



Notice of a meeting of Council

**Monday, 22 July 2019
2.30 pm
Council Chamber, Municipal Offices**

Membership	
Councillors:	Roger Whyborn (Chair), Sandra Holliday (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, Bernard Fisher, Wendy Flynn, Tim Harman, Steve Harvey, Rowena Hay, Alex Hegenbarth, Karl Holey, 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, Mason and Willingham	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING To approve the minutes of the meetings held on 13 May 2019	(Pages 3 - 6)
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 16 th July 2019.	
8.	MEMBER QUESTIONS These must be received no later than 12 noon on Tuesday 16 th July 2019.	

9.	FINANCIAL OUTTURN 2018/19 AND BUDGET MONITORING REPORT APRIL - JUNE 2019 Report of the Cabinet Member Finance	(Pages 7 - 56)
10.	UPDATED PROTOCOL FOR WEBCASTING, FILMING AND RECORDING OF COUNCIL MEETINGS Report of the Cabinet Member Corporate Services	(Pages 57 - 68)
11.	NOTICES OF MOTION	
12.	LOCAL GOVERNMENT ACT 1972 -EXEMPT INFORMATION The Council is recommended to approve the following resolution:- "That in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraphs 1, 2, 3 and 5, Part (1) Schedule (12A) Local Government Act 1972, namely: Paragraph 1; Information relating to any individual. Paragraph 2; Information which is likely to reveal the identity of an individual Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information) Paragraph 5; Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings	
13.	LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN MATTER Report of the Managing Director Place and Growth	(Pages 69 - 82)
14.	A FINANCIAL MATTER Report of the Cabinet Member Healthy Lifestyles	(Pages 83 - 96)
15.	GLOUCESTERSHIRE AIRPORT Report of the Leader	(Pages 97 - 158)

Contact Officer: Bev Thomas, Democratic Services Team Leader, 01242 264246
Email: democratic.services@cheltenham.gov.uk

Pat Pratley
Chief Executive

Council

Monday, 13th May, 2019

5.00 - 5.20 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 Brownsteen, Flo Clucas, Stephen Cooke, Iain Dobie, Wendy Flynn, Tim Harman, Steve Harvey, Rowena Hay, Alex Hegenbarth, Sandra Holliday, Martin Horwood, Peter Jeffries, Steve Jordan, Chris Mason, Paul McCloskey, Andrew McKinlay, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Jo Stafford, Klara Sudbury, Simon Wheeler, Max Wilkinson, Suzanne Williams and David Willingham

Minutes

1. APOLOGIES

Apologies were received from Councillor Coleman, Collins, Stennett and Hobley.

2. COMMUNICATIONS FROM THE RETIRING MAYOR

The retiring Mayor reflected on his past year and thanked officers for their support. He then wished the Mayor and Deputy Mayor all the best for the coming year.

3. ELECTION OF MAYOR (CHAIRMAN OF COUNCIL) FOR 2019-20

The outgoing Mayor, Councillor Bernard Fisher, called on Councillor Wheeler to move the motion proposing Councillor Whyborn as Mayor.

Councillor Roger Whyborn was proposed for the office of Mayor by Councillor Wheeler and seconded by Councillor McKinlay.

Upon a vote it was unanimously

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

The Head of Paid Service invited the Mayor to sign a Declaration of Acceptance of Office of Council chairman for the ensuing municipal year 2019-20.

Councillor Roger Whyborn took the chair.

4. ELECTION OF DEPUTY MAYOR (VICE-CHAIRMAN OF COUNCIL) FOR 2019-20

Councillor Willingham proposed Councillor Sandra Holliday for the office of Deputy Mayor, seconded by Councillor Harvey.

Upon a vote it was unanimously

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

The Head of Paid Service invited the Deputy Mayor to sign a Declaration of Acceptance of Office of Council vice-chairman for the ensuing municipal year 2019-20.

5. DECLARATIONS OF INTEREST

There were none.

6. MINUTES OF THE LAST MEETING

The minutes of the last meeting held on 25th March 2019 were approved and signed as a correct record.

7. COMMUNICATIONS BY THE MAYOR

The Mayor thanked Members for electing him as Mayor. He advised that he had appointed a Chaplin who would be holding a moment of reflection prior to Council meetings at 2.15pm in the Cambray Room for those who wished to join him.

8. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader congratulated and thanked the retiring Mayor for his contributions over the past year. He also congratulated Councillors Whyborn and Holliday on their appointments as Mayor and Deputy Mayor respectively.

The Leader then informed that GCC were due to start works on Clarence Street and Clarence Parade as part of the Cheltenham Transport Plan TRO. This had been delayed due to the change in highways contractors. He then reported to Council that GWR would be commencing improvements at Cheltenham Spa imminently.

9. NOTICES OF MOTION

There were none.

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

None.

Roger Whyborn
Chairman

Council

**Monday, 13th May, 2019
5.20 - 5.30 pm**

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

Minutes

1. APOLOGIES

Apologies were received from Councillor Coleman, Collins, Stennett and Hobley.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. PUBLIC AND MEMBER QUESTIONS

There were none.

4. GRANTING THE FREEDOM OF THE BOROUGH

The Leader of the Council introduced the item and gave the background to GCHQ prior to it moving to Cheltenham in 1951 where it was initially based on two sites, in Oakley and Behall. Nationally, GCHQ played a key role in security, terrorism, serious crime and cyber security. Locally, GCHQ represented the largest employer with many employees living in and around the town.

CBC had an ongoing relationship with GCHQ and was currently working with them particularly closely on developing the cyber innovation centre and the cyber park. It was particularly appropriate to award them the Freedom of the Borough in their 100th year, a rare honour to award and there had been an overwhelmingly positive response that this honour should be bestowed.

The leader of the Conservative Group took the opportunity to thank the retiring Mayor and welcome the newly appointed Mayor and Deputy. He then said it was a great honour to second the motion to grant GCHQ the Freedom of the Borough. He recognised its massive contribution nationally and locally and deemed it appropriate to grant the award when cyber represented a new frontier and GCHQ had expressed its commitment to the town. He looked forward to the exciting plans for the cyber park going forward.

Councillor Parsons raised a point of clarification and in response Sarah Farooqi, One Legal, confirmed that the Freedom of the Borough was nowadays a ceremonial award and a grant of recognition, albeit historically the award had granted certain rights.

RESOLVED (unanimously) THAT

“That under, and in pursuance of the powers conferred upon the council by virtue of Section 249 Local Government Act, 1972, GCHQ be admitted Honorary Freedom of the Borough in recognition and appreciation of the eminent services rendered by it with great distinction to national security for a century.”

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

There was none.

Roger Whyborn
Chairman

Cheltenham Borough Council

Cabinet – 9th July 2019

Council – 22nd July 2019

Financial outturn 2018/19 and budget monitoring to June 2019

Accountable member	Councillor Rowena Hay, Cabinet Member for Finance
Accountable officer	Paul Jones, Executive Director Finance and Assets (Section 151 Officer)
Accountable scrutiny committee	All
Ward(s) affected	All
Key Decision	No
Executive summary	<p>In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance. This report highlights the Council's financial performance for the previous year which sets out the General Fund and Housing Revenue Account (HRA) revenue and capital outturn position for 2018/19. The information contained within this report has been used to prepare the Council's Statement of Accounts for 2018/19.</p> <p>Financial rule B10.1 states that carry forward of planned underspend of revenue budgets into the following financial year will only be allowed with the agreement of the Section 151 Officer, in order to meet the needs of approved service delivery. Financial rule B10.3 states that all other carry forward requests, including budget underspends that have been carried forward in previous financial years, will be subject to full Council approval at the financial outturn meeting held after the year end.</p> <p>The Council's Treasury Management Policy requires the Section 151 Officer to report to members annually, by the 30th September, on the treasury management activities and prudential indicators for the previous financial year. This report also seeks to meet this requirement.</p>
Recommendations	<p>We therefore recommend that Cabinet approve the following recommendations to Council:</p> <ol style="list-style-type: none"> 1. That Council receives the financial outturn performance position for the General Fund, summarised at Appendix 2, and notes that services have been delivered within the revised budget for 2018/19 resulting in a saving (after carry forward requests) of £40,377. <p>That furthermore Council:</p> <ol style="list-style-type: none"> 2. Approves £18,300 of carry forward requests (requiring member approval) at Appendix 5. 3. Approve the use of the budget saving of £40,377 as detailed in Section 3. 4. Notes the annual treasury management report at Appendix 7

and note the actual 2018/19 prudential and treasury indicators.

5. Notes the capital programme outturn position as detailed in Appendix 8 and approve the carry forward of unspent budgets into 2019/20 (section 7) and approves the virement of budgets in 2019/20 as set out in paragraphs 7.2 to 7.3.
6. Notes the position in respect of Section 106 agreements and partnership funding agreements at Appendix 9 (section 9).
7. Notes the outturn position in respect of collection rates for council tax and non-domestic rates for 2018/19 in Appendix 10 (section 10).
8. Notes the outturn position in respect of collection rates for sundry debts for 2018/19 in Appendix 11 (section 11).
9. Receives the financial outturn performance position for the Housing Revenue Account for 2018/19 in Appendices 12 to 13 (as detailed in Section 12) and approves the carry forward, virement and reclassification of budgets in 2019/20 as set out in paragraphs 12.8 to 12.10.
10. Notes the budget monitoring position to the end of June 2019 (section 13).

Financial implications	As detailed throughout this report. Contact officer: Paul Jones, paul.jones@cheltenham.gov.uk, 01242 264365
Legal implications	<i>None directly arising from the report recommendations.</i> Contact officer: Sarah Farooqi, Sarah.Farooqi@teWKesbury.gov.uk, 01684 272012
HR implications (including learning and organisational development)	Employee capacity must be kept under review to ensure that any additional work is adequately resourced. If budget pressures mean monies for additional resource is not permissible a review of current projects and service delivery options will need to take place. Contact officer: Julie McCarthy, julie.mccarthy@publicagroup.uk, 01242 264355
Key risks	As outlined in Appendix 1.
Corporate and community plan Implications	Key elements of the budget are aimed at delivering the corporate objectives in the Corporate Business Plan.
Environmental and climate change implications	None.

1. Background

- 1.1** This report draws together the financial outturn position for 2018/19 for the General Fund and Housing Revenue Account (HRA) revenue and capital budgets, details reserve movements, summarises requests for carry forward of budgets approved by the Section 151 Officer under delegated powers and those requiring member approval and makes recommendations in respect of the use of the budget saving.
- 1.2** In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance.
- 1.3** A summary of the actual General Fund outturn position by service is contained in Appendix 2.
- 1.4** A summary of the outturn position by cost centre within each service is contained in Appendix 3. Information is presented in the same format as used in the draft statement of accounts, in accordance with the CIPFA Code of Practice 2018/19.

2. General Fund Revenue Outturn 2018/19

- 2.1** The budget monitoring report to the end of December 2018, considered by Cabinet on 12th February 2019, projected the expected delivery of services within budget. The Cabinet made recommendations to full Council at the budget setting, which were approved, for a number of budget virements as part of the revised budget 2018/19.
- 2.2** The continued impact of the changes in government funding arrangements and the economic climate present particular concerns for the Council's budgets moving forward. Given the proposed front-loaded cuts in Central Government funding, the Section 151 Officer recommended that any future underspends or fortuitous windfalls are earmarked for transfer to either general balances or the budget strategy (support) reserve. It was therefore recommended that any underspend identified on outturn be transferred firstly to the Budget Strategy (Support) Reserve and secondly to support general balances, bearing in mind the need to keep the level of reserves robust and the uncertainty surrounding future budget funding gaps, as outlined in the Council's Medium Term Financial Strategy (MTFS) and the Cabinet budget setting report dated 18th February 2019.
- 2.3** It is therefore pleasing to report that despite the documented issues such as the closure of the crematorium in October 2018 and the pressures within the contract sum to Ubico, the Council has delivered services within the resources available, resulting in a budget saving, after carry forward requests, of £40,377 against the revised budget. This saving has been transferred to the Budget Strategy (Support) Reserve pending decisions over its use in 2019/20 and future years.
- 2.4** A number of savings are the result of delays or slippage in carrying out particular tasks which are still necessary and will need to be completed in the 2019/20 financial year. Where this applies, requests for carry forwards are documented in Appendix 5 to this report.
- 2.5** A full explanation of all variances that exceed £50,000 is contained within Appendix 4.

3. MTFS and making use of revenue budget savings

- 3.1** The Government's policy of phasing out revenue support grant and in due course potentially allowing councils to benefit from a higher share of business rates created a need for this Council to develop a long-term strategy which is significantly different from that followed in past years. Since 2013 the Council has had a direct financial interest in economic and business growth within the borough, and will have a larger stake in it under the Government's proposals for reforming business rates.
- 3.2** In determining the budget strategy in October 2015, the Section 151 Officer recommended the creation of a specific earmarked reserve: a 'budget strategy (support) reserve', to provide greater resilience. This reserve will help to secure the Council against short-term challenges which we

know we will encounter in the coming years.

- 3.3** Strengthening the Budget Strategy (Support) Reserve will give the Council more flexibility to pump-prime projects and initiatives which will deliver future savings at a time when we are facing such severe and ongoing cuts to our spending power.
- 3.4** The balance on this reserve as at 31st March 2019 is £714,919 which includes the “top-up” identified above in 2.3. The 2019/20 approved budget relies on the further drawdown of £256,082 from this reserve in 2019/20 leaving a balance of £458,837 which will be earmarked towards setting a balanced budget in 2020/21.

4. Budget carry forward requests

- 4.1** At the year end, a number of budget holders requested ‘carry forward’ of unspent budgets. Requests fall into two categories and have been dealt with as follows:
- 4.2** Some requests are in respect of goods and services ordered but not received by 31st March 2019. Some relate to items of expenditure not yet incurred due to slippage in work programmes but still planned to be spent in line with the original intention of the budget. Others are amounts of grant funding which have been allocated but not yet been taken up by their intended beneficiaries. In line with previous practice, these have been reviewed by the Executive Leadership Team and approved by the Section 151 Officer, under delegated powers (financial rule B10.1). A list of the approved carry forward of budgets totalling £605,516, for which expenditure is in line with the original approved purpose, is contained in Appendix 5. In accordance with the Service Reporting Code of Practice (SeRCOP), a transfer was made to a ‘carry forward’ reserve in 2018/19 (Appendix 6) and transfers will be made from the ‘carry forward’ reserve in 2019/20 to the appropriate cost centres in order that members and officers have a clear indication of the total budget, including carry forwards, available for 2019/20.
- 4.3** Two requests has been made to carry forward an underspend to be used in a different way to that for which the budget was originally intended. Since this falls outside the budget set by Council in February 2018, their alternative use requires council approval (financial rule B10.3). The list contained in Appendix 5, totalling £18,300, has been reviewed and supported by the Cabinet and now requires council approval.

