



CHELTENHAM

BOROUGH COUNCIL

Notice of a meeting of Council

Monday, 23 March 2020

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 Hopley, 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

A Moment of Reflection

(to be led by the Mayor's Chaplain- Rev Luke Goodway)

This will be of an inclusive nature and held in the Cambray Room at 14:15. All Members are welcome to participate but need not do so.

Agenda

1.	APOLOGIES	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING Minutes of the last meeting held on 17 th February 2020.	(Pages 5 - 34)
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 17 th	

	March.	
8.	MEMBER QUESTIONS These must be received no later than 12 noon on Tuesday 17 th March.	
9.	CONSIDERATION OF A PETITION ENTITLED "WE CALL FOR URGENCY ON OUR CLIMATE EMERGENCY" Report of the Cabinet Member Corporate Services	(Pages 35 - 40)
10.	ADOPTION OF REVISED SEXUAL ENTERTAINMENT VENUE POLICY Report of the Cabinet Member Development and Safety	(Pages 41 - 100)
11.	CAPITAL, INVESTMENT, TREASURY AND MRP STRATEGIES AND STATEMENTS 2020/21 Report of the Cabinet Member Finance	(Pages 101 - 158)
12.	COUNCIL DIARY - SEPTEMBER 2020 TO AUGUST 2021 Report of the Cabinet Member Corporate Services	(Pages 159 - 174)
13.	NOTICES OF MOTION These must be received no later than 12 noon on Monday 16 th March.	
14.	ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION	

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

Gareth Edmundson
Chief Executive

WEBCASTING, FILMING AND RECORDING OF COUNCIL MEETINGS

Webcasting

This meeting may be filmed by the council for live and/or subsequent broadcast online at www.cheltenham.gov.uk and www.youtube.com/user/cheltenhamborough. 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.

More information can be found in [Appendix K](#) of the Council Constitution.

Further questions and 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

This page is intentionally left blank

Council

Monday, 17th February, 2020

2.30 - 6.55 pm

Attendees	
Councillors:	Roger Whyborn (Chair), Victoria Atherstone, Matt Babbage, Paul Baker, 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 Hobley, Peter Jeffries, Steve Jordan, Paul McCloskey, Andrew McKinlay, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Malcolm Stennett, Klara Sudbury, Simon Wheeler, Max Wilkinson, Suzanne Williams and David Willingham

Minutes

1. APOLOGIES

Apologies were received from Cllrs. Barnes, Holliday, Horwood, Mason and Stafford.

2. DECLARATIONS OF INTEREST

Cllr. Jordan declared an interest in agenda item 11 as a member of the Business Improvement District board, Cllr. Sudbury declared a personal but non-prejudicial interest in the budgetary items as a county councillor, and Cllr. Williams declared an interest in the same items as a Board Member of Cheltenham Borough Homes (CBH).

3. MINUTES OF THE LAST MEETING

The minutes of the meeting on 16th December 2019 were approved and signed as a correct record.

4. COMMUNICATIONS BY THE MAYOR

The Mayor spoke about a number of recent events, including Holocaust Memorial Day and the No Child Left Behind awards, praising those involved.

5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader of the Council expressed his sympathy to Cllr. Stafford, who recently suffered a personal bereavement and is expected to take a break for several months as a result. He concurred with the Mayor's praise of the No Child Left Behind awards, and noted that he was pleased to see the return of Light Up Cheltenham, which is likely to be very popular during the half-term week.

6. TO RECEIVE PETITIONS

There were none.

7. **PUBLIC QUESTIONS**

1.	Question from Amber Astron Christo to Cabinet Member Clean and Green Environment, Councillor Chris Coleman
	<p>Why does the Council continue to fail to sweep up the leaves in the roads throughout Cheltenham?</p> <p>If you do not sweep up the leaves, they are rapidly reduced to silt in wet weather, which sits as deep mud on the roadsides/pavements and then gets washed into the drains, causing flooding in the roads and further afield as the silt moves into the Chelt and the river system; then, in dry weather, the micro-particles become airborne and create breathing problems when inhaled.</p> <p>Why bother with slogans like 'Clean & Green' while you are failing the people of Cheltenham at the most basic level?</p>
	Response from Cabinet Member
	<p>I do not share your view that the Council is failing the people of Cheltenham. Cheltenham is proud of the amount of trees it has in the town and we are actively encouraging the planting of more trees as part of a response to the climate emergency. The many trees we have in the town in streets, parks and open spaces do however mean that a lot of leaves fall on the ground, not just during the Autumn period.</p> <p>Ubico, on behalf of the Council, undertakes road sweeping operations using two 15T mechanical road sweepers throughout the borough all year round, irrespective of the leaf fall period. In addition to the mechanical road sweeping, teams of operatives manually clear leaves from pavements, grass verges, open spaces and roads. A planned maintenance programme, including deep cleans, takes place each year which includes leaf clearance and digging out detritus from gullies. For information, the December 2019 deep clean programme covered the following roads:</p> <p>9 Dec: Edward St, Brandon Place, Tryers Road, Suffolk St</p> <p>10 Dec: Painswick Road (Suffolk Road - Grafton Road)</p> <p>11 Dec: Painswick Road (Grafton Road - Shurdington Road)</p> <p>12 Dec: Grafton Road</p> <p>13 Dec: St Philips Street, Norwood Road, Shurdington Rd (Bath Rd –Moorend Pk Rd)</p> <p>16 Dec: Park Place</p> <p>17 Dec: Gratton Road</p> <p>18 Dec: Ashford Road</p> <p>19 Dec: Andover Road & Andover Street</p> <p>24 Dec: Princes St & Sydenham Road North</p> <p>To further improve the quality of street cleansing the Council, working in partnership with Ubico, is actively seeking better joined up working arrangements with</p>

	Gloucestershire County Council Highways.
	Supplementary Question
	The questioner did not take the response as read.
	Response from Cabinet Member
	I do not accept the premise of the question. There is a continuous process of cleaning up leaves, as outlined in the original answer.
2.	Question from Amber Astron Christo to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>a) Do you wish to install Uber in Cheltenham, seeing as it was recently exposed in London as failing to do security checks on all their drivers, while destroying the livelihoods of local cabbies?</p> <p>b) By insisting on larger wheelchair access vehicles only, why are you are prioritising access to a minority of wheelchair-using passengers over the majority, who either have no wish to use a large van-like vehicle to travel from town, or passengers who have back/knee problems or other disabilities, which make accessing these higher vehicles painful and difficult?</p> <p>c) Why can't you come up with a formula to have a reasonable number of cabs on the ranks accessible for wheelchair users (perhaps they could have their own area on the rank), rather than insisting on all of the cabs being of this type?</p>
	Response from Cabinet Member
	<p>a)Uber is able to operate in Cheltenham without being licensed to operate here through a combination of deregulation of licensing laws and weak primary legislation dating back to 1847.</p> <p>Taxi and private hire licensing law has become very complex but in very simple terms, as long as the Uber vehicle and driver is licensed by the same authority as the Uber operating licence, there is a “right to roam”. This means that, in this case, Uber cars can roam anywhere and accept bookings provided that the journey is properly booked in advance (via the phone app) and the journey is recorded against the operating licence associated with the Uber vehicle being hailed.</p> <p>Therefore, an Uber car licensed, for example, by Bath and North East Somerset Council can accept bookings in Cheltenham if:</p> <ul style="list-style-type: none"> • The driver and vehicle are also licensed by Bath and North East Somerset Council; and • The hailing is made via the Uber phone app (and therefore not plying for hire); and • The booking is recorded against the Uber operating licence issued by Bath and North East Somerset Council (and therefore dispatched by Uber Bath). <p>Ms Astron Christo may be interested to read a fuller explanation of this in the May edition of the Trade Times: https://mailchi.mp/2e47c96bf93a/trade-times-may-</p>

	<p>19?e=[UNIQID]</p> <p>Provided that Uber cars comply with the rules outlined above, this council is powerless to act. Where Uber cars do not comply with the rules, the council can act and has, for example see: https://www.cheltenham.gov.uk/news/article/1836/london_uber_driver_prosecuted_for_illegally_plying_for_hire_in_cheltenham https://www.cheltenham.gov.uk/news/article/2368/drivers_prosecuted_for_illegally_plying_for_hire</p> <p>b) The council’s decision to adopt a policy requiring public hire vehicles to be wheelchair accessible was thoroughly consulted on and scrutinised. The council is of the view that it is important that the travelling public have equal access to services, recognising that disability comes in a variety of forms.</p> <p>Members of the public who may struggle with access to licensed vehicles due to the policy change can continue to use saloon type vehicles through the private hire trade.</p> <p>c) Officers considered a variety of ways to implement a wheelchair accessible policy. However, there was no fair way of doing so other than applying the policy to the whole trade. There was recognition that the policy will incur additional costs on the public hire trade and there was no approach that would have made it fair for some licensed vehicles to have incurred the costs and for others not.</p> <p>There is no legislative approach or statutory guidance on an approach to implement a partial wheelchair accessible policy that Members could rely on to provide some form of legitimate basis.</p> <p>The overriding concern for Members remained equal access to services however and based on this, Members took the view that a full fleet of wheelchair accessible vehicles is appropriate.</p>
	<p>Supplementary Question</p>
	<p>The questioner did not take the response as read.</p>
	<p>Response from Cabinet Member</p>
	<p>I do not accept the assertion that having wheelchair-accessible vehicles discriminates against non-disabled people. Some people have very specific requirements which are not met by the majority of vehicles and have to make specific arrangements. It is difficult to hire private hire vehicles who can offer these specific arrangements, and often not possible while standing at a taxi rank.</p>
<p>3.</p>	<p>Question from James Lodge to the Leader of the Council, Councillor Steve Jordan</p>
	<p>Within the West Cheltenham Strategic Master Plan, SPD dated December 2019, there are references to the need for high density developments:</p> <ul style="list-style-type: none"> • Page 12, objective E • Page 29, B4 ‘and a key driver to increase densities’ • There are other areas within the document that seem at odds with the above statements:

	<ul style="list-style-type: none"> • Page 34, C2 relating to the existing topography and strategic landscape character, with consideration given to long views to the Cotswolds and Hayden Hill. • Pages 51 and 53 mentions 2 recent developments as being ‘examples of cutting edge development’. Neither of these have building elevations anywhere near those proposed within this document i.e. page 58 states ‘up to 6 storeys’ <p>Would you please provide the financial calculations that identify the need for high density buildings, especially as relating to buildings of 3 storeys and above?</p>
	<p>Response from Cabinet Member</p>
	<p>High density does not necessarily mean 3+ storey buildings, although both high density and higher than traditional (2 storey) buildings are referenced in the SPD.</p> <p>The reasons for considering high density and/or higher (vertically) than traditional 2 storey development include:</p> <ul style="list-style-type: none"> - Efficient use of land (i.e. high density development accommodates more activity on a fixed space than lower density development) - Creating a sufficient population in a given area to support service and facility provision - To enhance economic productivity <p>The eventual densities and heights across the site will be determined through the planning application process. This will be a balance between meeting the final SPD’s aspirations and identified constraints, understanding the contributions made through the planning application consultation process and the financial implications of developing high density, high (vertically) buildings, amongst other things.</p>
<p>4.</p>	<p>Question from James Lodge to the Leader of the Council, Councillor Steve Jordan</p>
	<p>Parking</p> <p>Also relating to the Cheltenham Strategic Master Plan, SPD dated December 2019:</p> <ul style="list-style-type: none"> • Page 47, item D7 mentions that ‘large expanses of surface parking will not be permitted’ <p>Will this also be applied to current GCHQ parking, so that the existing surface parking area would be replaced by a multi storey facility, which is urgently needed to alleviate the excessive and extensive on-street parking all around this facility?</p>
	<p>Response from Cabinet Member</p>
	<p>The planning system (for example through Supplementary Planning Document) cannot require existing operations to make physical changes in the way implied through the question. Parking provision at GCHQ is the responsibility of GCHQ, although the Council has been working with them and Gloucestershire County Council as Highways Authority to minimise the impact of commuter parking in the area.</p>
<p>5.</p>	<p>Question from Trudie Wheat to the Leader of the Council, Councillor Steve Jordan</p>

	On page 18 of the West Cheltenham Strategic Master Plan, SPD dated December 2019 item 3.2.3 mentions solar/wind potential. If wind turbines are being considered, what would be the maximum height from ground level and what would be the maximum blade length?
	Response from Cabinet Member
	The Draft SPD is seeking to explore and establish principles, in this case for renewable/green energy sources. No turbines are identified at this stage, but they may form part of the energy solution for a future scheme. Should turbines be considered appropriate as part of the energy strategy for detailed proposals, they would be the subject of a planning application which would specify size/height/location etc.
6.	Question from Maureen Dolan to the Leader of the Council, Steve Jordan
	What plans, if any, are being made for Fiddlers Green Lane? My concerns (which I share with many others) are firstly the volume of traffic and the weight of the vehicles using the lane, i.e. double loaded car transporters, coaches and 18 ton lorries, to name but a few.
	Response from Cabinet Member
	Cheltenham and Tewkesbury Borough Councils are currently consulting on the 'Cyber Central Garden Community West Cheltenham Strategic Masterplan Draft Supplementary Planning Document' https://cybercentral.commonplace.is/schemes/proposals/view-the-full-supplementary-planning-document-spd-what-happens-next/details . This consultation document contains the emerging strategic masterplan (not final plans) for the land west of Fiddlers Green Lane. I would encourage anyone with views to feed them in to the consultation which closes on 17th February.
7.	Question from Maureen Dolan to the Leader of the Council, Steve Jordan
	Can Fiddlers Green Lane be made to only allow cars to use it? Taking into account this would have to be after the turning into Meadow Close up to Telstar Road. I would like to see traffic calming in the form of narrowing of the lane as in chicanes. These would slow down the traffic and reduce parking.
	Response from Cabinet Member
	It is too early to determine exactly what, if any, changes need to be made to the road network in West Cheltenham to accommodate proposed growth at West Cheltenham (Cyber Central). This will be done through the planning application process.
	Supplementary Question
	The questioner was not present and so no supplementary question was asked.
	Response from Cabinet Member
	The Leader of the Council added that the closing date for the consultation referred to in the question was the day of this meeting, Monday 17 th February.

