the M5 motorway, attractive to businesses and with excellent connectivity throughout Gloucestershire and the rest of the UK. This will serve latent demand in the marketplace and provide space required to enable businesses to grow; particularly in the town’s margins and with the neighbouring district of Tewkesbury, which is also geographically well positioned to deliver growth development to the north-west of Cheltenham and along the M5 corridor.

5.14 - A 45 hectare site in West Cheltenham has been identified to create a Cyber Business Park, closely connected to the delivery of GCHQ’s Cyber Innovation Centre (CIC), seeking to create a cluster of cyber and associated businesses. Cyber security is one of the fastest growing industries in the UK as cyber-crime poses an ever greater threat to the UK economy and Critical National Infrastructure. The CIC will assist in supporting business to develop cyber security products and services. Some will enjoy GCHQ accreditation; others will be purely commercially based, though will need to meet basic security criteria. This model could see fast and sustained employment growth with high value jobs benefiting the wider region.

“Cyber security is one of the fastest growing industries in the UK”

5.15 - Initial estimates suggest that this site alone could generate significant additional business rates, of which under existing regulations, Cheltenham would retain 40%. There are obvious constraints such as planning, which will need to be considered alongside the Joint Core Strategy and furthermore the proposed changes to the Business Rates Retention Scheme mean that it is currently unclear how growth would firstly be retained by, and secondly shared between upper and lower tier authorities. It is also important to consider the wider impact and economic significance this cyber business park would have – attracting a wide range of international investors and business.

5.16 - Another aspect of the Place Strategy is strengthening the town’s cultural offer, and in particular a focus on the town centre. Working in collaboration with other partner organisations such as the BID, Marketing Cheltenham has raised the profile of Cheltenham

“New stores and business opening”

as a destination and the cultural centre for the Cotswolds. The investment programme for the High Street and the improvements through the Cheltenham Transport Plan have seen increased footfall, increases in cycle visits, car parking numbers and bus usage into the town centre. With new stores and business opening in Cheltenham, Cheltenham’s High Street is currently performing well. October saw John Lewis open and the more recent announcement that House of Fraser’s lease has been renewed, both represent a significant vote of confidence in the town’s retail and leisure offer.



5.17 - The people and change element of the budget strategy currently has two key areas of focus over the life of the savings plan:

- Savings following the creation of The Cheltenham Trust which formed part of the original business case when the trust was created in 2014;
- Savings targets arising from transformation and modernisation of service delivery within the authority, which are in addition to the savings target to transform regulatory and environmental services.

5.18 - Whilst the Place and Economic Development (P&ED) programme, which started in 2016, is progressing the current position is that only part of the authority is undergoing a programme of modernisation and change and this now needs to be urgently addressed.

5.19 - Modernisation will bring cash savings, as set out in the MTFs, but also deliver non-cash savings, which will allow resources to be freed up to support existing, emerging and future corporate priorities.

5.20 - Ahead of the modernisation programme, Publica Group has been asked to expedite some quick win savings, including the re-negotiation of the Council's mobile phone contract and from other telephony improvements.

5.21 - Following the review of the Executive Leadership Team, the next stage of the organisational design will be the development of a business case and framework to enable a review of the existing organisational structure.

“The outcome of this work will help ensure the Council is then best placed to meet the future opportunities and challenges ahead.”

This will set out the approach and resources needed in assisting the Council in determining its future operating model. The outcome of this work will help ensure the Council is then best placed to meet the future opportunities and challenges ahead.



5.22 - Finance and assets – we recognise the continuing need for sound strategic financial planning in the context of uncertainty in the national local government finance landscape, and in a context where more of the authority's ongoing financial revenue will come from business rates or commercial opportunities with a potentially higher risk profile. The acquisition 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.

“Acquisition of 4 new commercial investment properties has already resulted in us over-achieving our new revenue income target.”

5.23- The relationship between how we develop, grow and utilise our assets such as the Municipal Offices, Swindon Road depot and our cultural assets needs to be influenced by our ambition for Place, how we use our assets strategically and in the long term to achieve the outcomes we want to see for the town and also the wider county of Gloucestershire.

Our Public Realm investment across the Town has enabled us to attract major new businesses which have a positive effect on both business rates income and the vibrancy across the Town.

“Active asset management of the authority's asset portfolio and maximising the return from the authority's own assets to help deliver a sustainable financial plan will be increasingly important”

5.24 - Active asset management of the authority's asset portfolio and maximising the return from the authority's own assets to help deliver a sustainable financial plan will be increasingly important and is a complex area. Decisions around the extent as to the commercial investment opportunities will heavily rely upon careful and sound strategic financial advice and support.

5.25 - 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.

5.26- As stated earlier, the principles of the latest settlement allow authorities to spend locally what is raised locally. In order to do this it needs to grow its taxbase through growth, regeneration and reasonable tax increases. It also needs to ensure the taxbase is maximised through effective management and by using measures available, including counter fraud, reducing the number of empty premises and working effectively within the parameters of the planning process with regards to land supply.