5. Treasury Management / Prudential Indicators

- 5.1** Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services. This Council has adopted the code and complies with its requirements, one of which is the receipt by Cabinet and Council of an Annual Review Report after the financial year end. The detailed treasury report, as approved by the Treasury Management Panel at its meeting on 10th June 2019, is attached at Appendix 7.
- 5.2** The prudential indicators have been monitored regularly and there were no material departures from the indicators arising during the year. The outturn indicators are reported to Cabinet and Council as part of the capital and treasury management outturn in accordance with the arrangements determined at the February 2018 council meeting.

6. Business Rates Retention Scheme (BRRS)

- 6.1** Members will recall that Gloucestershire was successful in its application to become a 100% Business Rates Pilot in 2018/19 which was confirmed to be for one year only and came to an end in March 2019.
- 6.2** The final outturn for the Pilot is a gain of £14.27 million and the distribution of the pilot benefit, based on the previously agreed methodology, is set out in the table below. Cheltenham Borough Council's share of the pilot gain was £607,002.

Distribution	%	2018/19 Outturn
Strategic Economic Development Fund (available to all Councils)	20%	£2.85m
District Councils (for financial resilience or other uses including growth initiatives)	30%	£4.28m
County Council (for financial resilience or other uses including growth initiatives)	50%	£7.14m
Total Pilot Gain		£14.27m

- 6.3** One of the key documents in the budget setting process is the estimate of business rates yield which is reported in the National Non Domestic Rates return (NNDR1) which is submitted to the Ministry of Housing, Communities and Local Government (MHCLG), formerly DCLG. The NNDR1 return was submitted to the (then) DCLG by the deadline of 31st January 2018 and the budget was based on the figures within that return.
- 6.4** The table below reflects the actual performance against the revised budget with an overall positive variance of £231,177 when taking into account the 100% business rates retention pilot surplus distribution.

	2018/19 Original Budget £	2018/19 Revised Budget £	2018/19 Actual £	2018/19 Variance £
Retained business rates per NNDR1	27,178,478	27,178,478	27,178,479	-
Tariff payable to government	(23,875,005)	(23,875,005)	(23,721,171)	153,834
Grant to compensate for government decisions	1,474,787	1,599,051	1,716,274	117,223
Estimated levy payable to government after Pool surplus/deficit	-	-	(39,880)	(39,880)
Net retained business rates	4,778,260	4,902,524	5,133,701	231,177
Less Baseline Funding (target level of net retained rates)	(2,835,551)	(2,835,551)	(2,835,551)	-
Net surplus on business rates against baseline funding	1,942,709	2,066,973	2,298,150	231,177
Deficit adjustment re 2016/17	(235,484)	(235,484)	(235,484)	-
Deficit adjustment re 2017/18	(510,227)	(510,227)	(510,227)	-
One-off adjustments re previous years' deficits	(745,711)	(745,711)	(745,711)	-
Net retained business rates (after one-off deficit adjustments)	4,032,549	4,156,813	4,387,990	231,177

Transfer to BRR earmarked reserve	(633,457)	(633,457)	(864,634)	(231,177)
Drawdown from BRR earmarked reserve to fund previous deficits and economic development initiatives	745,711	995,711	995,711	-
Net movement on BRR earmarked reserve	112,254	362,254	131,077	(231,177)

- 6.5** A further transfer of £231,177 has been made to the Business Rates Retention (BRR) earmarked reserve in respect of the pilot surplus distribution. The balance on this reserve will be used to fund future budget gaps which arise as a result of the accounting arrangements for the Retained Business Rates Scheme as reported to Cabinet / Council previously and economic growth initiatives within the borough.
- 6.6** The Government's policy of phasing out revenue support grant and in due course 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 borough, and will have a larger stake in it under the Government's proposals for reforming business rates.

7. Capital Outturn 2018/19

- 7.1** The outturn position in respect of General Fund capital is contained in Appendix 8. Members are asked to note the outturn position and, where there is slippage, approve the carry forwards into 2019/20 requested by officers.
- 7.2** Following an initial risk assessment of allotment provision over the short to long term it is considered unlikely that the Midwinter allotment budget allocation of £561,402 is required for allotment purposes. It is proposed that £400,000 is reallocated to the High Street fund to support delivery of phase 2 subject to a full risk assessment being undertaken and presented to Cabinet in September.
- 7.3** In addition, in light of the current development of the High Street following the successful completion of Phase 1, it is recommended that the £1.8m set aside for the development of Boots Corner is reallocated to the next phase of the High Street (planned to be the Strand and Cambray Place) and this capital is then replenished by future allocations via Community Infrastructure Levy (CIL), future review of capital projects and any reallocation arising with continued investigation of match grant funding.

8. Reserves

- 8.1** The Section 151 Officer has, under delegated powers (financial rule B11.4), authority to make transfers to and from these operational reserves in accordance with the intention of the reserve as determined by the Council's Reserves Policy and Protocol. The transfers approved by the Section 151 Officer for 2018/19 are set out in the outturn performance position schedules at Appendix 2 and 3.
- 8.2** Appendix 6 also details the reserves held by the Council, states their purpose and indicates the balance at 31st March 2019. In setting the budget for 2019/20 a review of reserves was undertaken to assess whether the levels were appropriate and in line with the policy for reserves and balances; and also whether they took into account the needs and risks of the organisation

and the prevailing economic conditions. At the year end this process has been repeated.

- 8.3** In assessing the adequacy of reserves and balances for 2019/20 the Section 151 Officer used a risk based approach to assess the appropriate level of general balances which calculated the optimum level to be £1.348m. At the year end, the General Fund Balance stands at £1.321m and therefore is marginally below the optimum level recommended by the Section 151 Officer.
- 8.4** An assessment of the Council's earmarked reserves has been made in line with the fiduciary duty of the Section 151 Officer at the year end. Accepting that the front-loaded cuts to core government funding could leave the council exposed without clear decision-making in delivering a balanced budget, the level of reserves appears adequate at this point in time and no other changes are currently recommended. However, it is important to make Members aware of the following points.
- 8.5** The current Medium Term Financial Strategy (MTFS) supports all windfalls and underspends being earmarked towards the Budget Strategy Support Reserve (BSSR).
- 8.6** Given the risks arising from Business Rates volatility, both through appeals and the future proposals for full business rates retention, it should be noted that wherever possible, the Business Rates Retention Equalisation Reserve should also be strengthened to mitigate these risks.

9. Section 106 receipts

- 9.1** A position statement in respect of the activity of Section 106 receipts is contained in Appendix 9.
- 9.2** The following summarises the activity in respect of Section 106 for 2018/19, compared to 2017/18.

	2017/2018	2018/2019
Balance of unused Section 106 receipts	2,187,758	2,762,033
Net additional receipts in year	2,277,586	7,000
Receipts used to finance projects in year	(1,703,311)	(36,403)
Balance outstanding at year end	2,762,033	2,732,629

10. Council tax and business rates collection

- 10.1** The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 10. This shows the position at the end of March 2019.

11. Sundry debt collection

- 11.1** The monitoring report for the collection of sundry debt income is shown in Appendix 11. This shows the position at the end of March 2019.

12. Housing Revenue Account (HRA)

HRA income and expenditure (Appendix 12)

- 12.1** The revised forecast for the HRA, as presented to Council in February 2019, anticipated a net increase to revenue reserves of £183,700 leaving a balance of £8,785,200 at 31st March 2019.

12.2 The outturn statement at Appendix 12 shows a positive variance to forecast of £39,966, increasing revenue reserves by £223,666 to leave a balance of £8,825,166 at the year end.

12.3 An explanation of variances exceeding £50,000 is shown below:

Detail	Forecast £'000	Actual £'000	Variation £'000
Reduction in sums set aside for bad debt – reflects both a slower transition to universal credit and effective arrears management	296	130	166
Additional repairs and maintenance expenditure following increased demand for reactive works	3,781	3,864	(83)
Other net variances			(43)
Total variance to forecast			40

Major Repairs Reserve (Appendix 13)

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

HRA Capital Programme (Appendix 13)

12.5 Actual expenditure for the year was £9,479,235, an underspend of £296,065 on the forecast of £9,775,300.

12.6 The programme includes a number of projects where expenditure plans span a number of financial years and are delivered through more than one contract. Where delays occur, for example through extended consultation with leaseholders or procurement issues, Cheltenham Borough Homes seek opportunities for advancing other projects within overall funding. Costs remain controlled at both contract and project level.

12.7 Significant project variations from forecast (exceeding £50,000) are shown below:-

Project	Forecast £'000	Actual £'000	Variation £'000
External improvements – delays in procurement, now resolved	214	86	127
Major void refurbishment – increased proportion of higher value void work arising from downsizing initiatives	715	776	(61)
Window & Door replacement – marginal underspend on long term major contract	2,307	2,227	80
Heating Installations – works accelerated from future period to use available funding	934	1,045	(111)
Internal improvements Communal Areas – delays in procurement, now resolved	785	706	79
Acquisitions – expenditure on market purchases is dependent on both the availability of suitable properties and the need to use time limited resources	933	812	121
Other net variances			61
Total variance to forecast			296

HRA Capital Programme 2019/20 (Appendix 13)

12.8 The original budget for 2018/19 was £10,979,800. This was reduced to £9,775,300 in the forecast reported to Council in February 2019 and actual spend for the year was £9,479,235 as shown

above. In order to fund uncompleted works from 2018/19 it is requested that an additional budget of £651,800 be approved for 2019/20.

- 12.9** The 2019/20 budget for external improvements was set at £929,100 but the impact of procurement delays will reduce spend in year to £629,100. In contrast the need for further works (fire safety and lighting) to communal areas has been identified requiring an additional £300,000 in 2019/20. It is recommended that the sum of £300,000 be vired between the two project headings.
- 12.10** The approved capital programme for 2019/20 also includes £7,631,000 for new build and acquisitions. Within this total, separate sums were identified for market purchase (£1,067,000), Section 106 acquisitions (£1,250,000) and new build pipeline schemes (£5,314,000). Expenditure on market acquisitions and new build schemes are interlinked through the need to ensure RTB receipts are spent within 3 years to prevent repayment to the Government. Should there be delays or other variations to new build schemes then the need to spend on acquisitions will vary accordingly. It is therefore requested that the budgets for these two areas of expenditure be combined i.e. a total of £6,381,000 to be used flexibly as required to achieve best outcome for the Council.

13. 2019/20 Revenue and Capital budget monitoring to June 2019

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

13.2 Salary Vacancies

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

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

13.3 Car Parking - Income

There is a current surplus of £23k in the first quarter of 2018/19. However it is expected the final year outturn will be in line with the current budget.

13.4 Cemetery & Crematoria – income

With the new crematorium now fully opened, the income has returned to the budgeted level. There is a £11k deficit for the 1st Quarter, mainly of additional sales rather than burials and cremations but this is expected to be made up during the remainder of the financial year.

13.5 Ubico Ltd. Operations

The approved contract sum for Ubico Ltd. is £8.921m. We have not been advised that there are any issues with this sum and therefore we are still on track to achieve the budget for this financial year.

14. Section 151 Officer advice

- 14.1** The Government reforms to local government finance which includes the fair funding review and 75% business rates retention could have a significant impact on this Council as a result of a commitment from Ministers to rollout a full business rates reset – i.e. all the growth achieved since 2013 would be reset to zero. The uncertainty surrounding Brexit makes it increasingly likely that any major changes to local government finance will be deferred for a further year.

- 14.2** The Local Government Association has said that any reforms to business rates must change the process for appeals against property valuations in order to protect councils from the volatility in funding that this creates. In its submission to the Treasury's business rates review, the umbrella group of local authorities said that the current regime, whereby councils had to meet any refunds following successful appeals, undermines local services. It exposes councils to financial risk even though the property valuations themselves were undertaken by the independent Valuation Office Agency.
- 14.3** In agreeing the recommendations in this report, members need to be mindful of the prevailing challenging financial climate and ensure that any carry forwards recommended for approval (even those for which the Section 151 Officer has the delegation to approve) are the most effective use of scarce resources.

15. Conclusion

- 15.1** The outturn position for 2018/19 demonstrates that, despite another challenging year, the Council has managed to deliver services within budget. There are number of windfall income streams from car parking and investment income from commercial investment properties.
- 15.2** If approved, the carry forward requests will assist in the delivery of corporate objectives, help to complete projects started in 2018/19 and support initiatives which help to close the medium term funding gap.
- 15.3** Members should note that the outturn position has been used to prepare the Statement of Accounts for approval by the Audit Committee in July 2019.

16. Consultation

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

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Appendices	<ol style="list-style-type: none"> 1. Risk assessment 2. Summary outturn performance position - General Fund 3. Service level outturn performance position - General Fund 4. Significant variances 5. Carry forward requests 6. Movement on earmarked reserves and general balances 7. Annual Treasury Management review 8. Capital programme - General Fund 9. Section 106 receipts statement 10. Council tax and NNDR collection 11. Sundry debt collection 12. HRA Operating account 13. HRA Capital programme and Major Repairs Reserve
Background information	<ol style="list-style-type: none"> 1. Section 25 Report – Council 19th February 2018 2. Final Budget Proposals for 2018/19 – Council 19^h February 2018 3. Budget Strategy and MTFS – Council 18^h February 2019

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 the constrained ability to	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 the Council.	Ongoing	ED Finance and Assets	

	grow the business rates in the town then the MTFS budget gap may increase.							<p>The Gloucestershire S151 Officers continue to monitor business rates income projections and the performance and membership of the pool / pilot.</p> <p>Work with members and Gloucestershire LEP to ensure Cheltenham grows its business rate base.</p>			
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	<p>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.</p>	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 incorrect, then there is likely to be increased	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 to government consultation on	Ongoing	ED Finance and Assets	

	volatility around future funding streams.							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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GENERAL FUND REVENUE OUTTURN 2018/19