8.	Question from the Charmian Sheppard, Hesters Way Neighbourhood Plan Forum, to the Leader of the Council, Councillor Steve Jordan
	<p>Seven and a half thousand employees and 3000 dwellings will create a massive increase in traffic, despite noble schemes for improving green alternatives to coax people away from the car. The Hester's Way Neighbourhood Plan Forum and residents neighbouring the new Cyber Central Garden Community area are concerned about the increase in traffic along Fiddlers Green Lane and nearby roads that this development will bring and the impact on their quality of life. The Government's Garden Communities Prospectus does make reference to the need "to build places people are happy to call home... places that lift our spirits whether we live in them or merely pass through."</p> <p>The SPD "Cyber Central Garden Community" not only recognises the importance of upgrading Junction 10 when it comes to the new development and traffic management, it seems to hinge on it.</p> <p>It is understood that if Junction 10 is not upgraded, other road infrastructure improvements will have to take place at a cost to developers of the site. This would reduce the funds available for high quality environmental sustainability, may mean less affordable homes and would almost certainly impact on the community offer. It would undermine the entire SPD and what it seeks to achieve, certainly in the context of a Garden Community.</p> <p>Will the Leader commit to ensuring a new SPD is drawn up for the site should Junction 10 upgrading not happen or the work be planned so far into the future that the initial phases of the development would be completed before the Junction upgrade?</p>
	Response from Cabinet Member
	<p>Should M5 Junction 10 not be upgraded, it is possible/likely that the SPD would need to be revised to take into account alternatives. We are expecting an announcement on Junction 10 as part of Governments Spring Budget announcements in March 2020, before we plan to present the SPD to Full Council in April 2020.</p> <p>If Junction 10 is approved but the works are far into the future, it may be that controls would be imposed to limit development until such a time that works to deliver an all movement junction had been completed.</p>

8. MEMBER QUESTIONS

1.	Question from Councillor Max Wilkinson to the Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Members will doubtless welcome the shrinking of the town's air quality management area - this is a notable success in improving the air quality experienced by local residents. However, the legislation governing AQMAs is useful but blunt. It does not take into account spikes in pollution at certain times of day - for example school pickup and drop-off, when the lungs of vulnerable children are subjected to harmful vehicle pollution at the school gate. In answer to a previous question at council, the cabinet member suggested he was open to discussions on using council equipment to monitor air quality outside schools. This possibility was again acknowledged by Gareth Jones, Senior Environmental Health</p>

	Officer, at January's O&S meeting. Now we have spare monitoring equipment due to the redrawing of the AQMA, will the redeployment of monitoring equipment outside schools be part of our future activities?
	Response from Cabinet Member
	<p>The Air Quality legislation does include short-term exposure limits for some pollutants. Of note, is the short-term limit for NO₂, which is set at 200ug/m³ and can be exceeded up to 18 times per year. This limit is not exceeded at any measurement location in Cheltenham and research has shown that such levels would coincide with an annual mean level in excess of 60ug/m³, which is also not breached in any part of the town. Further details are contained in the annual reports submitted to DEFRA, which are available on our website.</p> <p>We don't have 'spare' monitoring equipment as a result of the changes to the Air Quality Management Area (AQMA). All existing equipment will be re-deployed as necessary to monitor sites in and around the new AQMA, or at other areas of concern. One of these sites is immediately outside a primary school.</p> <p>The Environmental Protection team is in the early stages of working with Gloucestershire County Council to develop a project to work more closely with local schools on local air quality. This will also support the request from CBC Overview and Scrutiny Committee to work with schools to improve air quality. There are likely to be significant costs associated with the proposed project, particularly if further monitoring equipment is required, along with staff resources to help deliver successful outcomes; this will therefore require a project proposal and business case being produced for CBC's approval and funding consideration.</p>
	Supplementary Question from Councillor Max Wilkinson to the Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Thank you for clarifying that although the Air Quality Management Area (AQMA) is shrinking, air quality monitoring is not stopping in that part of town. On the question of schools, it is important to be able to make the case for intervention against wasteful journeys, which are bad for the environment and public health. Will the council work with schools and pressure the county council to do more about this?
	Response from Cabinet Member
	Yes, we will do so, since schools are the responsibility of the county council rather than the borough council. Air quality monitoring must be consistent rather than short-term, outside schools in particular – the data gathered is not as valuable if it only offers a 'snapshot' of the situation, rather than being able to identify long-term trends. The data produced must be fully developed and continuous.
2.	Question from Councillor Max Wilkinson to the Cabinet Member Healthy Lifestyles, Councillor Flo Clucas

	<p>Cold War Steve is making his International Exhibition of The People artwork freely available to anyone who wishes to host it. This is an opportunity to fill an empty shopping unit, make use of a derelict building, or display the work in a new and unusual location. Cheltenham BID has agreed to make initial enquiries. Will the council support the initiative to boost local tourism and will the cabinet member commit to working with other organisations, such as the Cheltenham Trust, to make this a reality?</p>
	<p>Response from Cabinet Member</p>
	<p>The Cabinet Member is happy to spread the word about the availability of this free to download exhibition, but as there will still be costs associated with printing, mounting and displaying the 23 images, plus decisions about the suitability of some of the images for family consumption, she will leave it to others to determine whether this would be viable.</p> <p>For more information:</p> <p>https://www.coldwarsteve.com/2020/01/28/you-me-cold-war-steve-the-international-exhibition-of-the-people/</p>
	<p>Supplementary Question from Councillor Max Wilkinson to the Cabinet Member Healthy Lifestyles, Councillor Flo Clucas</p>
	<p>Thank you for your answer. I am pleased to see that there are background discussions going on. Projects like this are an opportunity to bring more volunteers into the Trust and involve people in civic life. Is the council working with the Trust and BID in resourcing any possible exhibitions?</p>
	<p>Response from Cabinet Member</p>
	<p>I am willing to look into how the council can best do this. Once a strategy is identified, then the key aims can be pursued.</p>
	<p>3. Question from Councillor Max Wilkinson to the Leader of the Council, Councillor Steve Jordan</p>
	<p>The landlords of 17 empty shops in Cheltenham have not bothered to reply to local requests for their engagement in ensuring our town centre thrives. Many local people will be disturbed by this news and will want these absentee, unaccountable property owners to be held to account. Unrealistic rents are undoubtedly a problem in finding future tenants, as is the government's steadfast refusal to abolish the failed business rates system. Cheltenham is definitely doing better than comparable destinations, but the leader rightly recognised in a recent radio interview that we must not be complacent. What representations is the leader making to local retail property landlords and the government to ensure we are doing all we can to make the right case to those in positions of power, including influencing harmful national policies?</p>
	<p>Response from Cabinet Member</p>

	<p>As a Council we have always aimed to invest in the town to make it an attractive place to live, work or visit. The issue of engaging property owners remains a challenge. Cheltenham has perhaps been more fortunate than other towns due to the fact that it has both a BID and a Development Task Force; both of which have delivered significant transformation through active dialogue with property investors and end users.</p> <p>Both agencies have held round table discussions with local and national property companies and commercial agents to explore what can be achieved with existing portfolios, given the challenges being faced by retailers.</p> <p>Some of these bear fruit as in the case of Metro bank and their landlord; the change of use to the upper floors of the Radley retail unit, and the window treatment at the former Austin Reed store, but equally it is difficult to successfully access other players.</p> <p>In addition to supporting the work of the BID and Task Force, I have written separately to the owners and occupiers of Cavendish House given the importance of this site.</p> <p>This O&S committee have equally asked for an update on the performance of the town for their meeting on 24th February 2020.</p> <p>In October last year an all-party group of MPs demanded change to business rates system by spring 2020. There remains a plea from the Association of Town Centre Managers and other commercial groups. The Retail Gazette of 13/02/20 notes that more than 50 major retailers have written to the Chancellor demanding business rates overhaul in the Budget next month. I am also writing to the new Chancellor to encourage urgent reform to business rates.</p>
<p>4.</p>	<p>Question from Councillor Max Wilkinson to the Cabinet Member Housing, Councillor Peter Jeffries</p>
	<p>The news that our £100million investment in affordable houses for Cheltenham people has been signed off will be welcomed locally. Communicating this news to the wider public is a key goal for the council. Can we be assured that local ward members whose areas will benefit from investment will be involved with these schemes, so members can spread the good news? And will sites funded by the scheme be branded accordingly before and during construction?</p>
	<p>Response from Cabinet Member</p>
	<p>Communicating the significance of this council's £100m investment in providing high quality homes and thriving communities for families and young people is a high priority for me, and this Liberal Democrat administration. As such we will be promoting this investment as a significant vote of confidence, investing in Cheltenham's future.</p> <p>We will do this via a range of mechanisms. This will include, as referenced in your question, site specific promotion activities, both before,</p>

	<p>during and upon completion of construction.</p> <p>CBC and CBH communication teams have been working together on an interim communication plan and within this we have identified the importance of engaging with local ward councillors, which we have and will continue to do.</p> <p>The longer term communications plan, soon to be finalised, will be more comprehensive so as more projects start to come to fruition and our housing supply increases, there will be more opportunities to promote what we are doing – and this will include using a recognisable brand to give the housing investment plan a sense of identity.</p>
5.	Question from Councillor Louis Savage to the Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>The addition of a height restriction barrier at the car park at Queen Elizabeth II Park has been warmly welcomed by local residents, but unfortunately does not impact on lower level antisocial behaviour and drug dealing at this site. What additional action can the council and its partners take to reduce or stop these behaviours and their adverse impact on local residents?</p>
	Response from Cabinet Member
	<p>We encourage residents and park users to report any criminal activity such as drug dealing to the police in the first instance on 101 for non-emergency matters or 999 if an incident is in progress. Specific concerns in relation to envirocrime issues e.g. littering, fly tipping or graffiti or non-police matters such as the antisocial use of alcohol, legal highs, music, BBQs etc., can be reported using the online 'Report it form' on www.cheltenham.gov.uk or by calling 01242 262626. Cheltenham Borough Council and SOLACE have not recently received any complaints of lower level ASB or drug dealing at the site, but can work with partners such as the police and parks team if evidence is received. This might include monitoring the area through physical patrols, use of CCTV, or resident logs of incidents; holding a community and/or multi-agency 'case conference'; and developing an action plan to engage with the potential perpetrators, support or divert them away from ASB and crime and to take enforcement action when necessary and appropriate.</p>
	Supplementary Question from Councillor Louis Savage to the Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Can you clarify what the process would be if local residents wished to install CCTV in their area?</p>
	Response from Cabinet Member
	<p>The first job is to contact the council, who will consider the key initial concerns such as privacy, and start the ball rolling.</p>

6.	Question from Councillor Louis Savage to the Cabinet Member Clean and Green Environment, Councillor Chris Coleman														
	<p>The play areas at Queen Elizabeth II Park and Ewen’s Farm are considered by many residents to be dated and in poor condition, particularly when compared with renovated areas in Pittville and Fairview. With no other play facilities in easy walking distance, will the cabinet member consider what funds can be found to improve these facilities for local families living in Ewen’s Farm?</p>														
	Response from Cabinet Member														
	<p>£10,000 is allocated in the annual play area improvement programme (2021/22 financial year) for enhancements to the Ewens Farm play area that will enable some of the older pieces of equipment to be replaced with more modern and inclusive items. Officers normally undertake local consultation beforehand, and are always willing to work with the local community to bring added value to the scheme (i.e. community grants).</p> <p>QEII, whilst it may not look as new as Pittville or Fairview, still provides a high level of play value, and received substantial investment from the “Play Builder programme several years ago that saw the installation of a wooden trail and climbing unit. The wooden fencing has been identified as being in need of repair, and this will take place later this year from existing revenue budgets.</p> <p>Both play areas are inspected regularly by Council staff to ensure safety compliance, and surveyed once annually by an independent inspector. The current survey predicts that the equipment has life expectancy of between 10 and 15 years.</p> <p>Similar play areas elsewhere in the Borough have benefited from budgets held by County Councillors for public realm projects, and officers would be happy to discuss the possibility of such funding being made available for both QEII and Ewen’s Farm play areas with the local County Councillor.</p>														
7.	Question from Councillor Louis Savage to the Cabinet Member Clean and Green Environment, Councillor Chris Coleman														
	<p>What was CBC’s recycling rate in 2018/19 and what is their recycling rate so far in 2019/20? How does this compare to other districts in Gloucestershire?</p>														
	Response from Cabinet Member														
	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">NI192</th> <th style="text-align: center;">17-18</th> <th style="text-align: center;">18-19</th> <th style="text-align: center;">19-20</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Cheltenham</td> <td style="text-align: center;">48.39%</td> <td style="text-align: center;">50.74%</td> <td style="text-align: center;">50.77%</td> </tr> <tr> <td style="text-align: center;">Cotswold</td> <td style="text-align: center;">58.71%</td> <td style="text-align: center;">58.95%</td> <td style="text-align: center;">61.54%</td> </tr> </tbody> </table>			NI192	17-18	18-19	19-20	Cheltenham	48.39%	50.74%	50.77%	Cotswold	58.71%	58.95%	61.54%
NI192	17-18	18-19	19-20												
Cheltenham	48.39%	50.74%	50.77%												
Cotswold	58.71%	58.95%	61.54%												

	Forest Of Dean	54.49%	54.38%	55.76%
	Gloucester City	41.69%	42.60%	43.98%
	Stroud	61.15%	59.94%	60.48%
	Tewkesbury	54.55%	52.59%	53.13%
	<p>Cheltenham's performance has improved year on year as shown above and is most comparable with Gloucester. We are both urban in nature with similar amounts of communal properties and transient population groups, e.g. students.</p> <p>It is important to note that the year-end recycling rate for 2019/20 may be higher or lower than the % recycling rate quoted above which is the rate at this point in the year only.</p>			
8.	Question from Councillor Steve Harvey to the Chairman of Licensing Committee, Councillor David Willingham			
	I have recently seen Uber vehicles operating in Cheltenham. Could the Chair of Licensing please explain whether these vehicles are licensed by Cheltenham to operate in our town?			
	Response from the Chair of Licensing Committee			
	<p>Uber is not licensed in Cheltenham. They can however operate in Cheltenham relying on their operating licences elsewhere in the southwest. This is made possible through a combination of deregulation of licensing laws and weak primary legislation dating back to 1847.</p> <p>Taxi and private hire licensing law has become very complex but in very simple terms, as long as the Uber vehicle and driver is licensed by the same authority as the Uber operating licence, there is a "right to roam". This means that, in this case, Uber cars can roam anywhere and accept bookings provided that the journey is properly booked in advance (via the phone app) and the journey is recorded against the operating licence associated with the Uber vehicle being hailed.</p> <p>Therefore, an Uber car licensed, for example, by Bath and North East Somerset Council can accept bookings in Cheltenham if:</p> <ol style="list-style-type: none"> 1) The driver and vehicle are also licensed by Bath and North East Somerset Council; and 2) The hailing is made via the Uber phone app (and therefore not plying for hire); and 3) The booking is recorded against the Uber operating licence issued by Bath and North East Somerset Council (and therefore dispatched by Uber Bath). 			