USE OF RESERVES

5.27 - As has been outlined in section 5, the savings strategy will take time and resource to deliver and the relative needs baseline reset exacerbates the financial position. The council must therefore draw on its reserves to provide short-term support, specifically the Budget Strategy Support Reserve (BSSR).

RESOURCE PRIORITISATION

- 5.28 - The targets set in the Savings Strategy will be challenging and the level of resource and capacity required to deliver them should not be underestimated. Both budget realignment and one-off budgetary provision is likely to be needed to provide sufficient resource to deliver such an ambitious Savings Strategy. The Cabinet and Executive Leadership Team should ensure that resource is focussed to deliver the key priorities outlined in the strategy which will ensure the council's financial future and avoid budget cuts whilst ensuring that appropriate budgetary provision is made for identified funding needs.
- 5.29 - As such, if resource is not successfully prioritised and officers' time is diverted from the delivery of the Savings Strategy the challenging targets will not be delivered and the council's financial future will be detrimentally impacted. The financial risks around the changes to local government finances and the national financial climate outlined in section 2 clearly explain why the council's focus must be on delivering the Savings Strategy in the medium term which in turn may require other corporate priorities to be pushed into the longer term.



6. Conclusion

6.1 - The council has a track record of strong financial management but is now in a period of significant volatility and uncertainty. The council must plan now to ensure its financial position is protected across the medium term as changes to local government finances crystallise and the implications are known.

“The council has a track record of strong financial management”

“To ensure financial stability and sustainability”

6.2 - Both the Reserves and Savings Strategy should be followed in tandem, with Cabinet and the Executive Leadership Team leading the way with delivery to ensure financial stability and sustainability with the achievement of the council’s vision for the future of Cheltenham.





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Cheltenham Borough Council Council – 18th February 2019 Council Tax resolution 2019/20

Accountable member	Cabinet Member for Finance, Councillor Rowena Hay
Accountable officer	Paul Jones (Executive Director – Finance and Assets)
Accountable scrutiny committee	Overview and Scrutiny committee
Ward(s) affected	All
Significant Decision	Yes
Executive summary	The purpose of this report is to enable the Council to set the Council Tax for 2019/20. The Council agreed its budget and level of Council Tax for 2019/20 at its meeting on 18th February 2019. The Council is required to formally approve the total Council Tax for residents of Cheltenham, including the Council Tax requirements of the precepting organisations Gloucestershire County Council (GCC) and Gloucestershire Police.
Recommendations	Approve the formal Council Tax resolution at Appendix 2 and note the commentary in respect of the increase in Council Tax at Paragraph 6 of Appendix 2.

Financial implications	<p>Failure to agree the Council Tax resolution at this meeting would delay the preparation of council tax bills and the collection of the payments from residents. This may result in lost interest on income collected, which given the prevailing low interest rates, would be approximately £1-2k per month.</p> <p>Contact officer: Paul Jones paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>None specific; the legislative context is set out in the report. The council tax resolution must be by recorded vote - <i>Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014</i> effective 26/2/14.</p> <p>Contact officer: Peter Lewis, One legal peter.lewis@tewkesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p>None arising from this report.</p> <p>Contact officer: Julie McCarthy julie.mccarthy@cheltenham.gov.uk 01242 264355</p>
Key risks	As outlined in the financial implications

Corporate and community plan implications	None arising from this report
Environmental and climate change implications	None arising from this report

1. Introduction

- 1.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
- 1.2 The Council agreed the budget and level of Council Tax for 2019/20 (previous agenda item) on 18th February 2019. The Council is now required to formally approve the total Council Tax for residents of Cheltenham, including the Council Tax requirements of the precepting organisations, Gloucestershire County Council (GCC) and Gloucestershire Police.
- 1.3 Gloucestershire County Council (GCC) and Gloucestershire Police have both met to set their council taxes for 2019/20.
- 1.4 The total Council Tax to be paid by residents of Cheltenham in 2019/20 by council tax band, including the precepting authorities, is contained in Appendix 2.

2. Reasons for recommendations

- 2.1 To enable the Council to set the Council Tax for 2019/20.

3. Alternative options considered

- 3.1 Not applicable

4. Consultation and feedback

- 4.1 Not applicable

5. Performance management – monitoring and review

- 5.1 Not applicable

Report author	Contact officer: Paul Jones paul.jones@cheltenham.gov.uk 01242 775154
Appendices	1. Risk Assessment 2. Council Tax resolution- TO FOLLOW
Background information	1. Council Budget Report 18 th February 2019

Risk Assessment

Appendix 1

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
c.tax 1	Failure to agree the 2019/20 Council Tax resolution may result in lost interest on income.	Paul Jones	19/02/19	4	1	4	Accept	Councillors to agree council tax at meeting	22/02/19	Paul Jones	

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