GROUP

	A 2018/19 Original Budget £	B 2018/19 Current Budget £	C 2018/19 Outturn per Ledger £	overspend / (underspend) before adjustments £	D Trf to / (from) Programme Mtce Reserve £	D Trf to / (from) Other Reserves £	E C/F requests approved by S151 Officer Appendix 5 £	F Variance net of S151 c/f approvals £	G C/F requests to be approved Members Appendix 5 £	H Variance net of all c/f requests £
Chief Executive	1,062,009	1,231,935	1,227,890	(4,045)	0	(38,000)	13,600	(28,445)		(28,445)
Finance & Assets Directorate	6,262,145	9,159,118	8,853,836	(305,282)	217,782	0	50,000	(37,500)	7,500	(30,000)
People & Change Directorate	3,177,306	4,227,259	3,866,060	(361,199)	2,120		256,029	(103,050)	10,800	(92,250)
Place & Growth Directorate	7,231,306	7,434,420	7,672,704	238,284	(7,412)	(267,941)	212,993	175,924		175,924
	17,732,766	22,052,732	21,620,490	(432,242)	212,490	(305,941)	532,622	6,929	18,300	25,229
Capital Charges	(1,474,800)	(3,749,546)	(3,170,224)	579,322	(514,725)	(95,358)		(30,761)		(30,761)
Interest and Investment Income	(1,650,500)	(1,534,550)	(1,611,380)	(76,830)	106522			29,692		29,692
Use of balances and reserves - Appendix 6	(178,862)	(2,215,768)	(2,215,768)	0						
Net underspend			40,377							
NET BUDGET	14,428,604	14,552,868	14,663,496							
Deduct:										
New Homes Bonus	(1,754,530)	(1,754,530)	(1,754,530)	0				0		0
S31 NDR compensation grant	(1,474,787)	(1,599,051)	(1,716,274)	(117,223)		117223		0		0
Other Government Grants	0	0	(137,413)	(137,413)			72894	(64,519)		(64,519)
National Non-Domestic Rate	(2,557,763)	(2,557,763)	(2,671,717)	(113,954)		113,954		(0)		(0)
NET SPEND FUNDED BY COUNCIL TAX	(8,641,524)	(8,641,524)	(8,641,543)	(19)				(19)		(19)
TOTAL INCOME	(14,428,604)	(14,552,868)	(14,921,477)		Total budget underspend			(58,677)		(40,377)

KEY

A - Original budget for 2018/19 approved by Council - February 2018

B - Current budget for 2018/19 - including budget revisions approved by Council during 2018/19 and approved carry forwards from 2017/18

C - Outturn net expenditure before year end adjustments

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

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

F - Net variance after adjustments in columns D to E

G - Carry forward requests requiring Member approval - Appendix 5

H - Net variance on cost centres taking into account all carry forward requests - see detail at Appendix 5

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REVENUE OUTTURN 2018/19		Original Budget 18/19 £	Current Budget 18/19 £	Actuals 18/19 £	(Under) / Overspend £	Carry Forwards £	to (from) Programme Mtce Reserve £	to (from) other reserves £	Accounts (Under) / Overspend £
COR001	Corporate Management	520,150	309,976	325,401	15,425			(38,000)	(22,575)
DRM006	Cabinet Expenditure	33,000	0	0	0				0
DRM007	O & S Committees	81,000	0	0	0				0
ELE001	Registration of Electors	179,500	81,500	74,063	(7,437)				(7,437)
ELE002	District Elections	217,950	154,900	163,328	8,428				8,428
ELE003	Elections Support/Overheads	0	128,750	122,106	(6,644)				(6,644)
ELE004	Parliamentary Elections	0	0	(347)	(347)				(347)
ELE010	Individual Electoral Registration	0	0	600	600				600
SUP004	Legal	20,200	375,800	379,215	3,415				3,415
SUP007	Committee Services	10,209	181,009	163,524	(17,485)	13,600			(3,885)
1CEXEC	Chief Executive	1,062,009	1,231,935	1,227,890	(4,045)	13,600	0	(38,000)	(28,445)
ADB101	Cheltenham Municipal Offices	23,200	491,912	448,953	(42,959)		28,205		(14,754)
ADB103	Cheltenham Depot	(85,000)	(111,404)	(134,710)	(23,306)		(14,539)		(37,845)
ADB104	Miscellaneous Operational Properties	0	(410,110)	(410,376)	(266)				(266)
AIR101	Gloucestershire Airport	(5,200)	(25,000)	(35,598)	(10,598)				(10,598)
COM103	St. Margaret's Hall	0	3,187	464	(2,723)				(2,723)
COR006	Treasury Management	82,000	36,500	64,131	27,631				27,631
COR105	Corporate Resources	122,927	340,650	343,362	2,712				2,712
CUL002	War Memorials	22,300	5,369	1,012	(4,357)		69		(4,288)
CUL003	World War 1 Commemoration Projects	0	59,864	52,348	(7,516)	7,500			(16)
CUL112	Town Hall Repairs & Maintenance	385,400	685,205	626,404	(58,801)		73,862		15,062
CUL113	Pittville Pump Room Repairs & Maintenance	199,700	364,517	328,655	(35,862)		41,250		5,388
CUL117	Art Gallery & Museum Repairs & Maintenance	209,000	424,708	447,009	22,301		(13,553)		8,748
ECD101	Xmas in Cheltenham	46,400	44,200	46,285	2,085				2,085
HAV001	Housing Advances	0	0	(142)	(142)				(142)
NDC001	Non Distributed Costs	52,000	35,499	36,929	1,430				1,430
OPS111	Arle Road Nursery Repairs Maintenance	27,600	22,400	10,286	(12,114)		8,416		(3,698)
OPS121	Parks & Gardens Repairs & Maintenance	16,800	20,427	15,359	(5,068)		8,254		3,186
OPS122	Sports & Open Spaces Repairs & Maintenance	155,400	150,400	38,021	(112,379)		115,926		3,547
REC111	Recreation Centre Repairs & Maintenance	1,408,900	1,511,307	1,537,481	26,174		(8,391)		17,783
REC112	Prince of Wales Stadium Repairs & Maintenance	10,600	178,994	184,994	6,000		(6,677)		(677)
REG019	Public Conveniences	170,600	113,472	105,483	(7,989)		(15,041)		(23,030)
REG119	Public Conveniences R&M	12,700	12,700	8,987	(3,713)				(3,713)
SUP009	Accountancy	(13,803)	(9,100)	(17,425)	(8,325)				(8,325)
SUP010	Internal Audit	(42,293)	99,100	99,717	617				617
SUP011	Creditors	1,936	(7,600)	(11,517)	(3,917)				(3,917)
SUP012	Debtors	3,628	8,000	7,983	(17)				(17)
SUP025	Property Services	15,400	398,050	437,488	39,438				39,438
SUP033	Central Purchasing	3,180	1,600	2,740	1,140				1,140
SUP035	Insurances	64,170	97,400	77,044	(20,356)				(20,356)
SUP038	Pensions Backfunding	3,278,000	3,282,600	3,279,406	(3,194)				(3,194)
SUP105	Corporate Fraud Unit	52,000	52,000	44,199	(7,801)				(7,801)
SUP106	Public Business Support Contract	0	1,211,337	1,147,931	(63,406)	50,000			(13,406)
TMR101	CBC Highways works	44,600	70,934	70,934	(0)				(0)
2FINAA	Finance & Assets Directorate	6,262,145	9,159,118	8,853,836	(305,282)	57,500	217,782	0	(30,000)

REVENUE OUTTURN 2018/19		Original Budget 18/19 £	Current Budget 18/19 £	Actuals 18/19 £	(Under) / Overspend £	Carry Forwards £	to (from) Programme Mtce Reserve £	to (from) other reserves £	Accounts (Under) / Overspend £
ADB102	Custodians	100	13,900	13,667	(233)				(233)
COM001	Community Development	167,700	31,939	20,648	(11,291)	12,627			1,336
COM101	Oakley Resource Centre	6,000	12,675	3,823	(8,852)		2,120		(6,732)
COM102	Springbank Resource Centre	0	36,114	36,114	0				0
COM104	Big Local Project	0	57,206	57,205	(1)				(1)
COR003	Corporate Policy Making	(29,600)	178,200	166,153	(12,047)				(12,047)
COR102	2020 Vision	120,200	233,034	233,034	0				0
CPK002	Car Park Income Collection	38,700	31,276	27,444	(3,832)				(3,832)
CSM001	Cultural - Service Management and Support Services	1,167,220	1,033,920	1,007,645	(26,275)	25,700			(575)
CUL108	Everyman Theatre	130,900	359,979	359,779	(200)				(200)
CUL109	Playhouse Theatre	8,900	68,550	68,449	(101)				(101)
CUL111	Cheltenham Festivals	36,600	0	0	0				0
DRM001	Democratic Representation and Management	541,000	282,000	264,277	(17,724)	10,800			(6,924)
DRM008	Corporate Subscriptions	21,650	20,000	17,935	(2,065)				(2,065)
DRM009	Civic Expenses	41,100	12,100	11,105	(995)				(995)
DRM010	Civic Car	23,500	8,300	5,834	(2,466)				(2,466)
DRM011	Twinning Expenses	49,600	36,900	41,593	4,693				4,693
DRM012	Civic Events	52,100	17,000	11,119	(5,881)				(5,881)
EMP001	Emergency Planning	87,950	20,350	19,934	(416)				(416)
GBD001	Community Welfare Grants	139,150	238,308	75,712	(162,596)	178,502			15,906
GBD103	SLA Single Advice Contract	107,800	103,200	102,500	(700)				(700)
HBA001	Housing Benefit Administration	124,400	64,757	(16,534)	(81,291)				(81,291)
HBP001	Rent Allowances	(58,700)	(29,000)	(65,955)	(36,955)				(36,955)
HBP002	Rent Rebates	(71,960)	(82,000)	(87,920)	(5,920)				(5,920)
HBP003	Local Housing Allowance	(33,200)	0	0	0				0
LTC001	Council Tax Collection	546,600	388,700	367,193	(21,507)				(21,507)
LTC002	Council Tax Support Administration	84,000	(112,400)	(111,542)	858				858
LTC011	NNDR Collection	(16,000)	(97,300)	(70,470)	26,830				26,830
SUP003	Human Resources	(3,632)	19,600	15,929	(3,671)				(3,671)
SUP005	ICT	(79,931)	189,146	206,351	17,205				17,205
SUP008	Reception/Customer Services	10,700	287,600	266,849	(20,751)	7,200			(13,551)
SUP013	Payroll	2,734	7,900	4,585	(3,315)				(3,315)
SUP014	Cashiers	(8,100)	155,564	123,163	(32,401)	32,000			(401)
SUP017	Business Improvement/Transformation	(9)	120,491	120,408	(83)				(83)
SUP018	Press & PR/Communications	(25,800)	128,350	123,892	(4,458)				(4,458)
SUP019	Health & Safety	2,470	7,000	3,435	(3,565)				(3,565)
SUP020	Training & Development	12,364	14,000	19,632	5,632				5,632
SUP022	Printing Services	0	0	734	734				734
SUP024	Postal Services	9,900	7,900	(9)	(7,909)				(7,909)
SUP036	Project Management	(21,300)	246,300	298,070	51,770				51,770
SUP037	Equal Opportunities	1,500	1,500	712	(788)				(788)
SUP103	Business Support Services	(9,300)	114,200	122,029	7,829				7,829
SUP107	Modernisation	0	0	1,538	1,538				1,538
3PEOP	People & Change Directorate	3,177,306	4,227,259	3,866,060	(361,199)	266,829	2,120	0	(92,250)

REVENUE OUTTURN 2018/19		Original Budget 18/19 £	Current Budget 18/19 £	Actuals 18/19 £	(Under) / Overspend £	Carry Forwards £	to (from) Programme Mtce Reserve £	to (from) other reserves £	Accounts (Under) / Overspend £
BUC001	Building Control - Fee Earning Work	(13,250)	(64,650)	(120,096)	(55,446)				(55,446)
BUC004	Land Charges	(106,569)	(149,369)	(124,449)	24,920				24,920
CCC001	Climate Change	21,400	0	0	0				0
CCM001	Cemetery, Crematorium and Churchyards	(1,078,698)	(337,200)	(253,627)	83,573			(67,041)	16,532
CCM111	Cemetery & Crematorium Repairs & Maintenance	109,100	127,900	153,231	25,331		(18,395)		6,936
CCR001	Community Safety (Crime Reduction)	154,300	23,200	15,422	(7,778)				(7,778)
CCT001	CCTV	167,950	72,124	58,384	(13,740)				(13,740)
CPK001	Car Parks - Off Street Operations	(2,033,447)	(1,832,863)	(1,600,722)	232,141		(17,221)	(114,659)	100,261
CPK101	Car Parks - Off Street R&M	48,200	182,900	173,386	(9,514)		20,204		10,690
CPK103	Sandford Lido car park	10,000	(16,500)	(15,726)	774				774
CSS001	Community Safety (Safety Services)	173,100	188,500	144,895	(43,605)				(43,605)
DEV001	Development Control - Applications	(6,903)	(139,703)	9,311	149,014			(57,800)	91,214
DEV003	Development Control - Enforcement	218,400	76,300	72,643	(3,657)				(3,657)
DEV004	Development Advice	373,229	(54,771)	(50,365)	4,406				4,406
ECD001	Economic Development	45,800	29,800	955	(28,845)	24,100			(4,745)
ECD002	Markets	12,200	(3,100)	(1,436)	1,664				1,664
ENA001	Housing Enabling	31,900	14,500	14,500	0				0
ESR001	Highways Agency Verges & Trees	71,894	56,369	51,172	(5,197)				(5,197)
FLD001	Flood Defence and Land Drainage	73,900	89,072	89,072	0				0
FRM101	Flood Risk Management	167,300	96,200	74,100	(22,100)				(22,100)
HOM001	Homelessness	355,970	437,470	388,712	(48,759)	14,010		35,000	252
HOM002	Homelessness Grants	20,000	0	0	0				0
HOS001	Housing Strategy	47,500	0	23,310	23,310				23,310
HOS004	Housing Standards	236,100	360,800	251,283	(109,517)			34,500	(75,017)
LTC111	Business Improvement District Administration	37,000	0	(9,561)	(9,561)				(9,561)
OPS001	Parks & Gardens Operations	1,135,553	1,017,704	966,758	(50,946)				(50,946)
OPS002	Sports & Open Spaces Operations	1,122,320	1,197,962	1,181,876	(16,086)				(16,086)
OPS004	Allotments	27,769	133	8,833	8,700				8,700
OPS101	Arle Road Nursery Operations	(58,260)	(64,460)	63,690	128,150				128,150
PLP001	Planning Policy	268,800	155,200	187,640	32,440			(38,097)	(5,657)
PLP004	Conservation	125,600	80,400	74,659	(5,741)				(5,741)
PLP006	Trees	58,800	109,100	108,298	(802)				(802)
PLP101	Joint Core Strategy	60,000	60,000	(10,838)	(70,838)				(70,838)
PLP102	Development Task Force	194,700	163,100	115,531	(47,569)	44,280			(3,289)
PLP103	Cheltenham Strategic partnership	189,000	2,000	2,000	0				0
PLP104	Joint Core Strategy - CBC Contribution	60,000	60,000	60,000	0				0
PLP105	Cyber Business Park	0	250,000	159,397	(90,603)	90,603			0
PSH001	Private Sector Housing Grants	41,600	0	0	0				0
PSH003	Disabled Facilities Grants	55,100	0	0	0				0
PUT101	Royal Well Bus Node	36,900	13,991	8,010	(5,981)				(5,981)
PUT102	Shopmobility	108,450	64,987	64,124	(863)				(863)
REG001	Environmental Health General	(43,100)	856,700	930,327	73,627			(59,844)	13,783
REG002	Licensing	(5,533)	(410,633)	(414,655)	(4,022)				(4,022)
REG003	Animal Control	40,900	13,100	13,281	181				181