	Members may be interested to read a fuller explanation of this in the May edition of the Trade Times: https://mailchi.mp/2e47c96bf93a/trade-times-may-19?e=[UNIQID]
	Supplementary Question from Councillor Steve Harvey to the Chairman of Licensing Committee, Councillor David Willingham
	What are the processes by which CBC help taxi drivers preserve their business?
	Response from the Chairman of the Licensing Committee
	<p>CBC is proud of its taxi drivers, who form an important part of the local economy.</p> <p>The primary duty of licensing is public safety, but it must also seek to support taxi drivers. In order to do this, the council undertakes test purchasing during busy periods, and this has already proved successful, with 9 unlicensed drivers having been prosecuted for unlawful hire offences during the Cheltenham Festival.</p> <p>The Local Government Association and Institute for Licensing are working together on proposals for parliamentary bills that would update the current antiquated legislation, but these face a difficult road ahead due to a lack of support from the government. Although the council has high standards for taxis locally, the national government does not take these matters seriously.</p>
9.	Question from Councillor Angie Boyes to the Leader of the Council, Councillor Steve Jordan
	Every year more than 17,000 students at UK universities study or work abroad as part of their degree. Erasmus (European Region Action Scheme for the Mobility of University Students) funds opportunities to study abroad, teacher training partnerships between colleges and universities but also schemes to share best practice in education and youth policy. MPs voted against an amendment to keep the UK in Erasmus after the Brexit transition period. Losing Erasmus would be a huge loss to students not only in Cheltenham but across the UK by limiting their educational horizons. As the Co Vice-Chair of Twinning in Cheltenham, I will be writing to our MP and the Secretary of State for Education to request confirmation that the UK will remain in the Erasmus programme and I would like to ask the leader of the Council if he will do the same.
	Response from Cabinet Member
	I am more than happy to write as requested as the Erasmus programme has been of great value to UK students.
10.	Question from Councillor Angie Boyes to the Cabinet Member Housing, Councillor Peter Jeffries
	Cheltenham has been declared a Town of Sanctuary for refugees. In recognition of this, will Cheltenham Borough Council be prepared to

	<p>finance a plaque to celebrate this as other towns and cities have done, such as Bristol. It will not only serve as recognition of our status but also as a permanent reminder of our commitment to refugees as a Council, as a town and as individuals.</p>
	<p>Response from Cabinet Member</p>
	<p>Since December 2015, Cheltenham’s Liberal Democrat administration, the resident volunteer group Cheltenham Welcomes Refugees & Gloucestershire Action for Refugees and Asylum Seekers (GARAS) have been very pro-active working in partnership by welcoming 121 refugees into Cheltenham. In February 2019, this administration extended Cheltenham’s invitation further, to include an arrangement with UK Visas & Immigration to accommodate up to approximately 25 Asylum Seekers during the first 12 months.</p> <p>We are now reviewing our arrangements again, with a view to extending our offer to refugees during 2020.</p> <p>As a result, Cheltenham has welcomed more refugees than any other district in the county since December 2015. This would not have been possible without the support of our residents working so collaboratively, with such passion, kindness and empathy.</p> <p>Cheltenham Welcome refugees discussed and supported the desire for Cheltenham to become a Town of Sanctuary and on the 25th of March 2019 full council passed a motion to “adopt the title of Town of Sanctuary, and to take practical steps to welcome and include refugees and seek ways of supporting refugees wherever it can”.</p> <p>Given Cheltenham’s track record, we now feel it is the right time to apply officially for a City of Sanctuary award. These are given to organisations to recognise and celebrate their commitment to the values and vision of the City of Sanctuary network. Following submission of our application, this will be appraised by a local panel. If we are successful we will then be eligible to display an official City of Sanctuary certificate. This will then be framed and displayed in a prominent position within the Municipal Offices. Further discussion / work with our partners would need to take place in celebrating more widely Cheltenham as a Town of Sanctuary.</p> <p>There is more information about the award process here.</p>
11.	<p>Question from Councillor Wendy Flynn to the Leader of the Council, Councillor Steve Jordan</p>
	<p>The Hester’s Way Neighbourhood Forum, recognised by Cheltenham Borough Council as an official consultee in planning issues, submitted a comprehensive, professionally produced, master plan for the Hester’s Way ward part of the SPD area. Forum members and residents attended events and gave their views yet there is little evidence in the draft SPD that the Forum and the community’s views have been taken into account. An area of particular concern, and one which was given great weight in the Forum’s master plan, is the lack of a buffer zone along Fiddler’s Green Lane between the existing two-storey residential buildings and the up to seven-storey, densely situated technology buildings and multi-</p>

	<p>storey car park.</p> <p>Paragraph 12 of the Ministry of Housing Communities and Local Government Garden Communities Prospectus states “residents must have a meaningful say in developing the proposal from design to delivery” (my emphasis). Paragraph 13e states a key quality of any development should be that it is “designed and executed with the engagement and involvement of the existing local community.”</p> <p>What clear evidence is there that shows the views of the Forum and the views of residents of Hester’s Way ward influenced and shaped the draft SPD?</p>
	<p>Response from Cabinet Member</p>
	<p>There has been active engagement with local residents both through the community drop ins during September 2019 and the most recent public consultation. This engagement enabled direct access to the consultancy team and council officers to discuss and understand the views of residents. Hesters Way Neighbourhood Forum attended a workshop of stakeholders on 3rd September 2019. Feedback from residents’ at the most recent public consultation event has recognised changes that have occurred in the drafting of the Supplementary Planning Document. I can confirm that the masterplan as prepared by the Hesters Way neighbourhood Forum has formed part of the evidence base that has informed the Cyber Central SPD as drafted.</p>
<p>12.</p>	<p>Question from Councillor Wendy Flynn to the Leader of the Council, Councillor Steve Jordan</p>
	<p>The Draft SPD, Cyber Central Garden Community, has aspirations that the new development will be an integrated and connected extension of west Cheltenham. On page 14 it details a number of key benefits to the wider area, which are to be welcomed. In particular it says one of the benefits is that of “Significant new jobs created in this growth sector and inspiration to future generations seeking to address the current levels of deprivation in surrounding areas.”</p> <p>If there is a real commitment to using the development and the jobs it creates to inspire and improve the employment situation of the residents of West Cheltenham, why has an employment and training charter not been included in the draft SPD, that includes both construction phase and for when the park is completed?</p>
	<p>Response from Cabinet Member</p>
	<p>This is a really important point and one that we are discussing both corporately and in the context of this particular scheme. The SPD should be read alongside the Cheltenham Plan in which we now have a policy for the requirement of an employment and skills plan to accompany applications over for commercial uses over 1,000 sqm (policy EM4). Proposals for Cyber Central will therefore need to set out how the development will enable opportunities for employment and skills development of local people through the implementation of the</p>

	development proposal.
13.	Question from Councillor Wendy Flynn to the Leader of the Council, Councillor Steve Jordan
	The Cyber Central Garden Community draft SPD makes many references to community facilities, ones that will serve the new development as well as the existing residents of West Cheltenham, yet gives no details as to what these will be, who will run them and where they will be located. Will the final SPD be clearer on what community facilities will be included and propose who might run them?
	Response from Cabinet Member
	The SPD is a strategic masterplan and it would be inappropriate for the SPD to set this level of detail. This detail will need to be set out in the context of future planning applications.
14.	Question from Councillor Wendy Flynn to the Leader of the Council, Councillor Steve Jordan
	Having seen for myself the security gauntlet that has to be run to get in, out and even just between buildings on the Benhall GCHQ site, I am in doubt as to whether there will be much in the way of pedestrian traffic between the Doughnut and new Cyber Hub on a day to day basis and therefore little benefit to having the Cyber Central Hub located so close to the Doughnut as in the SPD. There are however huge disadvantages to sandwiching and isolating residents in Fiddlers Green between GCHQ, with around 7000 employees/contractors, and the new cyber hub, with 7500 workers, not least the disadvantage of a huge increase in vehicle movements. When drawing up the draft SPD, "Cyber Central Garden Community", has serious consideration been given to locating the Cyber Central Hub in the north of the SPD area?
	Response from Cabinet Member
	Engagement with the business sector, including GFirst LEP and relevant government departments clearly articulates the benefits of being closely located to existing GCHQ facilities. This was also tested through the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy, policy A7 of this plan has guided the preparation of the SPD. It is not proposed to change the location of the cyber central hub to the north of the site.

9. UPDATE TO THE CONSTITUTION

The Cabinet Member Corporate Services reported that the Constitution Working Group had met on the 27th January to discuss proposals for constitutional amendments. He suggested that since the proposed amendments cover a wide variety of issues, they should be approached one by one.

a) A change to Article 7, paragraph 7.2 of the Constitution to read "The Cabinet shall consist of the Leader of the Council together with at least

two, but not more than nine Councillors”, allowing the introduction of two new portfolios for the climate emergency and the economic development in West Cheltenham.

The Conservative group leader added that the opposition agreed with this recommendation. The Leader of the Council explained that although the Cabinet role is assumed at two days a week, it is unfair to assume that this is automatically what is available. He added that GCC has increased its Cabinet size in the last few years, and this change brings CBC into line with similar councils and accounts for the Cabinet’s increased workload.

VOTE:

FOR: 29

AGAINST: 6

ABSTENTIONS: 0

b) A reduction in the size of Planning Committee from 15 members to 11. This would require Council approval at Annual and Selection Council on 18 May 2020 and, once approved, would have immediate effect.

The Cabinet Member Corporate Services suggested that this reduction would also bring CBC into line with other councils around the country. The Chair of the Licensing Committee added that Licensing has 10 members and meets 4 times a year, while there are 5 members on the sub-committee which meets 8 times a year, and 3 on the alcohol sub-committee. He suggested that reducing Planning to 11 therefore seems sensible. He also noted that the Chair’s casting vote is no less important as it is still an odd number, and planning applications can still be appealed to the Planning Inspectorate. One member suggested that if Planning is too big, this might mean that the council itself is too big too.

VOTE:

FOR: 31

AGAINST: 2

ABSTENTIONS: 2

c) The introduction of the electronic voting system as an alternative to the show of hands currently required

One Member asked whether every vote could be a recorded vote. The Cabinet Member Corporate Services responded that the names of all councillors will appear on the main screen with their choice next to them. One member asked whether votes would be definitely recorded accurately, considering the possibility of user error. The Cabinet Member Corporate Services responded that members would likely know when they had pressed the wrong button and would be able to raise a point of order to have that noted. Members stressed that confidence in the system was key.

One Member asked about secret votes, while another asked how members can be sure that their vote had been recorded correctly. The Head of Law clarified these questions. A test vote and a secret vote were demonstrated for the benefit of members. One member noted that he could not remember the last example of a secret vote. He stressed that votes have to be open and accountable whenever possible.

The Cabinet Member Corporate Services responded that secret voting can be essential in some very specific circumstances. One Member added that he is averse to secret ballots for transparency reasons, though there can be good reasons to enter private sessions. He noted that during the test votes, a councillor sat next to him had been able to vote on his behalf. One Member added that under the present Code of Conduct, when a member is on an outside body or trust, they must leave the chamber so that they cannot influence votes.

The Head of Law clarified the difference between standard votes and recorded votes. Votes on exempt items are not secret votes – they are normal votes, just in exempt session. She explained that in order to move to all votes being recorded, a separate constitutional amendment would need to be approved by Council.

One Member asked whether, given the caveats expressed by members, it would be wise to simply retain the show of hands. The Cabinet Member Corporate Services clarified that the electronic system is being added to the constitution alongside a show of hands, rather than replacing it, so both options will be possible.

One Member asked that the system take into account members not being present. The Head of Law agreed that this would be better prepared at future meetings. One Member added that he was familiar with electronic voting at his previous council, and a key advantage was that it saved on having to do a roll call of all 40 members. He acknowledged the risk of human error, but noted that this is possible in any situation. One Member asked what would happen if a councillor with limited vision needed to vote. The Cabinet Member Corporate Services responded that the council needs to be as adaptable and inclusive as possible, and a solution would be found on a case-by-case basis.

The Mayor reiterated that the proposed change is simply to add the possibility of electronic voting to the constitution, not to do away with manual voting entirely.

VOTE:

FOR: 33

AGAINST: 2

ABSTENTIONS: 0

d) Moving the start time of Council meetings from 2:30pm to 6:00pm in the Council Diary for 2020/21.

One Member stressed that the answer to this depends more on when meetings finish than when they start. If a meeting goes on past 10pm or 11pm, members run the risk of losing focus. He advocated leaving the start time as it is, at 2:30pm.