REVENUE OUTTURN 2018/19		Original Budget 18/19 £	Current Budget 18/19 £	Actuals 18/19 £	(Under) / Overspend £	Carry Forwards £	to (from) Programme Mtce Reserve £	to (from) other reserves £	Accounts (Under) / Overspend £
REG012	Air Quality	39,200	10,500	10,000	(500)				(500)
REG013	Pollution Control	90,045	(19,555)	(14,118)	5,437				5,437
REG014	Contaminated Land	39,700	0	(2,641)	(2,641)				(2,641)
REG016	Food Safety	200,200	0	(4,137)	(4,137)				(4,137)
REG017	Health & Safety At Work	101,400	0	99	99				99
REG018	Pest Control	33,715	(35,009)	(57,055)	(22,046)				(22,046)
REG020	Water Sampling	3,700	500	132	(368)				(368)
RYC002	Green Waste	(158,120)	(245,220)	(285,360)	(40,140)				(40,140)
RYC004	Recycling Centres	367,226	396,926	433,067	36,141		8,000		44,141
RYC005	Bring Sites	108,990	100,390	99,548	(842)				(842)
RYC006	Recycling Collection Schemes	1,628,080	1,812,832	1,848,534	35,702				35,702
RYC007	Waste & Recycling - Marketing & Management	35,200	22,800	4,221	(18,579)				(18,579)
RYC008	Bulking Facility	(201,380)	(154,180)	(171,859)	(17,679)				(17,679)
SPP001	Supporting People	14,700	0	(174)	(174)				(174)
SPP002	Community Alarms	(63,340)	(103,440)	(103,747)	(307)				(307)
STC001	Street Cleaning	855,115	976,978	965,894	(11,084)				(11,084)
STC011	Abandoned Vehicles	(1,200)	(1,600)	3,336	4,936				4,936
SUP034	Fleet Management	(16,100)	(16,100)	12,360	28,460				28,460
SUP040	Built Environment	(11,200)	445,907	445,387	(520)				(520)
SUP140	Regulatory & Environmental Services Transformation	57,080	135,880	322,778	186,898				186,898
TOU001	Tourism Strategy and Promotion	50,000	0	844	844				844
TOU002	Tourist/Visitor Information Centre	(2,300)	41,000	(15,018)	(56,018)	40,000			(16,018)
TRW001	Trade Waste	10,000	(20,800)	(56,792)	(35,992)				(35,992)
URB101	Urban Design	69,900	183,300	181,426	(1,874)				(1,874)
WST001	Household Waste	1,432,420	1,197,548	1,210,874	13,326				13,326
WST004	Bulky Household Waste	(6,700)	(20,500)	(18,217)	2,283				2,283
4PLACE	Place & Growth Directorate	7,231,306	7,434,420	7,672,705	238,285	212,993	(7,412)	(267,941)	175,925
TOTAL SERVICES		17,732,766	22,052,732	21,620,491	(432,241)	550,922	212,490	(305,941)	25,229
BAL103	Capital Charges	(1,474,800)	(3,749,546)	(3,170,224)	579,322		(514,725)	(95,358)	(30,761)
92CAPC	Capital Charges	(1,474,800)	(3,749,546)	(3,170,224)	579,322	0	(514,725)	(95,358)	(30,761)
EIP003	Impairment of Investments	0	0	(5,487)	(5,487)				(5,487)
FIE010	Interest Payable and Similar Charges	792,400	1,421,100	1,441,454	20,354				20,354
FIE030	Interest and Investment Income	(667,900)	(648,800)	(639,590)	9,210				9,210
FIE040	Income and Expenditure on Investment Properties and Changes i	(1,775,000)	(2,306,850)	(2,407,757)	(100,907)		106,522		5,615
93INT	Interest and Investment Income	(1,650,500)	(1,534,550)	(1,611,380)	(76,830)	0	106,522	0	29,692
BAL104	Balances and Reserves	(178,862)	(2,215,768)	(2,215,768)	0				0
94BALS	Use of Balances and Reserves	(178,862)	(2,215,768)	(2,215,768)	0	0	0	0	0
TOTAL COST OF SERVICE		14,428,604	14,552,868	14,623,119	70,251	550,922	(195,713)	(401,299)	24,161

REVENUE OUTTURN 2018/19		Original Budget 18/19 £	Current Budget 18/19 £	Actuals 18/19 £	(Under) / Overspend £	Carry Forwards £	to (from) Programme Mtce Reserve £	to (from) other reserves £	Accounts (Under) / Overspend £
Funding									
OOE200	Parish Council Precepts	249,849	249,849	249,849	(0)				(0)
OOE210	Parish Council Tax Support Grant	5,169	5,169	5,169	0				0
TGI010	Council Tax income	(8,896,542)	(8,896,542)	(8,896,560)	(18)				(18)
	Council Tax Income	(8,641,524)	(8,641,524)	(8,641,543)	(19)				(19)
TGI018	Non-domestic rates income and expenditure	(2,557,763)	(2,557,763)	(2,671,717)	(113,954)			113,954	(0)
R9005	New homes bonus grant	(1,754,530)	(1,754,530)	(1,754,530)	0				0
TGI020	Non-ringfenced Government Grants:-								
R9009	S31 NDR compensation grant	(1,474,787)	(1,599,051)	(1,716,274)	(117,223)			117,223	0
R9060	Other specific government grants	0	0	(137,413)	(137,413)	72,894			(64,519)
99COR	TOTAL FUNDING	(14,428,604)	(14,552,868)	(14,921,477)	(368,609)	72,894	0	231,177	(64,538)
NET OUTTURN POSITION		0	0	(298,358)	(298,358)	623,816	(195,713)	(170,122)	(40,377)

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SIGNIFICANT VARIANCES IN REVENUE OUTTURN FOR 2018/19 (OVER £50,000) BY SERVICE

CHIEF EXECUTIVE

There is a net underspend of £28k within the Chief Executive Directorate in 2018/19 including no significant variances over £50k

FINANCE AND ASSETS

There is a net underspend of £30k within the Finance and Assets Directorate in 2018/19 including no significant variances over £50k

PEOPLE AND CHANGE

There is a net underspend of £92k within the People and Change Directorate in 2018/19 including the following significant variances over £50k:-

Housing Benefits

There is a net underspend of £118k in Housing Benefits. This is due to £85k of Salary savings and £3k surplus income. The remaining underspend was due to a reduction in the bad debt provision required and other small rent allowance and subsidies surpluses.

Project Management Services

There is a net overspend of £52k in Project Management Services. This is due to an invest to save initiative of £7k with IT Software for a new document storage system (Glasscubes), this change will lower the annual costs by £8k from the previous product and £15k of income not received (recharge of staff to other organisations). The remaining amount is due an agreed salary investment for a Governance Manager which has been offset by savings in Corporate Management.

PLACE AND GROWTH

There is a net overspend of £176k within the Place and Growth Directorate for 2018/19 including the following significant variances:-

Building Control

There is a net underspend of £55k in building control fee earning work for the year. This is due to staff savings of £44k generated due to a policy of employing trainee employees. There is a lack of experienced qualified building control individuals in the market so we are growing our own for the future. The remaining surplus was due general expenditure cost savings of £11k during the year.

Development Control

There is a net overspend of £91k in Development Control (Planning) in 18/19. This is due to reduced applications resulting in reduced income of £45k. There was also an overspend in salaries / agency staff of £97k due to the head of planning role being vacated and agency staff replacing in the short term. A permanent employee is now in place for 2019/20. There was however a saving in consultancy advice of £51k.

Housing Standards

There is a net underspend of £75k in the Housing Standards. This is due to £12k additional licensing income for houses with multiple occupancy, £51k of staff savings during the year and £12k underspend of supplies & services budgets.

Sports & Open Spaces

There is a net underspend of £51k in the Sports & Open Spaces budget, This includes £23k additional income from hirers and rentals and £28k savings in the councils ground maintenance contract.

Regulatory and Environmental Services Transformation

There is a net overspend of £187k in Regulatory and Environmental Service Transformation which has been offset against the various over and under spends across the directorate. This money has been used to invest in new initiatives such as Marketing Cheltenham, the commercialisation of the Place and Growth directorate and the continued improvement programme across the directorate.

Car Parking – Off Street Operations

There is a net reported overspend of £100k within Car Parking. This is due to additional costs incurred against the significantly improved income throughout 2018/19 (e.g. through the introduction of enhanced card payment facilities). Car parking income increased from an original budget of £4.1m, to an outturn for the year of £4.4m, which is up from an outturn £3.6m in 2017/18 (i.e. up 22.2% over 2 years). When these income budget targets were significantly increased, the associated costs were not realigned, resulting in the net reported overspend in this area against the revised outturn estimate.

Joint Core Strategy

There is an £71k underspend in the Joint Core Strategy funding. This is due to £60k of funding (a previous one-off growth bid) not being spent and no longer required. There was also £11k of items where costs have been taken elsewhere within the Council. A review of the current budget for phase 2 of the JCS is taking place and will be input into the 2020/21 Budget process.

Arle Road Nursery Operations

There is a shortfall of £128k within the Arle Road Nursery. The decision to close the Arle Nursery was made by Cabinet on the 10th July 2018 due to the ongoing significant investment needed into the Nursery (over £2.5m over the next 10 years) along with the declining sales of plants produced to other local authorities and 3rd parties. Within the Business Case for this, there were £396k of savings over a 10 year period due to reduced maintenance, business rates, gas and electricity, reduce Ubico costs for running the site and other site specific costs. However due to the timing of the closure, we have been impacted in the 1st year by a loss of plants sales and retained costs as the site has not been disposed of as of yet. Therefore, the shortfall in 2018/19 is due to this delay in disposing and therefore a reduced saving in the financial year to cover the loss of the plant sales income which happened when the site was closed. The business case for the £396k saving did not take into account the capital receipt that will be received on disposal or the possible income from Council Tax, New Homes Bonus or Business Rates depending on what happens with the site in the future.

2018/19 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Detail Code	Reason for carry forward	A (i)	A (ii)	B
						Base Budgets Amounts agreed by S151 Officer under delegated powers	One-Off Budgets Amounts agreed by S151 Officer under delegated powers	Amounts for member approval
1	14,500	R4028	CSM001	NA	Drakon - AG&M Costume cleaning to be carried out in 2019/20		14,500	
2	8,200	R2006	CSM001	NA	Drakon -AG& M Collection consultancy / removal costs		8,200	
3	3,000	R4400	CSM001	NA	Professional advice for commissioned services		3,000	
4	7,200	R4534	SUP008	NA	Software upgrade for new mandatory banking security standards	7,200		
5	32,000	R4531	SUP014	NA	Civica upgrade costs for PCI compliance Exor (moving to the cloud) additional system costs in 2019/20 part funded from underspend within Customer Service areas in 2018/19. Contracts to be reviewed and renewed in 2020/21 with an expected future reduction in costs. This is to avoid higher Oracle costs	32,000		
6	10,800	R4400	DRM001	NA	Request to carry forward to fund both members and staff training, plus planned improvements to members IT equipment			10,800
7	12,627	R6280	COM001	CPN007	Request to carry forward external funding for continued expenditure on the Inspiring Families project in 2019/20		12,627	
8	39,261	R6280	GBD001	CPN002	Balance of External HWB Partnership GCC grant received in 2017- Carry forward to fund health grants expenditure in 2019/20		39,261	
9	46,063	R6280	GBD001	CPN003	Community Pride Carry forward to fund community pride grants already committed		46,063	
10	8,800	R6280	GBD001	GRA003	Community Development Grants Carry forward to fund community grants already committed		8,800	
11	33,378	R6280	GBD001	CPN009	Positive Activities Carry forward to fund already committed expenditure		33,378	
12	8,000	R6280	GBD001	GRA006	Small Grants, to fund commitments in 2019/20	8,000		
13	43,000	R6280	GBD001	GRA052	Balance of Oakley Health & Wellbeing grant received in 2017, to fund commitments in 2019/20		43,000	
	266,829	TOTAL PEOPLE AND CHANGE DIRECTORATE				47,200	208,829	10,800
15	13,600	R4531	SUP007	NA	Request to carry forward to fund planned improvements to members IT equipment		13,600	
	13,600	TOTAL CHIEF EXECUTIVES				-	13,600	-
16	7,500	R6280	CUL003	WW1001	Balance of 2018/19 world war 1 commemorative projects to fund City of Light project expenditure in 2019/20 (code SUP036-R4400)			7,500

2018/19 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Detail Code	Reason for carry forward	A (i)	A (ii)	B
						Base Budgets Amounts agreed by S151 Officer under delegated powers	One-Off Budgets Amounts agreed by S151 Officer under delegated powers	Amounts for member approval
14	50,000	R5500	SUP106	PB0010	CBC requires an experienced organisational design consultant to work with them to co-create a new operating model as part of its organisation-wide modernisation programme. This aligns with the business case approved by Cabinet in March 2019. As outlined in the case for change, the new operating model will enable the Council to effectively organise itself and its services to be best positioned to deliver its strategy and corporate priorities. The estimated budget for this piece of work is £50k. The proposal is that it is funded from savings delivered by Publica to CBC. External support is necessary because Publica do not have capacity to support CBC with this strategic initiative.		50,000	
	57,500	TOTAL FINANCE & ASSET MANAGEMENT				-	50,000	7,500
17	13,510	R9016	HOM001	NA	Balance of 2017/18 MHCLG grant funding allocated to CBH Housing options service to be spent over 2 years 17/18 and 18/19. Unspent balance to be spent in 2019/20		13,510	
18	500	R6280	HOM001	HGR003	Homelessness nightstop grant underspend requested to be carried forward to fund grant to the refugee charity GARAS in 2019/20	500		
19	24,100	R4400 / R4014	ECD001		Carry forward request for inward investment marketing: Develop marketing content and support to develop the 'Cheltenham Means Business' website platform, which is part of the wider Marketing Cheltenham deliverable – promoting inward investment		24,100	Page 32
20	40,000	R4400	TOU002		Carry forward for events: Cabinet commitment for delivery of Events strategy and programme for 19/20/21. Part of the baseline budget has been utilised to fund 50% of a new events manager post now recruited to Marketing Cheltenham. The remainder needs to be carried forward to support delivery for future events, including 2 Cheltenham Festival of Cycling events (2019) and options for a major event in 2020.		40,000	
21	44,280	R4425	PLP102	NA	Contribution to transport plan - expenditure committed to be spent in 2019/20		44,280	
22	90,603	R4400	PLP105		Carry forward request for Cyber Park: Progress work to maximise growth opportunities at West Cheltenham in relation to the Cyber Central programme		90,603	
	212,993	TOTAL PLACE & GROWTH DIRECTORATE				500	212,493	-
23	30,000	R9060	TGI020		Custom Build new burdens government grant received March 2019, to be spent in 2019/20		30,000	
24	42,894	R9060	TGI020	NA	Government surplus levy grant received March 2019, to be spent in 2019/20		42,894	
	72,894	OTHER GRANTS				-	72,894	-
	623,816	TOTAL CARRY FORWARD REQUESTS				47,700	557,816	18,300