VOTE:

FOR: 0

AGAINST: 32

ABSTENTIONS: 3

e) Delegating to the Borough Solicitor authority to make any textual or other amendments which are necessary to ensure accuracy, consistency and legality of the Constitution when incorporating the revisions authorised by Council.

VOTE:

FOR: 35

AGAINST: 0

ABSTENTIONS: 0

RESOLVED THAT

- 1. A change to Article 7, paragraph 7.2 of the Constitution to read “The Cabinet shall consist of the Leader of the Council together with at least two, but not more than nine Councillors” be approved.**
- 2. The financial implications that will arise from Recommendation 1 be approved.**
- 3. It be noted that the proposed change in size of Planning Committee will require Council approval at Annual and Selection Council on 18 May 2020 and once approved would have immediate effect.**
- 4. The use of the electronic voting system as an alternative to a show of hands currently required be approved.**
- 5. Authority be delegated to the Borough Solicitor authority to make any textual or other amendments which are necessary to ensure accuracy, consistency and legality of the Constitution when incorporating the revisions authorised by Council.**

10. HOUSING REVENUE ACCOUNT - REVISED FORECAST 2019/20 AND BUDGET PROPOSALS 2020/21

The Cabinet Member Finance presented the report and delivered a speech, which is attached to these minutes as an appendix.

The Conservative group leader responded that the opposition supported many things in the report, but queried whether point 3.1, which speaks in terms of moving towards a carbon-neutral housing portfolio, had a specific target in mind. The Cabinet Member Finance responded that CBH were allocating £50k in order to look at what they can and can't do in relation to existing stock. She was unable to be specific at this point, but CBC's stated aim is 2030. The Cabinet Member Housing added that, with both a housing crisis and a climate crisis, priorities invariably need to be balanced, but he reassured Members that Cheltenham Borough Homes' aims were aligned with those of the council. He stressed that the council needs more support from national government, both in terms of funding and in terms of information about the planned direction of travel of housing policy.

The People Against Bureaucracy group leader thanked the Cabinet Member and officers for putting together a sound report with both social and business issues at the forefront. He asked about the 500 homes of mixed tenure which are currently planned, and stressed his support for making the new homes carbon-neutral. However, he asked whether the Cabinet Member Finance believed that the building of these houses to be carbon-neutral will impact on the number of houses delivered. The Cabinet Member Finance responded that the relevant officers will be able to respond in more detail.

One Member congratulated officers on a number of good initiatives, but queried the £900k of funding allocated to heating. He asked whether the intention was to put heat pumps in instead of boilers, citing environmental concerns and the phasing out of gas boilers. The Cabinet Member Housing clarified that there was no provider at the moment who can provide what the council needs at the desired scale, so the replacement program is currently reliant on older technology.

One Member placed on record his thanks to CBH for its socially compassionate policy approach, citing the section on non-traditional stocks, which were very relevant to his ward.

One Member added his thanks, particularly to the Head of Community Services and the Estates team for their work on the subject, especially regarding a number of difficult issues. CBH has moved efficiently and proactively to help those who are most in need. One Member echoed this praise and added that she had worked closely with CBH over the last few years, and had been impressed by how it leveraged local support and built up communities.

One Member echoed the praise for CBH and sought to place it in a different context, suggesting that CBH is the council's partner both in name and in need. The key with the new houses is that they are affordable, something which Cheltenham currently lacks. She mentioned the Thrive program as a particular example of a successful and positive scheme.

One Member added his support for the report, observing that local authorities can play a significant role in alleviating the effects of austerity, so it is excellent to see a plan for 500 affordable homes by 2023. He praised the Cabinet Member Housing's work and agreed that a sustainable approach is needed to ensure that benefits are felt in years to come. Another Member noted that

although more technologically advanced systems can be expensive in the short term, they are of significant long-term benefit. He praised CBH's focus on pushing these ideas forward, adding that it will help to lower their cost in the long term. One Member emphasised the national context of housing issues, noting the importance of the government in Westminster as well as broader issues like climate change. Any policy must take into account those who are worst off first.

The Cabinet Member Housing thanked members for their positive comments and put on record his thanks to the CBH board, who worked constantly with the council's Executive Leadership Team. The Cabinet Member Finance also thanked members for their contributions to the debate, and for their positive comments.

A recorded vote was taken.

RESOLVED (unanimously) THAT

- 1. the revised HRA forecast for 2019/20 be noted.**
- 2. the HRA budget proposals for 2020/21 (shown at Appendix 2) including a proposed rent increase of 2.7% and changes to other rents and charges as detailed within the report be approved.**
- 3. the HRA capital programme for 2020/21 as shown at Appendix 3 be approved.**

VOTE:

FOR: 33 – Atherstone, Babbage, Baker, Barrell, Boyes, Britter, Brownstein, Clucas, Coleman, Collins, Cooke, Dobie, Fisher, Flynn, Harman, Harvey, Hay, Hegenbarth, Hobley, Jeffries, Jordan, McCloskey, McKinlay, Oliver, Parsons, Payne, Savage, Seacome, Stennett, Wheeler, Whyborn, Wilkinson, Williams, Willingham.

11. GENERAL FUND REVENUE AND CAPITAL – REVISED BUDGET 2019/20 AND FINAL BUDGET PROPOSALS 2020/21

The Cabinet Member Finance presented the report and delivered a speech, which is attached to these minutes as an appendix. The Leader of the Council seconded the report.

One Member asked a technical question about accreditation statuses. FC responded that these make it possible for the authority to retain their portfolio status. Accreditation experts look at everything owned by the council, comprising some 250,000 different objects. One Member asked whether the use of the term 'pump-priming' in the report means that removing money from the Town Hall improvement is imminent. The Cabinet Member Finance responded that the money is allocated to the Trust, on condition of a full business case. One Member outlined the situation at the Trust, reassuring members that it does not need rescuing, based on figures seen in the last couple of months. She praised the new Chief Executive of the Trust for turning around its financial situation. The council is working with the Trust to help it become more commercially focused. The new Chief Executive has overseen

positive changes in other areas of the Trust, e.g. more bookings across the board, and she was satisfied that the £1m allocated to the Trust will make a significant difference.

One Member suggested an amendment to paragraph 6.13, adding in reference to the Chancellor and the specific Secretary of State for Export. He suggested that this change would be a simple addition with a significant effect, and urged its adoption. The Cabinet Member Finance agreed that this would not change any of the costs of the budget besides two extra stamps, and accepted the incorporation of the amendment.

One Member asked about the toilet allocation in Sandford Park. She has recently been in contact with the Friends of Sandford Park group, who wanted to know when this would be received. The Cabinet Member Finance responded that she did not know at that moment, but would let her know when she had the relevant information.

KS also queried some ambiguous wording in paragraph 6.5, and asked whether the wording could be changed to 'originally allocated to the restoration of the unsafe bridge in Pilley Nature Reserve which has led to the closure of the public footpath behind old pats'.

One Member asked about the £200,000 investment in in-cab system, comparing it to Smart Meters and asking how the council can be sure that the projected savings will actually happen. The Cabinet Member Clean and Green Environment explained how the technology improves the system for customers by reducing errors, while helping the council achieve its climate change goals by making journeys shorter and more efficient.

One Member queried a figure on page 64, which refers to a figure of £458,000 earmarked for Budget Strategy Support Reserves. Later on, a figure of approximately £250,000 is cited – is this discrepancy because it is additional funding or a small part of the reserve? The Executive Director Finance and Assets referred to figures in Appendix 2 and Appendix 6 and also cited the overall strategy as detailed in Appendix 10.

One Member asked a further question about the growth proposals. In response the Cabinet Member Finance explained that funding had been set aside for the bridge restoration. The bridge had a number of footpaths to enable crossing, however the budget would be better off allocated to delivering more benefit for the whole town by being in the climate emergency budget. She reported that ward councillors had been working with their residents to help them secure alternative transport and routes. The benefit for the whole town must be considered.

One Member asked about the splash pad at the leisure centre, which had resulted in fewer people paying for admission. What exactly is the £200k for? The Cabinet Member Finance responded that £200k is not being added to its budget – instead, if the Trust cannot pay the loan back for any reason, this funding would be used to cover it. This represented a sound financial contingency plan. The Executive Director Finance and Assets suggested that all budgetary papers need to be considered in the context of the Section 25 report. As we move into the 2021/22 financial year, there was considerable uncertainty due to funding reviews. The strategy intended to map out the worst case

scenario and plan accordingly. £902,000 would be required from the budget support allowance in the worst case scenario, and this was currently not there. Any fortuitous underspend or increase in income will be returned.

One Member asked about the timeframe of planned industrial units, welcoming a development in his ward. The Cabinet Member Finance responded that these plans are already in action, evidenced by the current state of the site, and expected to be completed within the next financial year.

The Conservative group leader delivered his statement, outlining the alternative budget amendments proposed by the Conservative group. He advocated reducing the size of Cabinet to 6 members and moving to 4-yearly elections, suggesting possible savings of £45k p/a and £32k p/a. He suggested that reducing the size of the Cabinet would be possible considering its workload and the recent outsourcing of certain responsibilities. He believed there was sufficient capacity within the present Cabinet to achieve its present goals. Of the 6 district councils in the area, all do 4-yearly elections bar Cheltenham. He suggested that only putting half the councillors up for election every two years is rationing democracy. He also suggested an allocation of £52k p/a to the climate emergency. The proposals were seconded by Cllr. Babbage.

He added that a Councillor Community Fund ought to be created at a cost of around £20k p/a, which would help Members engage with their wards. He also advocated adding additional recycling Bring Site emptying at peak times, which would cost £5k p/a and benefit local residents, and suggested that these changes are all modest and achievable.

The People Against Bureaucracy group leader did not propose any amendments. He thanked the Cabinet Member Finance for a complex and detailed report, and thanked the finance team for their work in putting it together. He praised the balanced budget, considering the difficult economic situation, and particularly cited the investment in commercial opportunities that will pay off in the future.

Members debated the amendments proposed by the Conservative group. One member commended the group's recommendations and emphasised that the people of Cheltenham are not clamouring for more elections, or for more money to be spent on biannual elections. He also praised the proposal for a Councillor Community Fund and the intention to allocate more money to tackling climate change.

One Member responded that the Conservative group had suggested the same changes for several years running, and suggested that four-yearly elections are a saving that cannot be made considering the current plan. She suggested that the amendments are not a credible alternative, and disagreed with the proposals – though she praised the intention behind the Community Fund. The group leader acknowledged that the Conservative group's proposals have been repetitive, but if they had been accepted when first offered, then the council would be seeing the savings now.

The Cabinet Member Finance agreed that these savings were not feasible. The plan for four-yearly elections has been repeatedly rejected before on the grounds that two-yearly elections are more democratic, giving the public a more

frequent chance to have a voice. The proposal brings nowhere near large enough a saving to justify losing this benefit. She also cited the frequency of national elections brought about in the last few years by the Conservative Party.

She also criticised the proposal for reducing the number of Cabinet Members to 6, citing the county council's increase in size to 10 members. Cabinet Members have to monitor commissioned services more closely, so their workload has not decreased. One Member asked whether the leader of the Conservative group, in his role as a county councillor, believed that the size of the county cabinet should also have been reduced.

One Member clarified how the savings from four-yearly elections would work, suggesting that it would help to build up a reserve. He reminded members that the county council has a considerably larger budget than the borough council, and that each individual county Cabinet member likely oversees more resources than the whole of CBC.

Members discussed further issues in the alternative budget amendments. One member criticised the main budget's proposal for a one-off figure of £350k for climate change, and £150k on a Cabinet Member for climate change over 10 year. The alternative proposal was for £52k p/a, totalling £520k over 10 years. He also suggested that the recycling amendment offers a major public benefit for a relatively small amount of money.

Cllr. Parsons stated his intention to excuse himself from the substantive vote on the motion, in his role as a trustee on the Cheltenham Trust.

Members voted on the Conservative group's alternative budget amendments.

VOTE:

FOR: 5

AGAINST: 26

ABSTENTIONS: 2

The Leader of the Council formally seconded the budget report, and praised the officers and members involved in its collation. He noted that there are key unknown factors when considering the future of the council's funding, with the main one being government policy. Business rates are particularly important, with increasingly unfair discrepancies between towns and rural areas. Any rise in council tax must be considered in detail, but this is a relatively modest rise, which is lower than the police and the county council's rise.

He emphasised his delight at some of the programs funded in the budget, including progress in Sandford Park and improvements to the High Street. Funding for fighting climate change must be spent in the most effective way possible.

Members voted to continue the session after it reached the four-hour mark.

A Member praised how CBC has set aside funds to enhance the efficiency of Ubico services.

A Member praised the planned maintenance program for the Honeybourne Line, a significant portion of which is in his ward. The site will be preserved as much as possible, demonstrating the council's conservation efforts.

A Member responded to a point raised at a recent county council meeting, and outlined figures relating to land development in Cheltenham.

A Member welcomed efforts to tackle the climate emergency, citing recent flooding in the local area. She reported that she had attended the last county council meeting and was disappointed by the level of pantomime involved in its discussions of climate policy. She also praised the progress on the toilets in Sandford Park, which had been a real source of frustration for local residents.

A Member echoed criticisms of the alternative budget, noting that the county council, on which two of the Conservative members sit, had rejected a proposed £2m climate change initiative days earlier, only to offer a £50k increase now. He also criticised the scope of the Community Fund proposal, suggesting that £1000 for each ward would barely cover local potholes, which the county council is responsible for. He praised the main budget's emphasis on climate change and high street improvement, and criticised a lack of support from national government, citing the loss of the Revenue Support Grant.

A Member also emphasised the importance of a positive, progressive budget and reiterated that national government funding cuts are hugely significant. Local progress will always be limited as long as national government fails to fund key policy areas.

The Cabinet Member Finance added that the Community Fund had been advocated and supported several years previously, but had to be shelved due to budget cuts. She added that the budget's effect on people and change must not be underestimated.

The Mayor moved to a recorded vote.

RESOLVED THAT:

- 1. The revised budget for 2019/20 be approved.**

Considering the budget assessment by the Section 151 Officer at Appendix 2 the following recommendations be approved :

- 2. the final budget proposals including a proposed council tax for the services provided by Cheltenham Borough Council of £214.08 for the year 2020/21 based on a Band D property (an increase of 2.39% or £5.00 a year for a Band D property), as detailed in paragraphs 4.11 to 4.16.**
- 3. the growth proposals, including one off initiatives at Appendix 4.**

4. a lending (overdraft) facility of up to £100,000 to the Cheltenham BID to facilitate the delivery of an ice rink as detailed in Section 7.
5. the Executive Director Finance and Assets (in consultation with the Borough Solicitor) be authorised to take such actions and make such arrangements as are necessary for the implementation of the above lending facility to Cheltenham BID.
6. the savings / additional income totalling £826,000 and the budget strategy at Appendix 5 be approved.
7. the use of reserves and general balances be approved and note the projected level of reserves, as detailed at Appendix 6.
8. the capital programme at Appendix 7 be approved.
9. the programmed maintenance programme at Appendix 8 be approved.
10. Note that the Council will remain in the Gloucestershire business rates pool for 2020/21 (paragraphs 4.4 to 4.10).
11. the Pay Policy Statement for 2020/21, including the continued payment of a living wage supplement at Appendix 9 be approved.
12. the Medium Term Financial Strategy (MTFS) detailed in Section 5 and Appendix 10 be approved.
13. a level of supplementary estimate of £100,000 for 2020/21 as outlined in Section 13 be approved.

FOR: 27

For: Atherstone, Baker, Barrell, Boyes, Britter, Brownstein, Clucas, Coleman, Collins, Dobie, Fisher, Harvey, Hegenbarth, Jeffries, Jordan, McCloskey, McKinlay, Oliver, Payne, Stennett, Sudbury, Wheeler, Whyborn, Wilkinson, Willingham.

AGAINST: 0

ABSTENTIONS: 6

Abstentions: Babbage, Cooke, Harman, Parsons, Savage, Seacome.

12. COUNCIL TAX RESOLUTION 2020

The Cabinet Member Finance introduced the report and explained that now that the Council had agreed the budget and level of Council Tax for 2020/21 it was now required to formally approve the total Council Tax for the residents of Cheltenham, including the Council Tax requirements of the precepting organisations,

The total Council Tax to be paid by residents of Cheltenham in 2020/21 by council tax band, including the precepting authorities, was contained in Appendix 2.

She explained that by way of an explanation of how the precept was divided on a band D property the total council tax would be £1816.65 of which CBC received £214.08, GCC £1345.32, the Police £257.25. In percentage terms this equated to the County getting 74%, Police 14% and the Borough 12%

She then expressed caution that Parliament had yet to debate the final settlement albeit there were no changes expected.

The Mayor moved to a recorded vote.

RESOLVED (unanimously) THAT

the formal Council Tax resolution be approved

For: Atherstone, Babbage, Baker, Barrell, Britter, Brownsteen, Clucas, Coleman, Collins, Cooke, Dobie, Fisher, Harman, Harvey, Hay, Hegenbarth, Jeffries, Jordan, McCloskey, McKinlay, Oliver, Parsons, Payne, Savage, Seacome, Stennett, Sudbury, Wheeler, Whyborn, Wilkinson, Williams, Willingham

13. NOMINATIONS FOR MAYOR ELECT AND DEPUTY MAYOR ELECT 2020-21

The Chief Executive presented the report and explained that Councillor Sandra Holliday had served as Deputy Mayor since last year's Annual Council Meeting and Members would be asked to elect her as Mayor at this year's Annual Meeting.

He reported that the Members shown towards the head of the Order of Precedence in Appendix 2 had been approached to ascertain if they were willing and able to have their name put forward for appointment as Deputy Mayor for 2020-21. Councillor Chris Coleman indicated a willingness to put his name forward as Deputy Mayor subject to no other eligible councillor wishing to do so and pending the outcome of the May 2020 elections.

RESOLVED (unanimously) THAT

1. the Order of Precedence in Appendix 2 be noted.
2. Councillor Sandra Holliday be put to the Annual Council Meeting for election as Mayor for the Municipal year 2020 – 2021.

3. **Councillor Chris Coleman be put to the Annual Council Meeting for election as Deputy Mayor for the Municipal year 2020-2021, subject to his re-election.**

14. RECOMMENDATION TO ADOPT THE INTERNATIONAL HOLOCAUST REMEMBRANCE ALLIANCE (IHRA) WORKING DEFINITION OF ANTISEMITISM

The Leader of the Council presented the report, explaining that the Council has received a formal request to adopt the working definition of anti-Semitism provided by the International Holocaust Remembrance Alliance (IHRA).

One member noted that he had submitted a similar request in October 2019, and was pleased to see it progress to this stage. Another member added that he was very happy to support the definition, and praised recent commemorative events.

RESOLVED (unanimously) THAT

the IHRA Working Definition on antisemitism be adopted for use across the Council ensuring that this is reflected in its Equality and Diversity Scheme and other relevant policies.

15. NOTICES OF MOTION

There were none.

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

None.

**17. LOCAL GOVERNMENT ACT 1972 -EXEMPT INFORMATION
RESOLVED THAT**

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

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

**18. EXEMPT MINUTES
RESOLVED THAT**

The minutes of the meeting held on 22 July 2019 be approved and signed as a correct record.

Roger Whyborn
Chairman

Cheltenham Borough Council

Council – 23rd March, 2020

Consideration of a petition entitled “We call for urgency on our climate emergency”

Accountable Member	Councillor Chris Coleman, Cabinet member clean and green environment
Accountable Officer	Mike Redman, Director of Environment
Ward(s) Affected	All
Significant Decision	No
Executive Summary	<p>The following petition was submitted to the Council’s website on 19th September, 2019 and reached 750 signatures on 28th February, 2020, triggering entitlement to a debate on the issue at Council.:-</p> <p><i>‘We the undersigned petition the council to prioritise urgent and significant action in its intention to make Cheltenham carbon neutral by 2030. We support your decision in declaring a climate emergency and we would like to press upon you the importance of delivering on that declaration. We expect delivery on these targets within a reasonable yet condensed time-frame and invite utilisation of a greater community involvement in order to achieve this. Climate change is happening whether we like it or not. We as a community and you as our leaders need to take massive and urgent action or we will regret our leisurely pace for many years and generations to come.</i></p> <p><i>We will be holding you accountable for the actions you intend to take and will be following up with you in 6 months time.’</i></p>
Recommendations	<p>Council is recommended to:</p> <ol style="list-style-type: none"> 1. Consider the submitted petition, having regard to the adopted ‘Process for dealing with petitions at Council’, as set out at Appendix A; 2. Note the actions which the authority has taken to date and those proposed, as set out in Section 3; 3. Determine any further action or request that it wishes to make in light of the petition, having regard to the options set out under Section 6 of Appendix A and the recommendation at paragraph 3.10.

Financial implications	<p>Whilst the Council Page 36 set aside £425,000 within its approved budget for 2020-21 to fund staff and project feasibility work, it is recognised that resourcing will need to be reviewed in light of further information on the extent of investment required to achieve our climate neutrality commitment.</p> <p>The authority also wrote to the government in October 2019, requesting consideration of further powers and resources to enable and empower local authorities to respond effectively to the climate agenda.</p> <p>Contact officer: paul.jones@cheltenham.gov.uk 01242 264365</p>
Legal implications	<p>The petition will be debated at Council in accordance with the Council's Petition Scheme (see Appendix A) . The petition will be considered in accordance with the Council Procedure Rules, varied in so far as is necessary to comply with the attached process.</p> <p>Contact officer: sarah.farooqi@tewkesbury.gov.uk</p>
HR implications (including learning and organisational development)	<p>As the extent of the adaptation work required becomes clearer, the Council will need to determine how best to resource this and which partnerships are likely to produce the most effective and timely contributions. This will inform decisions on recruitment and associated training requirements.</p> <p>Contact officer: julie.mccarthy@publicagroup.uk 01242 264355</p>
Key risks	<p>If the authority does not connect and effectively communicate with and empower the community to take meaningful local action, the Council's ambition of becoming a net zero carbon borough by 2030 will be put in jeopardy.</p>
Corporate and community plan Implications	<p>Addressing the climate emergency is an essential and overarching policy principle, which will need to be consistently applied in relation to all Council services, projects and associated activities.</p> <p>Sustained and active public engagement on climate change will be of critical importance, including the empowerment of local communities to take actions themselves both in relation to carbon emission reductions and in becoming more resilient, by helping to mitigate the impacts which rising temperatures will inevitably have.</p> <p>Contact officer: mike.redman@cheltenham.gov.uk 01242 264160</p>
Environmental and climate change implications	<p>The primary purpose of addressing the climate emergency is to ensure Cheltenham contributes to the aim of limiting global warming to 1.5°C and minimises the associated negative impacts of climate breakdown, in support of the IPCC's special report on global warming.</p> <p>Contact officer: mike.redman@cheltenham.gov.uk 01242 264160</p>

Property/Asset Implications	<p>Page 37</p> <p>Whilst the authority has implemented a number of significant improvements which have reduced the Council's carbon footprint, it is recognised that further adaptation of the Council's property and asset portfolio will be necessary for the organisation to move at pace towards a carbon neutral future. Asset development and associated investment by the authority will be used to encourage our wider community to adapt to climate change and help to mitigate its projected impacts.</p> <p>Work is already being planned to investigate the potential of the Council's asset strategy to contribute directly to carbon emission reduction, including for example, through investment in renewable energy generation.</p> <p>Contact officer: dominic.stead@cheltenham.gov.uk 01242 264151</p>
------------------------------------	---

1. Background to the Petition Scheme

- 1.1 The Council's Petition Scheme has been designed to ensure that the public has easy access to information about how to petition their local authority and that they will know what to expect from their local authority in response. Included within the Scheme is the requirement to have a full Council debate, should a petition with 750 signatures or more be received.
- 1.2 The Scheme recognises that the issue may be referred to another part of the authority where the matter is not one reserved for Council. The purpose of the requirement for Council debate, therefore, is not to ensure that the final decision relating to the petition issue is made at that Council meeting, but to increase the transparency of the decision making process, ensuring that debates on significant petitions are publicised with sufficient notice to enable the petition organiser and public to attend. It also ensures that local people know that their views have been listened to and that they have the opportunity to hear their local representatives debate their concerns. The outcome of debates will depend on the subject matter of the petition.

2. The Petition

- 2.1 The Council received an on-line petition via its website on 19th September, 2019 and the number of signatories has passed 750, which triggers a debate on the issue at Council. The wording of the petition is set out in the Executive Summary of this report.
- 2.2 Yolande Booyse was nominated as the petition organiser.
- 2.3 The Council is therefore required to debate the petition for a maximum of 15 minutes in accordance with the Petitions Scheme approved by Council on the 13 May 2010. A process for dealing with a petition was produced by officers and is attached as Appendix 1 as a process to be followed for the debate at this meeting. The debate should conclude with one or more decisions taken pursuant to the Petition Scheme as follows
- Taking the action requested in the petition (provided the matter is reserved to full Council for decision);
 - Referring the matter to Cabinet or an Appropriate Cabinet Member or Committee (including Overview and Scrutiny) for further consideration;
 - Holding an inquiry into the matter;
 - Undertaking research into the matter;
 - Holding a public meeting;
 - Holding a consultation;
 - Holding a meeting with petitioners;
 - Calling a referendum;
 - Writing to the petition organiser setting out our views about the request in the petition;
 - Taking no further action on the matter.

3. Actions taken and proposed to (Page 38)

- 3.1 The report 'Carbon Neutral Cheltenham: Leadership through Stewardship' was presented to Full Council in October 2019, outlining the actions needed to address the climate emergency and to locally achieve net zero carbon by 2030. The report included an indicative timetable and recommendations about the initial resources required for the authority to take meaningful steps to deliver the scale of actions required by 2030.
- 3.2 Council has responded to this and in setting the budget for 2020-21, has allocated £425k to support work on the climate emergency agenda. This funding will be used to create capacity in the organisation to deliver practical action and to support renewable energy projects. A job description for a climate emergency manager is being finalised and will shortly go out to advert. This role will be supported by a full-time climate emergency officer. Recruitment to this post will take place once the manager has been recruited and an assessment can be made of the most useful skills required of the officer role.
- 3.3 The Leader has also expressed his intent to increase the size of his Cabinet to create two new portfolios, one of which will be dedicated to the climate change agenda.
- 3.4 The council will not be able to achieve the ambition of a net zero carbon borough without community ownership of that ambition and therefore, the request from the community for greater involvement is welcomed. Both the Executive Director for People and Change and the Director of Environment have been responding to requests to meet groups to discuss the council's plan and a key responsibility for the climate emergency manager will be to orchestrate engagement with the community and help facilitate community action. The climate emergency manager will also be responsible for monitoring and reporting progress against established carbon reduction targets for both the council and the borough.
- 3.5 A comprehensive study has been commissioned and is about to begin to analyse all the council's building and land holdings, to consider their potential for renewable energy production and storage. Subject to the outcomes of this study, business cases will be developed for those with the most promise and funding will be sought to move these to implementation.
- 3.6 In October 2019, the Leader wrote to the government, on behalf of the council, calling for access to sustainable funding; a mechanism to enable easy and timely access to government funding; a favourable financial landscape which supports zero carbon investment; devolved powers to enable the council to set local standards and requirements and the introduction of national policies to support faster local climate change mitigation. The council has not received a reply to this and a follow-up letter will be sent to re-affirm these requests.
- 3.7 In terms of the specific petition requests, the Council has made a firm commitment to act in relation to the declared climate emergency and has stated its intent to work to achieve carbon neutrality for both the Council and the Cheltenham Borough by 2030. This is 20 years sooner than the target which the UK government has set for itself and demonstrates the Council's view of the urgency of the situation.
- 3.8 The authority has also committed to reporting annually on progress towards achieving the carbon neutrality objective, whilst highlighting the need for government funding support, powers and appropriate national policies to help drive the carbon reduction agenda.
- 3.9 Until further analysis has been completed on the feasibility, funding implications and relative priority of the required actions at a local level, it would be premature and ill-advised to make any further commitments on the trajectory and likely timescale for achieving local carbon reductions.
- 3.10 **It is therefore recommended that Council does not currently need to take any further action, or request any additional commitment from Cabinet in respect of this petition.**

Report author	Contact officer: Mike Redman, Director of Environment mike.redman@cheltenham.gov.uk, Tel: 01242 264160
Appendices	A. Process for dealing with a petition at council
Background information	<ol style="list-style-type: none"> 1. Council's petition scheme – report to Council 13 May 2010 2. Report to Cabinet on 5 November 2019 entitled 'Carbon Neutral Cheltenham – Leadership through Stewardship' report

Process for dealing with petitions at Council

The following is the recommended process to be followed for the debate of a petition at the Council meeting in accordance with the Council's Petition Scheme. The Council Procedure Rules shall be suspended in so far as necessary to facilitate this process.