		<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>2019/20</u> <u>Movement</u> <u>Capital</u> £	<u>31st March</u> <u>2020</u> £
<u>EARMARKED RESERVES</u>										
<u>Other</u>										
RES002	Pension & Restructuring Reserve	(210,600)	(10,356)			(220,956)	(150,000)			(370,956)
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)
RES009	Twinning Reserve	(8,366)				(8,366)				(8,366)
	To fund future flood resilience work, delegated to the Flood working group for allocation									
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)	0			(41,100)				(41,100)
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)	840,108			(714,919)		256,082		(458,837)
RES026	Social Housing Marketing Assessment (SHMA) Reserve	(46,034)	12,000			(34,034)	(2,500)			(36,534)
		(3,187,660)				(1,906,774)				(1,546,204)
<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	0	(50,000)	(37,200)		(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)	247,843		514,725	(790,337)	52,000			(738,337)
		(1,897,113)				(1,262,745)				(1,301,745)
<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)	57,800			(150,132)				(150,132)
RES105	Local Plan Equalisation	(107,230)	38,097			(69,133)				(69,133)
RES106	Elections Equalisation	(195,487)	70,000			(125,487)	(62,100)			(187,587)
RES107	Car Parking Equalisation	(330,000)	(285,341)			(615,341)			400,000	(215,341)
RES108	Business Rates Retention Equalisation	(767,425)	131,077			(636,348)				(636,348)
RES109	Cemetery income Equalisation reserve	(373,550)	129,641			(243,909)				(243,909)
		(2,461,724)				(2,164,633)				(1,716,046)
<u>Reserves for commitments</u>										
RES301	Carry Forwards Reserve	(308,324)	(315,492)			(623,816)				(623,816)
<u>CAPITAL</u>										
RES402	Capital Reserve - GF	(265,967)	(200,000)	37,200	95,358	(333,409)	(200,000)			(533,409)
TOTAL EARMARKED RESERVES		(8,120,788)				(6,291,377)				(5,721,220)
<u>GENERAL FUND BALANCE</u>										
B8000 - B8240	General Balance - RR	(1,408,591)	288,000	(200,000)		(1,320,591)				(1,320,591)
		(1,408,591)				(1,320,591)				(1,320,591)
TOTAL GENERAL FUND RESERVES AND BALANCES		(9,529,379)	1,307,328	0	610,083	(7,611,968)	(85,925)	256,082	400,000	(7,041,811)

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Treasury Management Outturn Report 2018/19

1. Introduction

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

The Authority's treasury management strategy for 2018/19 was approved at a meeting on 16th February 2018. The Authority has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

2. Economic background

After spiking at over \$85/barrel in October 2018, oil prices fell back sharply by the end of the year, declining to just over \$50 in late December before steadily climbing toward \$70 in April 2019. UK Consumer Price Inflation (CPI) for February 2019 was up 1.9% year/year, just above the consensus forecast but broadly in line with the Bank of England's February Inflation Report. The most recent labour market data for the three months to January 2019 showed the unemployment rate fell to a new low 3.9% while the employment rate of 76.1% was the highest on record. The 3-month average annual growth rate for pay excluding bonuses was 3.4% as wages continue to rise steadily and provide some upward pressure on general inflation. Once adjusted for inflation, real wages were up 1.4%.

After rising to 0.6% in the third calendar quarter from 0.4% in the second, fourth quarter economic growth slowed to 0.2% as weaker expansion in production, construction and services dragged on overall activity. Annual GDP growth at 1.4% continues to remain below trend.

Following the Bank of England's decision to increase Bank Rate to 0.75% in August 2018, no changes to monetary policy have been made since.

The US Federal Reserve continued its tightening bias throughout 2018, pushing rates to the 2.25%-2.50% range in December. However, a recent softening in US data caused the Fed to signal a pause in hiking interest rates at the last Federal Open Market Committee (FOMC) meeting in March.

With the 29th March 2019, the original EU 'exit day' now been and gone, having failed to pass a number of meaningful votes in Parliament, including voting down Theresa May's deal for the third time, MPs voted by a majority of one (313 to 312) to force the prime minister to ask for an extension to the Brexit process beyond 12th April in order to avoid a no-deal scenario. Recent talks between the Conservative and Labour parties to try to reach common ground on a deal which may pass a vote by MPs have yet to yield any positive results. The EU must grant any extension and its leaders have been clear that the terms of the deal are not up for further negotiation. The ongoing uncertainty continues to weigh on sterling and UK markets.

While the domestic focus has been on Brexit's potential impact on the UK economy, globally the first quarter of 2019 has been overshadowed by a gathering level of broader based economic uncertainty. The US continues to be set on a path of protectionist trade policies and tensions with China in particular, but with the potential for this to spill over into wider trade relationships, most notably with EU. The EU itself appeared to be show signs of a rapid slowdown in economic growth with the major engines of its economy, Germany and France, both suffering misfires from downturns in manufacturing alongside continued domestic/populist unrest in France. The International Monetary Fund downgraded its forecasts for global economic growth in 2019 and beyond as a consequence.

3. Financial markets

December 2018 was a month to forget in terms of performance of riskier asset classes, most notably equities. The FTSE 100 (a good indicator of global corporate sentiment) returned - 8.8% assuming dividends were reinvested; in pure price terms it fell around 13%. However, since the beginning of 2019 markets have rallied, and the FTSE 100 and FTSE All share indices were both around 10% higher than at the end of 2018.

Gilt yields continued to display significant volatility over the period on the back of ongoing economic and political uncertainty in the UK and Europe. After rising in October, gilts regained their safe-haven status throughout December and into the new year - the 5-year benchmark gilt yield fell as low as 0.80% and there were similar falls in the 10-year and 20-year gilts over the same period dropping from 1.73% to 1.08% and from 1.90% to 1.55%. The increase in Bank Rate pushed up money markets rates over the year and 1-month, 3-month and 12-month LIBID (London Interbank Bid) rates averaged 0.53%, 0.67% and 0.94% respectively over the period.

Recent activity in the bond markets and PWLB interest rates highlight that weaker economic growth is not just a UK phenomenon but a global risk. During March the US yield curve inverted (10-year Treasury yields were lower than US 3 month money market rates) and German 10-year Bund yields turned negative. The drivers are a significant shift in global economic growth prospects and subsequent official interest rate expectations given its impact on inflation expectations. Further to this is world trade growth which collapsed at the end of 2018 falling by 1.8% year-on-year. A large proportion of this downturn in trade can be ascribed to the ongoing trade tensions between the US and China which despite some moderation in January does suggest that the International Monetary Fund's (IMF) and Organisation for Economic Co-Operation & Development's (OECD) forecasts for global growth in 2019 of 3.5% might need to be revised downwards.

4. Credit background

Credit Default Swap (CDS) spreads drifted up towards the end of 2018 on the back of Brexit uncertainty before declining again in 2019 and continuing to remain low in historical terms. After hitting around 129 basis points in December 2018, the spread on non-ringfenced bank NatWest Markets plc fell back to around 96bps at the end of March, while for the ringfenced entity, National Westminster Bank plc, the CDS spread held relatively steady around 40bps. The other main UK banks, as yet not separated into ringfenced and non-ringfenced from a CDS perspective, traded between 33 and 79bps at the end of the period.

The ringfencing of the big four UK banks (Barclays, Bank of Scotland/Lloyds, HSBC and RBS/Natwest Bank plc) transferred their business lines into retail (ringfenced) and investment banking (non-ringfenced) entities.

In February, Fitch put the UK AA sovereign long-term rating on Rating Watch Negative as a result of Brexit uncertainty, following this move with the same treatment for UK banks and a number of government-related entities.

There were minimal other credit rating changes during the period. Moody's revised the outlook on Santander UK to positive from stable to reflect the bank's expected issuance plans which will provide additional protection for the its senior unsecured debt and deposits.

5. Local Context

On 31st March 2019, the Authority had net borrowing of £101.525m arising from its revenue and capital income and expenditure, an increase on 2017/18 of £47.956m. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors and the year-on-year change are summarised in table 1 below.

Table 1: Balance Sheet Summary

	31.3.18 Actual £m	2018/19 Movement £m	31.3.19 Actual £m
General Fund CFR	42.651	47.824	90.475
HRA CFR	44.750	-	44.750
Total CFR	87.401	47.824	135.225
Less: Usable reserves	32.118	(3.406)	28.712
Less: Working capital	1.714	3.740	5.454
Net borrowing	53.569	47.490	101.059

The Council's strategy was to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low. The treasury management position as at 31st March 2019 and the year-on-year change is show in table 2 below.

Table 2: Treasury Management Summary

	31.3.18 Balance £m	2018/19 Movement £m	31.3.19 Balance £m	31.3.19 Rate %
Long-term borrowing	64.286	48.309	112.595	3.27
Short-term borrowing	7.800	0.200	8.000	0.87
Total borrowing	72.086	48.509	120.595	3.11
Long-term investments	4.000	4.000	8.000	4.48
Short-term investments	12.000	(3.675)	8.325	0.98
Cash and cash equivalents	2.043	0.702	2.745	0.72
Icelandic	0.474	(0.008)	0.466	-
Total investments	18.517	1.019	19.536	2.17
Net borrowing	53.569	47.490	101.059	

Borrowing Activity

At 31st March 2019, the Authority held £120.595m of loans, an increase of £48.509m on the previous year, as part of its strategy for funding the current years' capital programme and maintaining cashflow. The year-end borrowing position and the year-on-year change is show in table 3 below.

Table 3: Borrowing Position

	31.3.18 Balance £m	2018/19 Movement £m	31.3.19 Balance £m	31.3.19 Rate %
Public Works Loan Board	48.386	48.309	96.695	3.14
Banks (LOBO)	7.000	0	7.000	4.24
Banks (fixed-term)	8.900	0	8.900	3.82
Local authorities (short-term)	7.800	0.200	8.000	0.87
Total borrowing	72.086	48.509	120.595	3.11

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

The Council's current strategy has been to fund a number of capital asset purchases with the use of temporary borrowing and then take long term borrowing from the Public Works

Loan Board (PWLb). At the back end of September 2018 the Council took out 38 Maturity loans with the PWLB for £43.083m to fund the purchase of several commercial properties within the Borough. The loans were taken out over 3yrs to 40yrs with the average rate of 2.57%. This has saved £940k in interest over the life of the borrowing when compared to the original business cases. A further £7m was taken out for 50 years at a rate of 2.55% to fund the build of the new Crematorium which opened in March 2019.

The Authority continues to hold £7m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during 2018/19.

8. Investment Activity

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2018/19, the Authority's investment balance ranged between £16.625m and £65.510m due to timing differences between income and expenditure. The year-end investment position and the year-on-year change in show in table 4 below.

Table 4: Investment Position (Treasury Investments)

	31.3.18. Balance £m	2018.19 Movement £m	31.3.19 Balance £m	31.3.19 Rate %
Banks & building societies (unsecured)	9.000	(3.000)	6.000	0.97
Government (incl. local authorities)	3.000	0	3.000	1.02
Money Market Funds/Call Accounts	1.946	0.799	2.745	0.72
Pooled Funds	3.000	4.000	7.000	4.65
Total investments	16.946	1.799	18.745	2.17

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

In furtherance of these objectives, and given the increasing risk and low returns from short-term unsecured bank investments, the council further diversified into higher yielding asset classes during 2018/19. £2m was invested into the Schroder Maximizer Income Fund and a further £2m was invested in the CCLA Diversified Income Fund. Returns on all three pooled funds have significantly increased the revenue returns compared with fixed term deposits.

Table 5: Current Pooled Funds

Fund Manager	Investment	Capital Value as at 31st March 2018	Capital Value as at 31st March 2019	Dividends Received 2018/19	2018/19 Gain/(Loss)	Gain/(Loss) v Original Investment
	£	£	£	£	£	£
CCLA Property Fund	3,000,000	2,833,573	2,877,602	124,637	44,029	(122,398)
Schroders Income Maximizer Fund	2,000,000	0	1,774,692	136,247	(225,308)	(225,308)
CCLA Diversified Income Fund	2,000,000	0	2,003,727	65,136	3,727	3,727
Total –current Funds	7,000,000	2,833,573	6,656,021	326,020	(177,552)	(343,979)

The Pooled Funds' have performed well in producing dividends amounting to £326,020 against a budgeted figure of £329,700 returning 4.65% for the year on the original £7m invested. The total funds value is now £344k less than the initial investments made (£7m). The nature of these funds is that values can fluctuate from one year to another. Their performance and suitability in meeting the Authority's investment objectives are monitored and discussed with Arlingclose on a regular basis.

9. Financial Implications

The outturn for debt interest paid in 2018/19 was £3.134 million (3.08%) on an average debt portfolio of £101.730 million against a budgeted £3.119 million.

The outturn for investment income received in 2018/19 was £477.6k which equates to a 1.85% return (17/18 - 0.80%) on an average investment portfolio of £25.873 million against a budgeted £477.7k on an average investment portfolio of £24 million at an average interest rate of 2%.

Net loans and investments budget for 2018/19 was a cost of £772,300 but made an actual return of £801,863, a deficit of £29,563.

10. Local Authority Regulatory Changes

CIPFA published revised editions of the Treasury Management and Prudential Codes in December 2017. The required changes from the 2011 Code were incorporated into Treasury Management Strategies from the 2019/2020 financial year. The 2017 Prudential Code introduces the requirement for a Capital Strategy which provides a high-level overview of the long-term context of capital expenditure and investment decisions and their associated risks and rewards along with an overview of how risk is managed for future financial sustainability. The Code also expands on the process and governance issues of capital expenditure and investment decisions.

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

11. Compliance Report

The Council can confirm that it has complied with its Prudential Indicators for 2018/19, which was set in February 2018 as part of the Council’s Treasury Management Strategy. In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2018/19. None of the Prudential Indicators have been breached and a prudent approach has been taking in relation to investment activity with priority being given to security and liquidity over yield.

The Prudential Indicators include:

- Authorised and Operational Boundary for External Debt
- Average Credit rating
- Upper limits for fixed interest rate exposure and variable interest rate exposure
- Upper limit for total principal sums invested over 364 days.

Table 6: Debt Limits

	2018/19 Maximum £m	31.3.19 Actual £m	2018/19 Operational Boundary £m	2018/19 Authorised Limit £m	Complied
Borrowing	142.125	120.595	175.000	185.000	✓

Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt was never above the operational boundary during 2018/19.