1. The Mayor will remind members of the procedure to be followed

2. Statement by the petition organiser

The Mayor will invite the petitioner organiser or their representative to come to the microphone and speak for up to 5 minutes on the petition.

There will be no questions and the petition organiser/their representative will take no further part in the proceedings.

3. Clarification on the background information in the officer's report

Members will be invited to ask any questions for clarification as to the facts in the officer's report.

4. Statement by the relevant Cabinet Member

The Cabinet Member whose portfolio is most relevant to the petition will be invited by the Mayor to speak for a maximum of 5 minutes on the subject of the petition. They may wish to refer to the background report from officers circulated with the papers for the meeting.

They may also wish to propose a motion at this point; if so, the motion must be seconded.

5. Debate by members

Where a member has proposed a motion (which is seconded), the usual Rules of Debate (Rule 13) will apply.

If there is no motion, the Mayor will invite any member who wishes to speak on the petition to address Council for up to a maximum of 3 minutes.

When the 15 minutes set aside for the debate (as laid down in the Council's Petition Scheme) is up, the Mayor may decide to extend the time allowed for the debate but will bring it to a close when they feel sufficient time has been allowed.

6. Conclusion of Debate

The debate should conclude with one or more decisions taken pursuant to the Petition Scheme as follows:

- Taking the action requested in the petition (provided the matter is reserved to full council for decision);
- Referring the matter to Cabinet or an Appropriate Cabinet Member or Committee (including Overview and Scrutiny) for further consideration;
- Holding an inquiry into the matter;
- Undertaking research into the matter;
- Holding a public meeting;
- Holding a consultation;
- Holding a meeting with petitioners;
- Calling a referendum;
- Writing to the petition organiser setting out our views about the request in the petition;
- Taking no further action on the matter.

Cheltenham Borough Council
Council – 23 March 2020

Adoption of revised Sexual Entertainment Venue Policy

Accountable member	Councillor Andrew McKinlay, Cabinet Members for Development and Safety
Accountable officer	Mike Redman, Director of Environment
Ward(s) affected	All
Key/Significant Decision	No
Executive summary	<p>The authority has adopted a sexual entertainment venue licensing policy. The current policy was adopted by Council in October 2014.</p> <p>A review and consultation on a revised policy has been undertaken on 11 February 2020 Cabinet approved the revised policy document and recommended to Council adoption of the revised policy document.</p>
Recommendations	<p>Council is recommended to:</p> <ol style="list-style-type: none"> 1. Note the consultation feedback; 2. Approve the revised policy document attached at Appendix 5.

Financial implications	<p>There are no financial implications to this paper.</p> <p>Contact officer: Andrew Knott, Andrew.Knott@publicagroup.uk, 01242 264121</p>
Legal implications	<p>The Licensing Authority is required to prepare, publish and keep under review, a statement of the principles it proposes to apply when exercising its functions in licensing Sexual Entertainment Venues.</p> <p>Section 27 of the Policing and Crime Act 2009 came into force on 6 April 2010. This amended Schedule 3 of the 1982 Act and created a new category of sex establishment, namely a sexual entertainment venue. This category added to the existing categories of sex establishment, namely, sex shops and sex cinemas.</p> <p>Whereas the actual determination of an application for a Licence under the Local Government (Miscellaneous Provisions) Act 1982 is a Council function, the function of formulating and adopting a Licensing Policy in relation to this type of licensing is a Cabinet function because neither the Act nor the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 preclude Cabinet from approving such a Policy.</p> <p>Contact officer: Vikki.Fennell@teWKesbury.gov.uk, 01684 272015</p>

HR implications (including learning and organisational development)	No direct HR implications arising from this report. Contact officer: Clare Jones, Clare.Jones@publicagroup.uk
Key risks	As outlined in Appendix 1
Corporate and community plan Implications	A Community Impact Assessment has been undertaken and attached at Appendix 5 of this report.
Environmental and climate change implications	N/A
Property/Asset Implications	N/A Contact officer: Dominic.Stead@cheltenham.gov.uk

1. Background

- 1.1 Sexual Entertainment Venues (“SEVs”) are regulated under Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Policing and Crime Act 2009.
- 1.2 The amended provisions were adopted by Council on the 11th of October 2010 and the authority’s current SEV licensing policy was adopted in October 2014.
- 1.3 A review of this policy has been undertaken as outlined in this report and appendices.
- 1.4 On 11 February 2020 Cabinet approved the draft revised SEV policy and passed a resolution to recommend adoption to full Council.

2. Statutory Context

- 2.1 Section 27 of the Police and Crime Act 2009 (“2009 Act”) amended Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 (“1982 Act”) to introduce a new type of sex establishment known as a sexual entertainment venue.
- 2.2 Any premises that want to offer “relevant entertainment” can only do so by obtaining a SEV licence.
- 2.3 Relevant entertainment is defined as any live performance or any live display of nudity which is of such a nature that, ignoring financial gain, it must reasonably be assumed to be provided solely or principally for the purpose of sexually stimulating any member of the audience (whether by verbal or other means).
- 2.4 Under the 2009 Act, a premises can provide relevant entertainment on an infrequent basis without the need for a SEV licence. Infrequent relevant entertainment is defined as relevant entertainment offered for no longer than 24 hours on no more than 11 occasions a year. Any premises that want to offer relevant entertainment more frequently is required to apply for a SEV licence.

3. Current Policy Position

- 3.1 The authority does not take any moral stand in relation to the regulation of sexual entertainment.

The current policy recognises that Parliament has made it lawful to operate a sex establishment and that such businesses are a legitimate part of the retail and leisure industries. It is this authority's role as the Licensing Authority to administer the licensing regime in accordance with the law.

3.2 The authority is empowered by schedule 3 paragraph 12(4) of the Local Government (Miscellaneous Provisions) Act 1982 (as amended) to set a limit on the number of licensed SEVs permitted in the relevant locality of which zero can be a number. For information, the current policy defines "relevant locality" as the local ward in which a SEV could be licensed.

3.3 The current policy position is set out in paragraph 11 of the policy stating:

Cheltenham is a relatively small urban borough that is predominantly residential in nature. The Council has already resolved that it is inappropriate to licence SEVs in or in the vicinity of, amongst others, residential areas. *It is the Council's policy therefore that there is no locality outside of the adopted Central Shopping Area in which it would be appropriate to license a SEV.* Accordingly the appropriate number of SEVs for outside of the adopted Central Shopping Area is nil. (paragraph 11.2)

3.4 Accordingly, there is currently one licensed SEV which is the Two Pigs Pub on Church Street which is inside the relevant locality in which SEVs are permitted.

4. Consultation

4.1 Consultation on the revised SEV policy was undertaken between 1 November 2019 and 6 January 2020.

4.2 Three responses were received. These are outlined, along with officer comments, at Appendix 2.

5. SEV Policy Scrutiny and Review Meeting

5.1 In July 2019, the authority's Licensing Committee held a SEV scrutiny session to give opportunity for Members of the committee to hear from key stakeholders in order to facilitate the review.

5.2 The stakeholders invited to attend were:

5.2.1 Gloucestershire Constabulary;

5.2.2 Ward Members in whose area SEV are, or have been, licensed;

5.2.3 SEV operators; and

5.2.4 Consultees who have previously engaged in the licensing process on a regular basis.

5.3 A copy of the minutes of that meeting is attached at Appendix 3 of this report.

6. SEVs in Cheltenham

6.1 Attached at Appendix 4 is the briefing paper that accompanied the scrutiny group meeting. Members may find the briefing paper helpful in terms of gaining a contextual understanding of SEVs in Cheltenham.

6.2 As outlined in the briefing paper, the authority has licensed and regulated SEVs in some form or another for many years. SEVs are particularly prevalent during horse racing events in Cheltenham on a scale that is not comparable with any other area outside of London.

6.3 As outlined above (under Statutory Context), sexual entertainment can either be licensed or take

place unlicensed as part of infrequent sexual entertainment.

- 6.4 Infrequent sexual entertainment is unlicensed by virtue of a statutory exemption that allows premises to carry on sexual entertainment without a licence if the sexual entertainment is offered for no longer than 24 hours on no more than 11 occasions a year.
- 6.5 Any premises that want to offer relevant entertainment more frequently is required to apply for a SEV licence.
- 6.6 As Members will note from the scrutiny meeting minutes (Appendix 3), there is a lot of debate about whether the authority should change its policy to set a zero limit to apply to the entire borough.
- 6.7 Officer's view is that a borough-wide policy of zero SEVs will not address the concerns raised by people and organisations that are opposed to SEVs; the rationale being that a zero policy for the borough will not achieve a reduction in the amount of sexual entertainment being offered in the town. Instead, the consequence would be that operators will instead rely on the statutory exemption by, instead of operating from one licensed venue, moving between premises around the town but offering the same amount of sexual entertainment.
- 6.8 Under the circumstances described above and recognising that sexual entertainment is a lawful activity, officers are of the view that it is better for the council to regulate SEV through licensing. Venues operating under the statutory exemption are free of any licensing regulation and control.
- 6.9 It is therefore proposed that the policy position with regards to limiting SEVs in Cheltenham not be changed.

7. Proposed policy changes

- 7.1 In addition to minor updates to the policy such as removing references to fax, the following policy changes are proposed:
 - 7.1.1 Under paragraph 11.4 (Sensitive Locations), reference to specific sensitive locations and building be removed in favour of a more general description of the types of locations that may be considered sensitive. Specific examples have in the past limited the Licensing Committee's determination of SEVs.
 - 7.1.2 A number of conditions have been updated or amended as shown on the draft revised policy at Appendix 5.
 - 7.1.3 The "relevant locality" where the authority will permit the licensing of SEVs has been revised. The rationale for this is:
 - 7.1.3.1 Recognition that the adopted Central Shopping Area excludes a number of venues on the Bath Road that can be considered as part of the "wider mix on offer, particularly in the night time economy"; and
 - 7.1.3.2 The Licensing Committee has already determined that the licensing of SEVs in the area referred to above is appropriate.
 - 7.1.4 It is also proposed that the authority include a waiver provision in the policy. Schedule 3, paragraph 7 of the Local Government (Miscellaneous Provisions) Act 1982 makes provision for the council to issue waivers. The effect is that it will remove the requirement for a licence under very limited circumstances as outlined under paragraph 3 of the revised policy.

8. Equality duties

- 8.1 An equality and community impact assessment has been undertaken to accompany this policy

review. The impact assessment is attached at Appendix 6 of this report.

- 8.2 Notwithstanding the fact that Parliament has made it lawful to operate a sex establishment, there is still an overarching duty on the authority to comply with its Public Sector Equality Duty (PSED) as defined by the Equality Act 2010.
- 8.3 The PSED places a duty on the authority to, in the exercise of their functions, have due regard to the need to:
 - 8.3.1 Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the 2010 Act.
 - 8.3.2 Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - 8.3.3 Foster good relations between people who share a protected characteristic and those who do not.
- 8.4 Consideration of the authority's PSED is particularly relevant to the licensing of sexual entertainment. It's licensing and regulation often creates a tension between the statutory right to operate such a venue and equality issues relating to discrimination and objectification of primarily women.
- 8.5 The starting point for the authority is the fact that it cannot take any moral stand in relation to SEVs in recognition that Parliament has made it lawful to operate a sex establishment. This starting point however does not mean that the authority is therefore bound by the primary legislation at the expense of other statutory requirements such as the PSED.
- 8.6 Equality issues may be relevant to (not exhaustive):
 - 8.6.1 The need to protect performers from harassment and threat;
 - 8.6.2 The need to ensure that any protected characteristic group is not more, or less, welcome than another;
 - 8.6.3 The need to properly consider the fear of any protected characteristic group using and accessing public spaces, facilities and infrastructure;
 - 8.6.4 The need to properly understand the relevant locality and the need to ensure, taking into account the relevant locality, any protected characteristic group's view is taken into account such as those relevant to religion or belief or race;
 - 8.6.5 The need to consider the views and experiences of people with disabilities as a protected characteristic group.
- 8.7 Some or all of these equality issues may be addressed through appropriate conditions and robust enforcement. Equally, the licensing process may also be an important tool to achieve the same outcome, for example, licence reviews and policy changes.

9. Reasons for recommendations

- 9.1 To secure adoption of the recommended revised policy as outlined in this report.

10. Alternative options considered

- 10.1 Cabinet can take the view that the policy changes proposed are not necessary and that the current policy remains sufficient for the purpose of regulating SEVs in Cheltenham.
- 10.2 However, this is not recommended as changes to the policy are necessary to ensure information is up to date and the policy continues to ensure SEVs are properly regulated.

<p>Report author</p>	<p>Contact officer: Louis Krog, louis.krog@cheltenham.gov.uk, 01242 262626</p>
<p>Appendices</p>	<ol style="list-style-type: none"> 1. Risk Assessment 2. Consultation feedback 3. SEV Policy Review Meeting minutes 4. SEV Policy Scrutiny Group - briefing paper 5. Revised Sexual Entertainment Venue Policy Statement 6. Community impact assessment
<p>Background information</p>	<ol style="list-style-type: none"> 1. Cabinet, 11 February 2020, 6.00 pm (Agenda item 7) 2. Council, Monday, 13th October, 2014 2.30 pm (Agenda item 8) 3. Cabinet, Tuesday, 16th September, 2014 6.00 pm (Agenda item 9)

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 authority does not approve draft changes to the policy it would be less able to effectively regulate sexual entertainment venues in the borough.	Director of Environment	October 2019	2	3	6	Accept	Approve draft policy change for consultation.		Licensing Team Leader	
	If the authority is not mindful of its Public Sector Equality Duty in reviewing the policy it risks a breach of this duty and the risk of reputational damage and legal challenge.	Director of Environment	October 2019	2	3	6	Accept	Approve draft policy change for consultation.		Licensing Team Leader	
Explanatory notes											
<p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											

This page is intentionally left blank

Appendix 2 – Consultation Feedback

Revised Sexual Entertainment Venue Policy

Comment	Officer comments
<p>Cllr Dr David Willingham</p> <p>Dear Licensing,</p> <p>I am writing in response to the SEV policy consultation.</p> <p>1 I support the proposed designation of Bath Road for inclusion in the approved area. Given that the Town Hall and some venues on A4015 The Promenade facing Imperial Square also occasionally host SEV under the exemption, it might be worth including this area to encourage them to properly licence those activities.</p> <p>2 I believe that the following licensing conditions should be modified:</p> <p>Venues should operate a Challenge 25 policy rather than a Challenge 21 policy to make it more difficult for anyone underage to access the premises.</p> <p>The prohibition on performers sharing personal details with customers should also be</p>	<p>Officers did not consult on the basis that Imperial Square should be included inside the relevant locality.</p> <p>If Members are minded to include this part of town, separate consultation will be required on this point.</p> <p>At the moment the frequency of sexual entertainment does not meet the statutory licensing threshold and there is no indication that this will change. It is therefore not proposed that the relevant locality be changed to include Imperial Square.</p> <p>Noted and policy amended.</p>

<p>modified to include a prohibition on sharing social media and electronic communication identifiers.</p> <p>A condition similar to the following should be added: Literature and contact details of organisations that provide advice and counselling on matters relating to:</p> <ul style="list-style-type: none"> (a) Modern slavery, (b) Domestic abuse, (c) Coercive control, (d) Rape and sexual assault, <p>shall be made available to performers free of charge in their changing area.</p> <p>The Council may wish to consider adopting the condition used by Manchester City Council on their SEV policy, which states: The use of any cruising cars or any other wheeled carriage [whether for the purposes of hire or reward or not] by the premises to solicit customers and/or transport to or from the premises is prohibited.</p> <p>3 No comments.</p> <p>4 I fully support the council's view that a zero limit is not going to prevent sexual entertainment from occurring in the town, but will mean that it is less well regulated and lesser regulation puts the performers at greater risk.</p>	<p>Noted and policy amended.</p> <p>Noted and policy amended.</p> <p>Noted and policy amended.</p>
<p>Ms Tess Beck</p> <p>In Cheltenham, SEVs and the lap dancing industry are only an issue during racing events such as race week. It is some time since there was an SEV licensed year round (Fantasy) and even then, for the last few years of its operation, it would only operate during race week, standing empty and getting increasingly dilapidated for the rest of the year.</p> <p>The link between lap dancing (sex-tourism) and race week is no more inevitable than the link between hooliganism and football. Removing the sex tourism aspect of race week</p>	<p>The scope of this policy is limited to sexual entertainment as defined in law. As outlined in the covering report (6.7 &</p>

(of which lap dancing is only a part) would make the town centre much more pleasant for many people (especially women) who visit or live and work in Cheltenham. Putting an end to sex tourism in Cheltenham could potentially also help to reduce the market for other parts of the sex industry such as trafficking.

Cheltenham's nightlife is valued for its safety: this is reflected in its Purple Flag status. But not during race week, when sexual harassment and even assault becomes commonplace for women socialising or working in the town centre.

Community Impact Assessment

You state that you are confident that your policy is robust in addressing any disadvantage caused to any groups.

As a woman, I can tell you that I experience greater levels of sexual harassment when in the town centre during race week. This is worse in the evenings when the majority of SEVs operate. But even during the day, when I worked in the town centre in a customer facing role during race week, I would experience frequent sexual harassment (which I rarely did at other times of the year). On many occasions, the men doing the harassing would refer to lap dancing or other aspects of the sex industry. I have heard similar experiences from many female friends of mine, many of whom take active steps to avoid town during race week. Your policy has not been robust enough to address this.

Though you refer to performers in another part of the impact assessment, you fail to acknowledge the gendered nature of SEV performers. Lap dancing is done exclusively by female performers, almost always for a male audience. It is done in booths in a one to one encounter. Though some performers may be paid per dance, they also rely on tips from the punter, which can make it hard for performers to enforce boundaries. As female sex workers, they routinely face discrimination. Their employment terms and

6.8), a zero limit on the number of licensed sexual entertainment venues will be ineffective because operators will instead rely on the statutory exemption which is entirely free of licensing control.

Officer's view is that it serves the public interest to license sexual entertainment venues therefore.

The scope of this policy is limited to regulating sexual entertainment venues. Comments generally about sexual harassment during horse racing festivals falls outside this scope and is a criminal matter to be reported to the police.

The authority's policy recognises that Parliament has made it lawful to operate sexual entertainment venues and to this extent the authority's policy is gender neutral.

In addition to the policy statement and licensing process, there is a robust inspection and enforcement process in

conditions for performers in lap dancing clubs are usually worse than other workers in the gig economy. This is quite different from the Dreamboys (for example) who are often touted as a false equivalent. The Dreamboys perform a floorshow as a troupe, not one to one in an enclosed space. Male performers do not experience the same discrimination as female lap dancers.

You state that your policy is robust enough to protect children from exposure to the sex industry. I can tell you that it isn't. My youngest child (born in 2005) has been exposed to aspects of the lap dancing industry many times. There was the van covered in a blown-up hyper realist image of a naked woman in a porn pose. This was parked on the Lower High Street near the Two Pigs when we went into town after school to get some new daps. There have been the posters promoting lap dancing in shop windows along the route into town, including next to McDonalds in the Lower High Street. There have been flyers left on the streets promoting Eroticats lap dancing and their XXX chat lines and cam girls. There have been the billboard trailers promoting lap dancing driven around the town centre and up and down the route to the race course - which also happens to be alongside Pittville Park and play area.

The distinction between the core commercial area and residential areas is a false one. Many people live in the town centre (I believe there is an effort by CBC, the BID and others to promote the increased use of the space above commercial premises for residential purposes). Many more people like us within 5 or 10 minutes' walk of the High Street. It is not possible for us and our families to avoid the town centre for a week, nor should we be expected to.

The licensing committee has repeatedly granted an SEV license to premises which are outside this core commercial area. Your response in this draft of the policy is to extend the Central Shopping Area. I do not agree with this response.

place to ensure compliance with licensing and legislative requirements. The inspection regime is undertaken in partnership with police licensing officers.

The policy conditions have been amended to remove the right to use vehicles to promote or market licensed sexual entertainment venues.

The policy conditions have also been strengthened in respect of leaflets to address concerns and complaints.

The policy statement makes provision for consideration of the character of the relevant locality including the proximity of residential properties and buildings with sensitive uses.

The point remained that, as outlined in the covering report (6.7 & 6.8), a zero limit on the number of licensed sexual entertainment venues will be ineffective because operators will instead rely on the statutory exemption which is entirely free of licensing control.

You admit your policy is not robust enough to prevent discrimination against people who have a particular religion or belief. Although your SEV policy states that a licence would be inappropriate when the premises are near a property which is sensitive for religious purposes, e.g. a church, licences have repeatedly been granted for the Two Pigs which is right next to St Mary's churchyard. This is despite members of the church telling you that the presence of sexual entertainment deters people from using church premises during race week, especially young people who would normally attend youth club in the evening. This is despite members of the church have telling you they regularly finding used condoms, underwear and sanitary protection in the church yard when licensed SEV activities are taking place in the Two Pigs during race week.

Your community impact assessment states that there is no direct or specific impact on people who are attracted to the same sex. The Two Pigs when operating as an SEV used to operate a sexist and homophobic door policy, banning women from entering as customers. A representative of the licensee even stood up in front of the licensing committee and stated that this policy was to prevent prostitution (I presume this was because any women were assumed to be prostitutes). This resulted in female observers from St Mary's Church being refused entry. This resulted in female friends of mine who are bisexual and were curious (and I think were expecting something a bit more like burlesque) being refused entry. After this was drawn to licensing officers' attention, Two Pigs had to change this door policy, but it had already been operating for some time by then.

The Statutory Exemption

I have sat through many licensing committee meetings where committee members have stated that it is better to have the premises providing lap dancing to do this under the auspices of the SEV licence than under the statutory exemption. I got the impression from some of the members that they would rather not give the licence - especially for premises next to a church, but have only done so because the national legislation means they could not prevent it happening altogether. (Of course, there are other members who aggressively support the sex industry and are happy to promote sex work as a career option for women and girls, but thankfully they seem to be in a minority).

Not clear where this is referenced in the policy document. As stated already however, the authority's policy recognises that Parliament has made it lawful to operate sexual entertainment venues and it is the authority's role to administer the licensing regime lawfully including the Public Sector Equality Duty on the authority.

Each individual application is referred to the licensing committee for determination and this is done with full consideration of the individual merits of the application, policy, statutory guidance and consultation feedback.

Whilst the policy should be adhered to and only be deviated from under exceptional circumstances, it cannot fetter the committee's discretion.

The statutory exemption exists in law and is therefore not within this authority's ability to influence.

There is general acknowledgement by this authority and opponents of sexual entertainment venues that the statutory exemption is unhelpful and to some extent defeats the object of the licensing scheme.

Hopefully operating with an SEV licence has given the performers better protections, but for residents it has meant that the Lap dancing has taken place at the premises over several nights rather than the 1 night permitted by the exemption.

I have heard representatives of the licensees stand in front of the licensing committee and state that by being able to operate out of one premises for the whole week, they would not need to use other premises across the town. In practice, come race week, they were operating in at least one other premises each night under the statutory exemption. And as these additional premises were operating under the exemption, this enabled them to flyer and use the liveried van to promote the licensed venue as well. And of course, there is nothing to prevent other operators providing lap dancing elsewhere under the statutory exemption.

Operators of SEVS whether licensed or operating under the Statutory Exemption are aware that race week is the busiest week of the year for police and licensing officers in Cheltenham. SEVs are only a small part of increase in licensable activities which take place that week. Enforcement does a good job in keeping a lid on things but officers are stretched to their limit and spread thinner than marmite.

From my research, Cheltenham during race week is the only place where the Statutory Exemption is exploited to this extent. Newquay used to have problems during the summer season, but thanks to the efforts of its then MP and police chiefs, they have managed to take action to prevent this. This has improved the atmosphere in Newquay for residents and tourists. Newquay has not experienced any drop in tourist numbers as result of the sex tourism industry being closed down.

SEVs do not benefit the town's economy, though they are great money spinners for the promoters. The operators who use our venues to put on lap dancing are here only for a week. They do not provide regular or stable employment. They suck money out of the town to the detriment of other businesses and the town's residents.

The existence of the Statutory Exemption removes Cheltenham's ability to establish and

This is the case principally because venues relying on the statutory exemption are entirely free of licensing control including a requirement to inform the authority and not subject to any controls or conditions.

No authority can, nor has, overcome the statutory exemption by any means. This authority has previously written to Cheltenham's PM to raise this with him, seeking a change in legislation, but to date there has been no indication from Government that it plans to make changes to legislation.

Until such a time as there is a change in legislation in so far as it relates to restrictions under the statutory exemption, this authority is faced with either seeking a license where one is required, or seeking to manage exempt sexual entertainment venues through voluntary schemes as is the case at present.

<p>enforce its own SEV policy for the benefit of the town as a whole. I would ask Cheltenham Borough Council to work with our MP and parliament to address the Statutory Exemption, and to remove this 'loophole'.</p>	
<p>Licensing Committee</p> <p>Remove specific examples under 12.4 to leave the discretion to the committee. The list is currently too prescriptive whilst not covering other premises that can be defined as sensitive uses.</p> <p>A standard commencement time for relevant entertainment of 20:00 should be specified in the policy.</p> <p>Conditions relating to flyers (10, 11 & 12) are confusing.</p> <p>Adopt a challenge 25 rule under condition 17.</p> <p>Include reference to social media in condition 30.</p> <p>Scope of condition 35 should be broadened to include other services/information.</p>	<p>Noted and policy amended.</p> <p>Noted and policy amended.</p> <p>Noted and policy amended.</p> <p>Noted and policy amended.</p> <p>Noted and policy amended.</p> <p>Noted and policy amended.</p>

This page is intentionally left blank

SEV Policy Review Meeting – 17th July 2019

Session 1 – Gloucestershire Police

- DM advised that staff from Gloucestershire Constabulary had been sent to London to see how they operate with regards to SEV's. He explained that the rules and regulations were very similar in London to that in Gloucestershire. They felt that Cheltenham officers, in particular, were extremely competent in enforcing and conducting visits on premises.
- They had not identified a correlation between SEV's and an increase in disorder and crime.
- With regards to the 2 Pigs, there had been 9 recorded offences in the last 3 years when they had been operating as an SEV. The police advised that you could expect a similar number of offences at other premises that were not SEV's.
- The recorded offences mainly related to theft, 2 related to sexual incidents, one of which was an anonymous call suggesting that performers were charging £250, however, the police attended immediately and saw that it was a malicious call. The other incident related to two individuals during the November race meet requesting a price for sex. Despite the fact it was a malicious call DM confirmed it still counted as an incident.
- The police confirmed that they were extremely happy with the conditions that Cheltenham imposed on SEV's and were satisfied that the licensing officers enforced them.
- They highlighted that Under the Prom and Moo Moo's also operated as an SEV under the statutory exemption they had no reported sexual incidents from the premises whilst they were operating as an SEV.
- The police explained that they try to ascertain where people who have been arrested were before the arrest and from previous experience; there was nothing to suggest they were in clubs operating SEV's. They explained that they do not have the resources to verify their claims, however, they would do so if it was a serious incident and there was evidential value in doing so. If this was the case, they would check the CCTV of every venue they had been to.
- They confirmed that there had been one alleged sexual assault during race week; however, this had no correlation to 2 pigs. The Licensing Team Leader confirmed that the assault related to 2 people who had met in the Bank House and the incident had happened at the person's residence.
- The Police highlighted that they would come straight to CBC and the licensing committee if they had any concerns. However, in their opinion, such licences didn't manifest in extra crime.
- They explained that they had never come across any performers who had been acting under duress. However, going forward this would be something they would look out for whilst doing routine inspections.
- There had been an incident whereby a performer had requested her money back and this had been resolved quickly by licensing officers and the police.
- The Licensing Team Leader confirmed that when doing inspections they are allowed access to the office and they check the girls ID and registration forms. They also have access to the CCTV and changing areas.