11. Treasury Management Indicators

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

11.1 Security

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

average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	31.3.19 Actual	2018/19 Target	Complied
Portfolio average credit rating	A+	A	✓

11.2 Maturity Structure of Borrowing

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

	31.3.19 Actual	Upper Limit	Lower Limit	Complied
Under 12 months	10.68%	50%	0%	✓
12 months and within 24 months	1.60%	50%	0%	✓
24 months and within 5 years	6.68%	100%	0%	✓
5 years and within 10 years	34.37%	100%	0%	✓
10 years and above	46.67%	100%	0%	✓

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

11.3 Principal Sums Invested for Periods Longer than 364 days

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

	2018/19	2019/20	2020/21
Actual principal invested beyond year end	8m	8m	7m
Limit on principal invested beyond year end	10m	10m	10m
Complied	✓	✓	✓

Code	Funding	Directorate / Scheme	Scheme Description	Original Budget 2018/19 £	Revised Budget 2018/19 £	Actual 2018/19 £	Over / (Under) Variance £	Revised Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £
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	66,608	(8,392)	8,400	-	-	-
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	-	(80,000)	80,000	-	-	-
				-	155,000	66,608	(88,392)	88,400	-	-	-
		FINANCE & ASSET MANAGEMENT									
		Property Services									
CAP506	GCR	Enterprise Way Phase 2	Industrial units to complete development	525,000	585,000	58,290	(526,710)	526,710	-	-	-
CAP508-511	PB	Enhancing Investment Property Portfolio	To increase the Council's property portfolio.	-	43,083,001	43,125,926	42,925	50,747,400	-	-	-
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	-	(14,700)	-	-	-	-
				21,525,000	43,682,701	43,184,216	(498,485)	51,274,110	-	-	-
		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	-	(329,119)	-	-	-	-
CAP127	PPMR/P/GCR/PB	Sports and Play Hub Phase 1	Capital improvements to the leisure centre changing rooms, extension of gym facilities and creation of new spashpad area scheme, in partnership with the Cheltenham Trust	-	2,169,197	2,142,892	(26,305)	-	-	-	-
		ICT									
CAP026	GCR	IT Infrastructure	5 year ICT infrastructure strategy	100,000	134,107	267,203	133,096	100,000	100,000	100,000	100,000
CAP028	HCR	Telephony	Infrastructure plus the handsets/one off licences	-	16,400	26,050	9,650	-	-	-	-
		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	43,860	(6,140)	-	-	-	-
				100,000	2,698,823	2,480,005	(218,818)	100,000	100,000	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	5,460,557	(118,166)	118,166	-	-	-
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	1,223	(33,609)	33,609	-	-	-
CAP154	GCR	Public Realm - St. Mary's Churchyard	Public Art Scheme	-	56,900	-	(56,900)	56,900	-	-	-
CAP155	P/GCR	Pedestrian Wayfinding	GCC Pedestrian Wayfinding	-	48,000	46,775	(1,225)	-	-	-	-
CAP156	S106	Hatherley Art Project	Public Art - Hatherley (Section 106 funded)	-	11,800	12,885	1,085	-	-	-	-
CAP157	S106	King George V Public Art Project	Public Art - KGV (Section 106 funded)	-	-	19,000	19,000	-	-	-	-
CAP204	GCR	Public Realm - Improvements to Grosvenor terrace car park (Town Centre East)	Improving linkages to the High Street, signage and decoration.	-	115,500	-	(115,500)	115,500	-	-	-
CAP201	GCR	CCTV	Additional CCTV in order to improve shopping areas and reduce fear of crime	50,000	317,520	4,865	(312,655)	312,655	50,000	-	-
CAP205	GCR/P	Public Realm Improvements - High St.	High Street & Town Centre public realm improvement including repaving work in the High Street and town centre (part funded by County)	-	928,500	773,322	(155,178)	-	-	-	-
CAP205	GCR/P	Public Realm Improvements - fees	High Street & Town Centre public realm improvement including repaving work in the High Street and town centre (part funded by County)	-	62,500	101,988	39,488	-	-	-	-
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	285,262	(1,838)	-	-	-	-

Code	Funding	Directorate / Scheme	Scheme Description	Original Budget 2018/19 £	Revised Budget 2018/19 £	Actual 2018/19 £	Over / (Under) Variance £	Revised Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £
		Public Realm Improvements - High Street Phase 2	Following an initial risk assessment of allotment provision over the short to long term it is considered unlikely that the current budget allocation of £561,402 is required. It is proposed that £400,000 is reallocated to the High Street fund to support delivery of phase 2. A full risk assessment will be undertaken and presented to Cabinet later this year to agree the final amount to be reallocated. In addition, in light of the current development of the High Street following the successful completion of Phase 1, it is recommended that the £1.8m set aside for the development of Boots Corner is reallocated to the next phase of the High Street (planned to be the Strand and Cambay Place) and this capital is then replenished by future allocations via Community Infrastructure Levy (CIL), future review of capital projects and any reallocation arising with continued investigation of match grant funding.	-	-	-	-	2,315,690	-	-	-
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	-	(400,000)	400,000	-	-	-
CAP130	C	Community Infrastructure levy software	Costs anticipated for the implementation of CIL software and licensing. Funded from capital reserve.	-	28,000	28,750	750	-	-	-	-
CAP507	C	Changing Places	Two changing room accessible toilets in the town centre	-	136,000	93,815	(42,185)	42,185	-	-	-
CAP221	BCF	Housing 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	433,585	(302,679)	802,679	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	-	(211,425)	211,425	-	-	-
CAP224	PSDH	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems	-	38,400	20,000	(18,400)	18,400	-	-	-
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	-	(252,746)	252,746	-	-	-
CAP101	S106	Parks and Gardens S.106 Play area refurbishment	Developer Contributions	50,000	35,000	-	(35,000)	85,000	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	27,114	(52,886)	132,886	80,000	-	-
CAP501	GCR	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infra-structure.	-	563,904	2,502	(561,402)	161,402	-	-	-
CAP101	P/R/S106	Clyde Scooter Skate Park	Construction of a concrete scooter skate park in Clyde Crescent open space.	-	66,979	-	(66,979)	66,979	-	-	-
CAP133	GCR	Replacement Vehicles	Replacement vehicles for use by the Parks & Gardens service.	-	28,000	-	(28,000)	66,000	-	-	-
CAP301	PB/GCR	Waste & Recycling Vehicles and recycling equipment and receptacles	Replacement vehicles and recycling equipment	1,000,000	1,496,000	407,810	(1,088,190)	2,792,190	328,800	410,550	271,500
CAP305	GCR	Depot workshop enhancements	Modifications and enhancement of workshops	-	114,100	114,095	(5)	-	-	-	-
				1,695,000	11,628,193	7,833,548	(3,794,645)	8,269,412	1,008,800	410,550	271,500
		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)	Now Vired to Public Realm Improvements - High Street Phase 2								
		TOTAL CAPITAL PROGRAMME		23,320,000	58,164,717	53,564,377	(4,600,340)	59,731,922	1,108,800	510,550	371,500

Code	Funding	Directorate / Scheme	Scheme Description	Original Budget 2018/19 £	Revised Budget 2018/19 £	Actual 2018/19 £	Over / (Under) Variance £	Revised Budget 2019/20 £	Budget 2020/21 £	Budget 2021/22 £	Budget 2022/23 £
	BCF	Funded by:		500,000	736,264	433,585	(302,679)	802,679	500,000	-	-
	SGG	DFG Better Care Fund / government grant		-	50,000	43,860	(6,140)	-	-	-	-
	P	Other specific government grant		21,000,000	732,807	655,171	(77,636)	-	-	-	-
	PSDH	Partnership Funding		-	249,825	20,000	(229,825)	229,825	-	-	-
	PPMR	Private Sector Decent Homes Grant		-	632,982	514,725	(118,257)	-	-	-	-
	S106	Property Planned Maintenance Reserve		50,000	314,546	31,885	(282,661)	404,725	50,000	-	-
	HCR	Developer Contributions S106		-	46,400	58,474	12,074	-	-	-	-
	GCR	HRA Capital Receipts		1,357,000	4,328,670	2,422,385	(1,906,285)	6,603,708	558,800	510,550	371,500
	PB	GF Capital Receipts		413,000	50,485,223	49,288,934	(1,196,289)	51,160,400	-	-	-
	R	Prudential Borrowing		-	405,000	-	(405,000)	400,000	-	-	-
	C	Revenue (RCCO) / other revenue reserves		-	183,000	95,358	(87,642)	130,585	-	-	-
		GF Capital Reserve		23,320,000	58,164,717	53,564,377	(4,600,340)	59,731,922	1,108,800	510,550	371,500

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CAPITAL GRANTS AND CONTRIBUTIONS 2018/19									
		YEAR	Balance	Receipts/	Amounts	Transferred	Grants &	Memo Ward details for S106	
		of receipt	@ 1/4/18	Refunds	Applied	to Revenue	Contributions		
Detail	Contributions		£	in year	to fund	£	@ 31/3/19		
			£	£	Cap expend	£	£		
RECEIPTS IN ADVANCE									
PARTNERSHIP FUNDING									
Short Term									
DEV006	HCA grant - JCS Infrastructure	16/17	(54,701.00)			54,701.00	-	Capital	
B6260 REVENUE			(54,701.00)	-	-	54,701.00	0.00		
SECTION 106/PARTNERSHIP FUNDING									
Short Term									
DEV002	Berkeley Homes - Thirlestaine Hall	14/15	(252,746.08)				(252,746.08)		
PAR019	Clyde Scooter Skate Park	17/18, 18/19	(33,979.00)	(10,000.00)			(43,979.00)		
CGR001	Disabled Facilities Grant (DFG)	17/18	(135,666.17)	(43,512.52)			(179,178.69)		
B6261 CAPITAL			(422,391.25)	(53,512.52)	-	-	(475,903.77)		
SECTION 106									
Long Term									
DEV003	205 Leckhampton Rd - Affordable Housing Contrib'n	15/16	(465,000.00)				(465,000.00)	Leckhampton	
DEV005	High St, Brewery phase 3 - affordable housing	17/18	(47,332.00)				(47,332.00)		
B7410 CAPITAL			(512,332.00)	-	-	-	(512,332.00)		
DEV403	Cold Pool Lane Grounds Maintenance	11/12	(53,303.83)				(53,303.83)	Up Hatherley Springbank	
DEV406	Rosebay Gardens Grounds Maintenance	13/14	(41,835.83)				(41,835.83)		
DEV407	Portland St & North Place MSCP repairs & insurance	14/15	(100,000.00)				(100,000.00)		
DEV408	Portland St & North Place compensation claims	14/15	(80,000.00)				(80,000.00)		
B7420 REVENUE			(275,139.66)	-	-	-	(275,139.66)		
TOTAL GRANTS RECEIPTS IN ADVANCE			(1,264,563.91)	(53,512.52)	-	54,701.00	(1,263,375.43)		
CAPITAL GRANTS UNAPPLIED									
SECTION 106									
Housing Enabling (affordable housing)									
DEV004	Pegasus Life - John Dower House	16/17	(470,550.00)				(470,550.00)	Lansdown	
DEV007	Moss Construction - Hatherley Lane and Leckhampton Road	17/18	(1,066,982.16)				(1,066,982.16)		
			(1,537,532.16)	-	-	-	(1,537,532.16)		
Public Art									
DEV101	Dunalley St-Public Art	10/11	(4,250.00)				(4,250.00)	St Pauls	
DEV102	Rosemullion-Public Art	07/08	(1,340.57)				(1,340.57)	Leckhampton	
DEV103	75-79 Rowanfield Road-Public Art	08/09	(5,342.50)				(5,342.50)	St Marks	
DEV106	12/13 Hatherley Lane (B&Q) - Public Art	12/13	(47,650.00)		12,885.00	2,393.33	(32,371.67)	Benhall & The Reddings	
DEV107	Devon Avenue - Public Art	12/13	(21,304.50)		19,000.00	-675.00	(2,979.50)	St Marks	
DEV110	Spirax Sarco St Georges Road	13/14	(11,878.01)			2,800.00	(9,078.01)	St Peters	
DEV111	Public Art - Midwinter site	14/15	(50,000.00)				(50,000.00)	Pittville	
DEV112	Wayfinding - University Pittville Campus	14/15	(25,683.00)				(25,683.00)	Pittville	
DEV113	Taylors Yard, Gloucester Road - Public Art	17/18	(30,000.00)				(30,000.00)	St Peters	
			(197,448.58)	-	31,885.00	4,518.33	(161,045.25)		
PlaySpaces									
Borough wide. Remaining balance committed to capital Playspace programme									
DEV201	S106 Playspace-Adult/Youth	07/08 - 11/12	(26,484.45)				(26,484.45)	Charlton Kings	
DEV233	S106 Playarea - Beeches	/09+11/12+14/	(475.00)				(475.00)	Lansdown	
DEV252	S106 Playarea - Lansdown Crescent	/11+11/12+15/	(269.58)				(269.58)	Prestbury	
DEV261	S106 Playarea - Prestbury Playing Field	09/10	(759.67)				(759.67)	Prestbury	
DEV262	S106 Playarea - Priors Farm	10/11	(85.50)				(85.50)	Battledown	
DEV263	S106 Playarea - Queen Elizabeth II	11/12	(28.00)				(28.00)	St Peters	
DEV267	S106 Playarea - St. Peters/Chelt Walk	17/18	(10,261.35)				(10,261.35)	Prestbury	
DEV277	S106 Playarea - Starve Hall Farm	17/18	(201,216.56)				(201,216.56)		
			(239,580.11)	-	-	-	(239,580.11)		
Other									
DEV302	Former Gas Club flood defence maintenance contribution	18/19	-	(7,000.00)			(7,000.00)		
			-	(7,000.00)	-	-	(7,000.00)		
Section 106 Totals - Capital Grants Unapplied (BAL101)			(2,762,033)	(7,000)	31,885	4,518	(2,732,629)		
CAPITAL GRANTS									
CGG001	Private Sector Decent Homes Grant (PSDH)		(262,959.48)		20,000.00		(242,959.48)		
CGR001	Disabled Facilities Grant (DFG)		-	(433,585.48)	433,585.48		-		
CGR002	MHCLG - LA Parks Improvement Funding		-	(18,385.00)			(18,385.00)		
CGR003	DCLG Council Tax Support/new burdens		(220,571.00)		43,860.00		(176,711.00)		
			(483,530.48)	(451,970.48)	497,445.48	-	(438,055.48)		
PARTNERSHIP FUNDING									
PAR015	GCC Pedestrian Wayfinding		(22,348.55)		22,348.55		-		
PAR017	Friends of Winston Churchill Memorial Gardens		(5,000.00)		5,000.00		-		
PAR024	Changing Places re accessible toilets		-	(88,343.15)	88,343.15		-		
PAR023	Glos CC re Sports & Play Hub phase 1		-	(25,000.00)	25,000.00		-		
PAR025	Public Realm Improvements		-	(330,000.00)	330,000.00		-		
PAR026	Sport England re Sports & Play Hub phase 1		-	(184,480.00)	184,480.00		-		
			(27,348.55)	(627,823.15)	655,171.70	-	-		
TOTAL CAPITAL GRANTS & PARTNERSHIP FUNDING (BAL100)			(510,879.03)	(1,079,793.63)	1,152,617.18	-	(438,055.48)		
TOTAL CAPITAL GRANTS UNAPPLIED			(3,272,911.54)	(1,086,793.63)	1,184,502.18	4,518.33	(3,170,684.66)		

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Council Tax and Business Rates
Collection Rates 2018-19

Council Tax 2018/19

Current Year Charges - 2018/19			
Monitoring Period	% Collected at 31.03.2019	2018/19 Target	The yearend collection rate of 98.32% is above the target and is an excellent achievement
	98.32%	98.30%	
Comparison with 2017/2018	% Collected at 31.03.2018		
	98.30%		

Previous Years Charges Outstanding in 2018/19			
Monitoring Period	Amount outstanding at 31.03.2019	Target 31.03.2019	The arrears outstanding have not quite reduced to the target level. We are continuing to collect balances due and are working with council tax payers having difficulty in paying
	£1,206,270	£1,145,000	
Comparison with 2017/2018	Amount outstanding at 31.03.2018		
	£1,146,742		

Business Rates 2018/19

Current Year Charges - 2018/19			
Monitoring Period	% Collected at 31.03.2019	2018/19 Target	The yearend collection rate of 98.83% is above the target and is an excellent achievement
	98.83%	98.80%	
Comparison with 2017/2018	% Collected at 31.03.2018		
	98.74%		

Previous Years Charges Outstanding in 2018/19			
Monitoring Period	Amount outstanding at 31.03.2019	2018/19 Target	The arrears outstanding have reduced to below the yearend target level
	£540,658	£570,000	
Comparison with 2017/2018	Amount outstanding at 31.03.2018		
	£613,964		

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Cheltenham Borough Council: Aged Debt Report - as at 1 April 2019																	
			No. Outstanding Invoices	Value of Invoices in Payment Plans	Value of Invoices with Halted Recovery *	Value of Invoices with Legal	Value of Invoices awaiting Credit Notes **	Value of Invoices for Write Off ****	Customer Credits ***	Not Due	0-30 Days	1-3 Mths	3-6 Mths	6 mth - 1 Yr	1 - 2 Yrs	2 Yrs+	Total
Cost centre manager	CostC	CostC (T)															
Dominic Stead	ADB101 Total	Cheltenham Municipal Offices	1	-	-	-	-	-	-	5,052.95	-	-	-	-	-	-	5,052.95
Dominic Stead	ADB103 Total	Cheltenham Depot	5	-	-	-	-	-	-	44,603.00	-	-	-	-	-	12.48	44,615.48
Garrie Dowling-Burrage	ADB104 Total	Miscellaneous Operational Properties	29	6281.3	518.34	0	0	0	0	7270.83	0	5501.19	375.64	0	0	0	19947.3
Paul Jones	BAL100 Total	General Fund Balance Sheet	26	0.26	3.74	3,991.00	-	-	-	-	-	-	-	-	-	360.00	2,234.14
Rob Hainsworth	CCM001 Total	Cemetery, Crematorium and Churchyards	123	-	852.50	-	-	-	-	53,101.01	48,184.00	3,537.00	4,362.00	-	4,797.00	-	114,833.51
Richard Gibson	COM101 Total	Oakley Resource Centre	6	220.00	-	-	-	-	-	10,472.00	1,750.00	-	-	-	-	-	12,442.00
Richard Gibson	COM103 Total	St. Margaret's Hall	1	-	-	-	-	-	-	202.50	-	-	-	-	-	-	202.50
Mike Redman	CPK001 Total	Car Parks - Off Street Operations	3	-	-	-	-	-	-	-	-	1,200.00	-	5,241.60	-	-	6,441.60
Mark Sheldon	CUL003 Total	World War 1 Commemoration Projects	1	-	-	-	-	-	-	2,005.56	-	-	-	-	-	-	2,005.56
Dominic Stead	FIE040 Total	Income and Expenditure on Investment Proproties	26	17448.35	0	0	0	0	0	7466.67	319490.3	44630.4	0	284.29	845.15	0	390165.16
Richard Gibson	GBD001 Total	Community Welfare Grants	2	-	-	-	-	-	-	1,000.00	-	-	-	270.00	-	-	1,270.00
Sarah Didcote	HLD170 Total	Cheltenham Trust Intercompany Account	2	-	-	-	-	-	-	13,973.51	-	9,257.12	-	-	-	-	23,230.63
Mark Nelson	HOS004 Total	Housing Standards	8	-	1,240.20	875.30	-	-	-	-	-	-	-	-	-	-	2,115.50
Jayne Gilpin	LTC111 Total	Business Improvement District Administration	1	-	512.24	-	-	-	-	-	-	-	-	-	-	-	512.24
AN Other	NDC001 Total	Non Distributed Costs	2	-	-	-	-	-	-	998.33	-	-	-	-	-	-	998.33
Adam Reynolds	OPS001 Total	Parks & Gardens Operations	7	1,401.50	-	-	-	-	-	-	22,366.90	-	-	-	-	-	23,768.40
Adam Reynolds	OPS002 Total	Sports & Open Spaces Operations	20	6300.89	0	1720.15	0	0	0	416.66	3375	834.91	0	0	0	0	12647.61
Adam Reynolds	OPS004 Total	Allotments	145	-	422.89	-	-	-	-	-	-	6,973.93	-	-	777.05	45.00	8,218.87
Adam Reynolds	OPS101 Total	Arle Road Nursery Operations	2	-	170.07	-	-	-	-	-	-	-	-	1,090.81	-	-	1,260.88
Sarah Clark	REG001 Total	Environmental Health General	5	3,355.00	3,311.62	-	-	693.00	-	-	-	203.98	-	-	-	-	7,563.60
Louis Krog	REG002 Total	Licensing	28	-	-	-	360.00	-	-	3,851.50	1,464.39	50.00	-	-	-	-	5,725.89
Mark Nelson	REG003 Total	Animal Control	1	-	-	320.00	-	-	-	-	-	-	-	-	-	-	320.00
Sarah Clark	REG013 Total	Polution Control	1	-	-	-	-	-	-	-	-	-	-	79.00	-	-	79.00
Mark Nelson	REG018 Total	Pest Control	4	-	-	75.00	-	-	-	150.00	200.00	-	-	-	-	-	425.00
Sarah Didcote	REG019 Total	Public Conveniences	1	-	-	-	-	-	-	18,000.00	-	-	-	-	-	-	18,000.00
Karen Watson	RYC008 Total	Bulking Facility	17	-	3,405.24	3,132.72	-	-	-	30,942.86	43,931.81	-	32,667.37	-	-	-	114,080.00
Martin Stacey	SPP001 Total	Supporting People	2	174.31	0	0	0	0	0	0	0	0	0	0	0	0	174.31
Chris Morrall	SPP002 Total	Community Alarms	1813	169291.18	363.05	0	29.16	0	0	2308.84	0	0	14.53	0	0	0	172006.76
Mark Nelson	STC011 Total	Abandoned Vehicles	9	-	96.00	2,144.00	-	-	-	-	130.00	-	-	-	-	-	2,370.00
Dominic Stead	SUP025 Total	Property Services	1	-	-	-	-	-	-	12,180.00	-	-	-	-	-	-	12,180.00
Paul Jones	SUP106 Total	Publica Business Support Contract	1	-	-	-	-	-	-	22,830.60	-	-	-	-	-	-	22,830.60
Sarah Didcote	TOU002 Total	Tourist / Vistor Information Centre	1	-	-	-	-	-	-	-	-	3,600.00	-	-	-	-	3,600.00
Karen Watson	TRW001 Total	Trade Waste	633	87551.83	204.75	944.91	0	0	0	312.7	83476.45	919.75	1074.7	398.7	37.8	0	174921.59
Karen Watson	WST001 Total	Household Waste	1	-	-	-	-	-	-	-	1,020.00	-	-	-	-	-	1,020.00
	Grand Total		2928	292,024.62	11,100.64	13,203.08	389.16	693.00	-	6,589.14	237,139.52	525,388.85	76,708.28	38,494.24	7,364.40	6,457.00	1,202,791.13
Cost centre manager	CostC	CostC (T)															
Matt Ward	HRA100 Total	Repairs and Maintenance	521	72300.35	55729.54	6803.44	0	2783.19	0	8686.91	4292.5	11194.41	6986.35	20982.16	19835.91	26993.39	236588.15
Matt Ward	HRA110 Total	Supervision and Management	1	-	-	-	-	-	-	-	-	-	-	-	-	461.61	461.61
Matt Ward	HRA210 Total	Non-dwelling Rents	140	10335.72	440.5	10	30	0	0	6130	28679.65	0	0	514.24	190	355.5	46685.61
Matt Ward	HRA221 Total	Service Charges to Leaseholders	552	220377.5	46332.9	1331.55	845.79	0	0	31716.88	15998.43	8333.44	4085.91	35174	46190.21	47515.89	457902.5
Matt Ward	HRA235 Total	HRA Other Income	6	-	-	-	-	-	-	-	-	-	-	-	-	120.00	120.00
	Grand Total		1220	303,013.57	102,502.94	8,144.99	875.79	2,783.19	-	46,533.79	48,970.58	19,527.85	11,072.26	56,670.40	66,216.12	75,446.39	741,757.87
Grand Total			4,148	595,038	113,604	21,348	1,265	3,476	-	6,589	283,673	574,359	96,236	49,567	64,035	72,673	1,944,549
Previous month's position			1,937	339,736.01	95,700.96	21,031.47	874.95	9,453.62	-	29,803.43	406,260.24	331,512.93	198,837.32	65,837.73	64,109.63	73,163.79	1,654,815.78
* Value of Invoices with Halted Recovery - invoices with issues to be resolved before payment / futher recovery action e.g. service disputed, bounced direct debits, with bailiffs, etc.																	
** Value of Invoices Awaiting Credit Note - credit notes have to be authorised on Agresso, until they are authorised the invoices remain outstanding but a complaint code is used to mark them appropriately.																	
*** Customer Credits - accounts where customers have paid in advance of an invoice, or in error.																	

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HRA OPERATING ACCOUNT

	2018/19	
	Forecast	Actual
	£	£
<u>EXPENDITURE</u>		
General & Special Management	2,240,700	2,230,827
ALMO Management Fee	5,144,000	5,154,455
Rents, Rates, Taxes and Other Charges	49,000	63,005
Repairs & Maintenance	3,781,400	3,863,920
Provision for Bad Debts	296,000	129,619
Interest Payable	1,684,700	1,697,825
Depreciation & Impairment of Dwellings	4,460,900	4,460,936
Depreciation of Other Assets	295,300	287,845
Debt Management Expenses	81,600	81,600
TOTAL	<u>18,033,600</u>	<u>17,970,031</u>
<u>INCOME</u>		
Dwelling Rents	18,555,000	18,554,921
Non Dwelling Rents	472,700	487,360
Charges for Services and Facilities	843,100	849,475
Supporting People Grant	35,000	34,629
Feed in Tariff from PV Installations	232,000	238,036
TOTAL	<u>20,137,800</u>	<u>20,164,419</u>
NET INCOME FROM SERVICES	2,104,200	2,194,388
Interest Receivable	169,000	167,822
NET OPERATING SURPLUS	<u>2,273,200</u>	<u>2,362,209</u>
<u>Appropriations</u>		
Revenue Contributions to Capital	<u>-2,089,500</u>	<u>-2,138,543</u>
Net Increase/(Decrease) in reserves	183,700	223,666
Revenue Reserve brought forward	8,601,500	8,601,500
Revenue Reserve carried forward	<u>8,785,200</u>	<u>8,825,166</u>

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MAJOR REPAIRS RESERVE

	2018/19	
	Forecast	Actual
	£	£
Balance brought forward	-	-
Depreciation of Dwellings	4,460,900	4,431,592
Depreciation of Other Assets	295,300	315,641
	<u>4,756,200</u>	<u>4,747,233</u>
Utilised to fund Capital Programme	-4,756,200	-4,747,233
Balance carried forward	<u>-</u>	<u>-</u>

HRA CAPITAL PROGRAMME

	2018/19		2019/20
	Forecast	Actual	Revised
	£	£	£
<u>EXPENDITURE</u>			
EXISTING STOCK			
Property Improvements & Major Repairs	6,913,300	6,788,227	9,123,100
Adaptions for the Disabled	400,000	435,181	400,000
Environmental Works (Tenant Selection)	10,000	-	10,000
Repurchase of Shared Ownership Dwellings	50,000	59,250	50,000
	<u>7,373,300</u>	<u>7,282,658</u>	<u>9,583,100</u>
NEW BUILD & ACQUISITIONS	2,402,000	2,196,577	7,631,000
TOTAL	<u>9,775,300</u>	<u>9,479,235</u>	<u>17,214,100</u>
<u>FINANCING</u>			
Capital Receipts	2,629,600	2,349,775	2,593,000
HRA Revenue Contribution	2,089,500	2,138,543	8,886,300
Leaseholder & Other Contributions	300,000	243,684	300,000
Major Repairs Reserve	4,756,200	4,747,233	4,825,400
Borrowing			609,400
TOTAL	<u>9,775,300</u>	<u>9,479,235</u>	<u>17,214,100</u>

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Cheltenham Borough Council

Council – 22 July 2019

Updated Protocol for Webcasting, filming and recording of Council meetings

Accountable member	Cabinet Member Corporate Services, Councillor Alex Hegenbarth
Accountable officer	Richard Gibson, Strategy and Engagement Manager
Ward(s) affected	All
Key/Significant Decision	n/a
Executive summary	<p>In July 2018 a new audio visual system was installed in the Council Chamber and was first used at the October Council meeting. It was decided at the time to focus on audio only to build up familiarity with the new system before introducing webcasting. Due to various reasons as set out in the report the introduction of webcasting was put on hold for a period. It is now being progressed with the intention to commence webcasting and livestreaming on social media at the Council meeting on 14 October 2019.</p> <p>Group Leaders and the Constitution Working Group have been consulted on the draft protocol and it is now attached at Appendix 2 for Council approval.</p> <p>This report therefore seeks Council approval to update Appendix K of the Council's constitution on the filming and recording of Council meetings to include webcasting of Council meetings.</p>
Recommendation	To update Appendix K of the Council's constitution on the filming and recording of Council meetings to include webcasting of Council meetings and to adopt the protocol for webcasting, filming and recording of council meetings as detailed in Appendix 2
Financial implications	<p>None as a direct consequence of this report.</p> <p>Contact officer: paul.jones@cheltenham.gov.uk</p>
Legal implications	<p>There are a number of potential legal considerations relevant to the webcasting of Council meetings including Data Protection, defamation, copyright, employment and safeguarding issues. The Protocol seeks to address some of the risks associated with such webcasting.</p> <p>Contact officer: shirin.wotherspoon@teWKesbury.gov.uk</p>

HR implications (including learning and organisational development)	<p>There are no direct HR implications arising from the content of the report.</p> <p>However, individual officers may from time to time raise concerns about their image being filmed for publication across social media channels. In these situations the Monitoring Officer & HR Manager should meet with the individual employee to discuss his/her concerns. Where issues relating to safety are raised the Council's H&S Advisor would need to be consulted.</p> <p>Contact officer: Julie.McCarthy@publicagroup.uk</p>
Key risks	<p>See Appendix 1</p>
Corporate and community plan Implications	<p>Delivering webcasting will help us deliver the following corporate priority : Delivering services to meet the needs of residents and communities and by improving the way services and information are accessed by residents and businesses by maximising new technology opportunities and different ways of working</p>
Environmental and climate change implications	<p>There are no implications arising directly from this report.</p> <p>Contact officer : Gill.Morris@cheltenham.gov.uk</p>
Property/Asset Implications	<p>None as a direct consequence of this report.</p> <p>Contact officer: Garrie.Dowling@cheltenham.gov.uk</p>

1. Background

- 1.1 Both Local Authorities and the Ministry of Housing, Communities & Local Government (MHCLG) have been exploring ways in which residents can be encouraged to participate in local democracy through the filming and recording of council meetings. The Openness of Local Government Bodies Regulations 2014 gave the public and press the right to film or use any type of social media to report any public meetings of the Council. These changes were incorporated into the Constitution in July 2015.
- 1.2 The main purpose of webcasting has been to give members of the public the chance to view meetings as they happen or view them as a recording afterwards without having to attend in person. It also provides the potential to reach hitherto unreached groups, especially those who are not politically engaged, either via live streaming or recordings.
- 1.3 In July 2018 a new audio visual system was installed in the Council Chamber and was first used at the October 2018 Council meeting. It was decided at the time to focus on audio only to build up familiarity with the new system before introducing webcasting. Due to resourcing issues in democratic services and ongoing technical issues with the system, the introduction of webcasting was put on hold.
- 1.4 Remedial work to the system installation has now been undertaken by the supplier and the introduction of webcasting is now being progressed with the intention to commence webcasting and livestreaming on social media at the Council meeting on 14 October 2019.
- 1.5 Group Leaders and the Constitution Working Group have been consulted on the draft Protocol for Webcasting, filming and recording of Council meetings and it is now attached at Appendix 2 for Council approval.

2. Reasons for recommendations

- 2.1 The current Appendix K of the Council's constitution on Guidance for the recording of Council, Cabinet and Committee Meetings has now been updated to include webcasting. This will assist any members of the press and public to understand the council's operating procedure for filming/webcasts.

3. Consultation and feedback

- 3.1 Group Leaders, the Constitution Working Group, One Legal, the Executive Leadership Team and the CBC Governance Manager have been consulted and their feedback incorporated.

Report author	Contact officer: beverly.thomas@cheltenham.gov.uk, 01242 264246
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Draft Webcasting Protocol
Background information	<ol style="list-style-type: none"> 1. Cabinet Report : 10 April 2018-Replacement audio visual system in the Council chamber

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the council does not make its meetings available on the web in some form, then a valuable opportunity to increase public participation in the democratic process will be missed	Strategy and Engagement Manager	July 2019	2	3	6	Reduce	Council approval of webcasting protocol	22/07/19	Dem. Services Team Leader	
	If the council does not assess the data privacy requirements of web casting then it may be in breach of the Data Protection Legislation.	Strategy and Engagement Manager	July 2019	4	3	12	Reduce	Announcement by the Chair at start of each meeting to be filmed. Written Webcasting notice on front of each agenda for meetings that will be webcast, and on signs inside and outside of the Council Chamber Privacy Notice	22/07/19	Dem. Services Team Leader	
	If the council does not have adequate control in place to terminate or suspend the webcast this may prejudice the proceedings of the meeting	Strategy and Engagement Manager	July 2019	3	3	9	Reduce	Gives authority to Mayor in consultation with One Legal and Dem Services officers	22/07/19	Dem.Services Team Leader	
	There is a risk of reputational damage to the individual and council if councillors are misinterpreted by the public viewing the proceedings via webcasting.	Strategy and Engagement Manager	July 2019	3	2	6	Reduce	Part of member development and members getting accustomed to the system	22/07/19	Dem.Services Team Leader	
	There is a risks related to technology failure and	Strategy and Engagement	July 2019	3	3	9	Reduce	Continue to monitor the robustness of the	22/07/19	Dem. Services	

	therefore an inability to broadcast a meeting.	Manager						system and work closely with the supplier. Provide training to staff operating the system.		Team Leader	
	If Members and officers are sufficiently equipped to present their views in a coherent way this presents a reputational risk	Strategy and Engagement Manager	July 2019	3	3	9	Reduce	Support and training will be provided.	22/07/19	Dem Services Team Leader	
	There is a risk, if not managed, that a broadcast may be used inappropriately for example for political or satirical purposes.	Strategy and Engagement Manager	July 2019	3	3	9	accept	There will always be a risk that is difficult to mitigate against – we have seen the rise of deepfake videos where videos have been manipulated for political or satirical purposes.	22/07/19	Dem.Services Team Leader	

Explanatory notes

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

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

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

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

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APPENDIX K – PROTOCOL FOR WEBCASTING, FILMING AND RECORDING OF COUNCIL MEETINGS

Background

Both Local Authorities and the Ministry of Housing, Communities & Local Government (MHCLG) have been exploring ways in which residents can be encouraged to participate in local democracy through the filming and recording of council meetings. The main purpose of webcasting has been to give members of the public the chance to view meetings as they happen without having to attend in person.

Webcasting and the retention of film on Cheltenham Borough Council's YouTube channel does not replace the formal record of the meeting and the decisions made. The only formal record of any meeting of a Local Authority is its minutes and agendas which are required to be maintained and retained for a number of years.

The aim of this protocol is to help members of the press and public to understand the council's operating procedure for filming/webcasts and assist them in filming, audio-recording, taking photographs and using social media, to report the proceedings of all meetings of Cheltenham Borough Council that are open to the public.

Protocol

Webcasting

The council will live stream on the Cheltenham Borough Council's YouTube channel and website ('webcasting') and record for subsequent transmission all of its meetings of Full Council and the Planning Committee held within the Council Chamber¹. Fixed cameras are located within the Council Chamber which will be used for this purpose.

This Protocol has been agreed to assist the conduct of webcast meetings and to ensure that in doing so the council is compliant with its obligations under the Data Protection Act 2018, the Human Rights Act 1998 and any subsequent legislation.

Accordingly, the following will apply to all meetings to be webcast by the council.

Main Provisions

1. The Chair of the meeting has the discretion to terminate or suspend the webcast if continuing to webcast would prejudice the proceedings of the meeting. This may include, but is not restricted to:-
 - (a) During the management of public disturbance;
 - (b) When the proceedings of the meeting are suspended for any reason;
 - (c) During consideration of exempt matters when the public and press had been excluded from the meeting.
2. No exempt or confidential agenda items shall be webcast.
3. Anything that is outside the scope of the meeting will not be filmed. This may include but is not limited to reaction shots or walks out. In these cases, the officer managing the webcast will select a camera shot of the Chair of the meeting.

¹ This may be extended to include Cabinet and other committee meetings at the council's discretion

4. Young people under the age of 18 will not be filmed.
5. As part of the process for registering to speak at a Council meeting or Planning Committee, members of the public who indicate they wish to speak will be advised that the meeting will be live streamed and a recording of the meeting will be available on YouTube. If an attendee does not wish to be filmed whilst speaking to the committee, the officer managing the webcast will:
 - Give guidance on the best place to sit;
 - Ensure no close-up images of the attendee will be taken; and
 - If the attendee is speaking focus the camera on the Chair.
6. In the event of any foul or abusive language being used, the sound will be muted either live or in post-production.
7. The editing of content should only be undertaken if there is a legal reason, for instance if confidential personal information is inadvertently disclosed, if defamatory comments are made, or if the name of a person in witness protection was divulged by a public speaker. The editing of content may also be authorised in exceptional circumstances such as a person being taken ill during a meeting. A log will be maintained of webcasts where content has been edited. The Head of Paid Service and/or Monitoring Officer will, in consultation with Group Leaders, make the final decision on editing any webcast or filmed material to be broadcast or published in connection with any council meeting. The reason for any decision to edit a webcast or filmed material will be published.
8. Should a webcast be halted for a technical reason the officer managing the webcast will, as soon as reasonably practicable inform the Head of Paid Service and/or Monitoring Officer so they can disseminate this information to political group leaders including an explanation of what went wrong, what is being done to recover any lost data and how we will mitigate issues in the future.
9. Any elected Member or Officer who is concerned that, as a result of being webcast, they might be at risk of physical or psychological abuse, then they should raise their concerns, in advance of the meeting, with the Chief Executive and or Monitoring Officer who shall consider what mitigating actions may be put in place.

Agenda front sheets and signage at meetings

On the front of each agenda for meetings that will be webcast, and on signs inside and outside of the Council Chamber, there will be the following notice:

Webcasting Notice

This meeting may be filmed by the council for live and/or subsequent broadcast online at [insert web site address and YouTube channel]. At the start of the meeting the Chair will confirm if all or part of the meeting will be filmed. The footage will be on the website and on the YouTube channel for a period of six months. A record of it will also be retained for four years in accordance with the council's data retention procedures. The images and sound recording may be used for training purposes within the council.

If you make a representation to the meeting you will be deemed to have consented to be filmed. By entering the Chamber you are also consenting to be filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

Planning Committee Meetings

In any correspondence notifying supporters or objectors of the meeting date on which a proposal will be heard, the following advice will be included:

Please note that council meetings may be filmed for live or subsequent broadcast online by the council.

Conduct of meetings

At the start of each meeting to be filmed by the council, the following announcement will be made by the Chair:

I would like to remind everyone present that this meeting will be filmed by the council and live streamed on the internet and will be capable of repeated viewing.

If you are seated in the Chamber it is possible that the cameras will capture your image. By your presence, you are deemed to consent to be filmed and to the use of those images and sound recordings for webcasting and/or training purposes. If you address the Committee your contribution will be recorded and broadcast unless this is during a period when the meeting is in private session, as permitted by the Access to Information provisions.

As the Chair of the meeting, I can, at my discretion, terminate or suspend filming, if in my opinion, continuing to do so would prejudice the proceedings of the meeting or if I consider that continued filming might infringe the rights of any individual or breach any statutory provision.

Cessation of webcasting for private sessions

No part of any meeting will be webcast after Members have resolved to exclude the press and public because there is likely to be the disclosure of exempt or confidential information. The Democratic Services Officer will check that filming and/or recording of the meeting has ceased and will confirm this to the Chair of the meeting before any discussion of exempt or confidential matters is commenced.

Storage and retention of webcasts

Webcast meetings will be recorded and broadcast on the internet. All archived webcasts will then be available to view for a period of six months. Recordings of meetings will be retained in accordance with data retention procedures.

In addition to the provision regarding the editing of content detailed previously, archived webcasts shall only be removed from the website and/or YouTube channel within the first six months if the Monitoring Officer considers that it is necessary because all or part of the content of the webcast is or is likely to be in breach of any statutory provision, for example, Data Protection and Human Rights legislation or provisions relating to confidential or exempt information.

A log will be maintained of webcasts where content has been removed within the first six months. The Head of Paid Service and/or Monitoring Officer will, in consultation with Group Leaders, make the final decision on removing any webcast within the first six months of any council meeting. The reason for any decision to edit a webcast or filmed material will be published.

Copyright notice

The actual webcasts and archived material, and copyright therein, remain the property of the Council, and the right to copy, issue, rent, perform, communicate or adapt any of the webcast or archived material is restricted as follows:

- (i) Subject to (ii) and (iii) below, any person may copy and use webcast material or part thereof provided that the facility is not used in a way that otherwise breaks the law and that the whole agenda item is displayed.
- (ii) The use of any webcast involving the alteration or editing of the material which results in changing the message or context is not permitted without the prior written approval of the Monitoring Officer.
- (iii) The use of webcast for commercial purposes involving re-use of the material is not permitted, unless the prior written approval of the Monitoring Officer is obtained.

Other filming or recording of meetings by the public or press

The press and public are entitled to film, photograph, audio-record or broadcast any public meetings of the council. Those undertaking these activities may do so via social media of any kind. Therefore, users of blogs, Twitter, Facebook, YouTube etc. and individuals with their own website are able to record and stream meetings.

There is no requirement to ask permission to record a meeting. However, any person wishing to carry out this activity is requested to let Democratic Services (contact details below) know in advance so that all necessary arrangements can be made for the meeting.

Any person can provide written commentary during a meeting, as well as oral commentary outside or after the meeting. It is not permitted for oral commentary to be provided during a meeting as this would be disruptive to the good order of the meeting.

The majority of Cheltenham Borough Council's meetings are open to members of the public. However, meetings cannot be filmed or recorded when it is agreed to formally exclude the press and public from the meeting due to the confidential/exempt nature of the business to be discussed.

Those undertaking these activities must not act in a disruptive manner; this could result in expulsion from the meeting. Essentially, this could be any action or activity which disrupts the conduct of the meeting. Examples can include:-

- Moving to areas outside the areas designated for the public/press without the consent of the Chair;
- Excessive noise in recording or setting up or re-setting equipment during the debate/discussion
- Intrusive lighting and use of photography; and
- Asking people to repeat statements for the purposes of filming or recording.

More generally the law of the land applies – including the law of defamation and the law on public order offences (see the Crown Prosecution Service guidance on social media). Freedom of speech within the law should also be exercised with personal and social responsibility – showing respect and tolerance towards the views of others.

Those filming or recording proceedings shall not edit the recording in a way that could lead to misinterpretation of the proceedings, or infringe the core values of the council. This includes refraining from editing an image or views expressed in a way that may ridicule, or show a lack of respect towards those being filmed/recorded.

Recording equipment can be left in a public meeting room without the person recording being present; however, recording will be suspended if a resolution is passed to exclude the public or if the Chair suspends the meeting due to disorderly conduct. It is therefore suggested that the person doing the recording remains in the meeting. Cheltenham Borough Council takes no responsibility for any unsupervised equipment.

Further questions & contact details

If you have any questions on the issue of filming/recording of meetings please contact Democratic Services on 01242 264246 or email democratic.services@cheltenham.gov.uk

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