- The police confirmed that they were happy with the quality of the CCTV which was sufficiently adequate for any investigation.
- The Police acknowledged that prostitution did increase in Cheltenham during race week, however generally, this was not a big problem in Cheltenham when compared with Gloucester. Improvements in technology had also meant it was easier for prostitutes to make contact with clients. At the end of the races they had received complaints from guests in hotel rooms who had been robbed by prostitutes, however, they were not aware of any incidents of prostitutes propositioning people in the streets. The police advised that they had officers who specifically dealt with online prostitution.
- The police confirmed that they do visit hotels during race week to identify incidents of prostitution, however, agreed they could be more proactive and pick this up with hoteliers. There had been known cases of prostitutes operating in the Queens Hotel.
- One Member felt that they needed to focus on SEV's rather than prostitution and that linking the two was quite dangerous. They had been impressed by the set up at 2 Pigs and how open and transparent they had been, although were slightly concerned that they had to wait a while before they gained entry. They therefore questioned whether the police ever sent out undercover officers? The police confirmed that they did not send out undercover officers, however, Eroticats had suggested an officer be stationed for a whole evening at the venue. They also had the powers to force entry. The Licensing Team Leader highlighted that if they receive specific intelligence of concern then the Council may undertake a covert operation.
- One Member raised a concern about the size of the booths and the close proximity of the performers to clients. The Licensing Team Leader noted this point and agreed to do further research in this area.
- The police confirmed that door staff don't entice people in, although they do have promotional staff stationed across the town. They were unsure what Eroticats policy was on drawing in customers.
- The Licensing Team Leader explained that venues who operate under the statutory exemption have signed up to a voluntary code of practice which includes notifying police and the council when they intend to hold an event. They can therefore control them to some extent albeit informally.
- Members noted that there was inevitably a spike in crime rates during race week due to the increased number of people coming in to the town who were intoxicated and there was no evidence to suggest that SEV's contributed to the increase in crime.

Summary by Police

- Cheltenham's conditions were adequate and officers were extremely competent in enforcing them.
- From the research there is no connection between SEV's and prostitution. Financially the performers earn a lot more in a much safer environment in the 2 Pigs rather than through prostitution.

Session 2 – Chelt Fems/GRASAC/ Cheltenham Minster

GRASAC

- There was a lot of written evidence to suggest that those working and living in town were harassed physically and verbally during racing week. She felt that the Council, in carrying out its functions, should have due regard to the objectives of the public sector equality duty. As acknowledged by some Members at the recent licensing meeting, the tone of Cheltenham changes during race week and one female Councillor had stated they do not come in to town during race week. She also cited the changes in the pubs which see a large influx of males compared with females. She felt that local authorities should provide equal access and that women were not welcome in town. She requested that the local authority evoked all SEV licences.

Chelt Fems

- Felt that under the public sector equality duty, the local authority should permit zero SEV's. In her experience, women had been denied access to clubs with an SEV licence, lesbians had been told it was unsafe for them because they would be seen as prostitutes and women who would normally frequent at the 2 Pigs were denied access when there was sexual entertainment on. She felt that lap dancing was the cause of gender inequality in society and it sexualised and objectified women. Women in the town feel discriminated against and she felt that a petition in 2014 was ignored by the Council. She highlighted that times were changing and SEV's had dropped by a third, they therefore needed to show they were a progressive town and moving with the times. With regards to claims from the police that there were no increases in sexual incidents she stressed that women do not report rapes and in particular, reporting of low levels of sexual harassment were extremely low.

Chelt Fems

- Also had concerns that the council was not fulfilling its public sector equality duty as people feel excluded from town during race week, she highlighted that this also has an impact on the day time economy. She was relieved that the Eroticats van had been rebranded as the image originally portrayed was inappropriate. She felt that as the money was made in the booths and the performer's income was dependent on tips there was an equality issue, similarly, excluding entry to lesbians was homophobic. Those operating the SEV's were breaching the terms and conditions of their licence as they were flyering on the streets, moreover, the fact that 2 Pigs was situated next to a church and by the entrance to a park meant it did not comply with the council's licensing policy. She felt that the statutory exemption was exploited in Cheltenham and not used for the purpose intended and the national legislation should be challenged. She reiterated that she did not have a moral objection but that the council had an equality duty.

The Church

- The 3 main reasons they objected to SEV's was because of the effect on children, the location of the 2 Pigs and the discrimination against women.
- They felt that during race week the nature of the town changes completely. At St Matthews they have youth activity over the weekend and on a Friday evening,

however, during race week parents don't let their children walk to church as they ordinarily would.

- They also had concerns about the Eroticats van playing loud music.
- They noted that the grounds to the church were secluded and cut off from the main thoroughfare which promoted secretive activity in this area. They acknowledged that the Council sent somebody to clean the church yard on a Sunday morning at 10am, however, this didn't always happen. As a result, on several occasions, CD had cleared the church yard and found lots of broken glass, cigarettes, nitrous oxide canisters, syringes, discarded underwear and condoms.
- They felt that the operation of SEV's was discriminatory against women and that CBC had a statutory duty with regards to disability, race and gender. They felt that 2 Pigs, when operating as an SEV, sexualises and objectifies women. They had considerable concerns that the establishment was being used as a brothel during race week.
- Miss Phillips explained that they had been taking cakes in for the performers for several years, however, they had not been let in at first and advised that it was gentleman only. They had suspicions that it was a brothel because they had observed women wandering through and chatting to men who appeared to be advertising themselves to be taken upstairs and the bouncers had advised that they were unable to go upstairs. The fact it was free entry was also not normal for a strip club.
- The Chair advised that the licensing officers and committee had unfettered access to the club and they had no evidence to suggest prostitution. He highlighted that the reason they may not have been allowed upstairs was because a condition on the licence didn't allow members of the public upstairs.
- One Member noted that the change in tone of the town during race week was inevitable given the large influx of people, they reasoned that it was impossible to implement a policy to address this and felt that it wasn't just women who avoided the town during this time. They were concerned if women had been turned away from the clubs as this contravened the conditions in the policy. They questioned those giving evidence as to what more could be done to prevent assaults.
- MS advised that in the lead up to race week they did some joint work with the Council which included putting up posters in pubs and coffee shops encouraging people to report any incidents or suspicious activity. She explained that they had spoken with bar staff and a large majority said they had been assaulted in some fashion during race week including men. She explained that they had one incident of sexual assault reported to them and the police response was that this could be expected as it was race week. She explained that the low level assault often went unreported as victims felt they would not be listened to. The key was on more preventative work.
- One Member questioned how many cases of women being turned away had been reported to the Licensing Officer. The Licensing Team Leader confirmed that no incidence has been reported directly to them, however, given the evidence heard today they would need to speak to the venue to ensure they understood the policy. The Member reiterated that the current licensing policy prevents venues refusing women and so encouraged people to report it to the Licensing team.
- RC felt that the whole set up was highly intimidating to women and that used underwear, condoms and broken glass found in the church yard increased when

SEV's were in operation. One Member disagreed and felt that this could not be linked back to SEV's and was as a result of the large influx of people to the town during race week.

- One Member questioned what more could be done to increase the number of sexual assaults reported. They also highlighted that they were unable to change the law with regards to SEV's and that they had even lesser control under the statutory exemptions. They also questioned what more could be done to improve the wellbeing of performers.
- TB recommended that the booths be removed as was being trialled in some areas of Bristol and London. If they just had floor shows it would be more public and less chance of incidents. She also had concerns that more vulnerable women were coming in to the industry as the demand was increasing.
- RL noted that the recent marketing Cheltenham campaign whereby a woman was stripped to the waist did not portray the right image for Cheltenham. She felt that that they should be more concerned with reducing sexual assaults through prevention campaigns.
- MS advised that the rape and crisis centre appealed to many victims as they are an independent body and they are often frightened to report incidents to the police, whilst they support them if they wish to report it, many women choose not to.
- AP questioned why if men also felt intimidated during race week they did not make the town feel safer for both men and women. One Member felt that some people were more sensitive than others and that the main reason for the intimidation was because of the large number of people around the town not the SEV's.
- One Member highlighted that at present the Council has a SEV policy that allows them to put a vast number of conditions on premises that operate as an SEV and they have much less power to regulate venues under the statutory exemptions. With regards to temporary events notices, only the police could object on public safety grounds. The Licensing Team Leader reiterated that if they were to set a zero limit on SEV's there could still be the same number of SEV's due to the statutory exemption.
- RC questioned whether there would be the same number of SEV's as society was changing and felt that by setting a zero limit on SEV's they would give a better impression of Cheltenham.
- The Licensing Team Leader confirmed that the local authority had no control over statutory exemptions even if there were complaints and that the 2 Pigs had a licence from 8pm during race week.
- In response to a Member question, RC confirmed that whilst they do not have any services during the evening they do have a service at 11am on a Sunday morning and youth events in the evenings from 19:00 – 21:30.
- The Licensing Team Leader agreed to share the minutes from the meeting where the 2 Pigs were granted a licence with the church so that they could see the rationale for the committee's decision.
- TB highlighted that when Cheltenham had hosted burlesque shows and the Chippendales there had been a mixed audience and people felt far less intimidated.
- MS felt that a zero tolerance on SEV's would send a clear message about what Cheltenham stands for and agreed that the wider issues of TEN's needed to be dealt with.

- RC felt that there should be more research done in to what a zero policy might look like from towns that are working towards that.
- One Member advised that they been extremely impressed with the set up at the 2 Pigs when they had visited it during race week, particularly with regards to the security and the safety of the women and the checks carried out on the women to ensure they hadn't been coerced.
- The Licensing Team Leader confirmed that the public consultation on the SEV policy was likely to take place in the lead up to Christmas and the 2 Pigs licence was due for renewal in January.

Session 3 – Eroticats

2 Pigs Licence Holder

- Advised that their policy and procedures were based on advice received from CBC licensing department and they go beyond the standards imposed by the council. This included driving performers home or to their cars, providing them with hot and cold refreshments and a secure cloak room.
- They continually cooperate with the Licensing Team Leader and the police to resolve any issues and take action as appropriate.
- They have additional security staff on during race week.
- The performers register online beforehand, they are then contacted by one of the managers and are asked to provide additional information including proof of ID. They are subject to further background checks to ensure they are not the victim of human or sex trafficking.
- They keep a log to report any issues and fully comply with the equalities act.
- Eroticats felt that CBC's policies and approach were very strict but fully understood why such policies were in place and were more than willing to comply.
- The 2 Pigs were only open on a Friday and Saturday night and the bar staff were given the option to work during race week.
- The performer in attendance who worked for Eroticats and resided in Cheltenham felt that the 2 Pigs was a happy and safe environment, she felt that the security were fully equipped to deal with any issues. She explained that she had never experienced or witnessed any issues and that the security staff were right next to them when they were giving dances. They also had adequate changing facilities and a room to put their belongings which is manned by security.
- The 2 Pigs confirmed that they do allow ladies in to venue and they have a number of women and couples who have dances. They did, however, monitor the type of people coming in to the venue and do not allow entry to those looking for illegal business or those they anticipate causing trouble. He reiterated that they do not turn people away based on their gender.
- The performer advised that there are a number of dancers who are local to Cheltenham, Gloucester, Swindon and the West Midlands, she explained that the races is known as well-run event and so dancers do come from all over to work it. She explained that the club was extremely busy and so it was easy to walk away from any awkward situations or people she knew.

- The Licence Holder explained that they have their own procedures that go beyond the conditions imposed by the council and suggested such conditions be imposed on other establishments to ensure the welfare of dancers.
- They confirmed that the dancers can refuse to dance with anyone and a number of them have female and couple customers.
- In response to a Members question, Eroticats explained that all their dancers were self-employed and that they had a number of male performers on their books. He explained that they emailed all those on their database when they were advising them of the race week event and male performers had the opportunity to sign up. They had also put on 3 or 4 male strip shows in the past.
- On the database they keep a record of everyone who has ever worked for Eroticats including information regarding their conduct and behaviour, they also keep an incidence log and incidents are rated from severe to minor. They have had situations whereby they haven't invited people back.
- The performer confirmed that they had a house mother who was available if any of the girls had any issues.
- They advised that the booths can be made bigger or smaller as they are partitioned by a curtain.
- With regards to the Eroticats van they had agreed the music wouldn't be played past 11pm/12am.
- The Licencee advised that they had had incidents where feminists had attended, however, they had been politely asked to leave as a result of their behaviour towards the girls. They were also known to the door staff and so may have been turned away on occasions when it was anticipated that they would cause trouble. Members suggested that venue keep a log of incidents where the group caused trouble. They advised that they do keep a refusal log, however, those wouldn't be broken down in to groups i.e. feminists. The main reason for refusal was intoxication.
- In response to suggestions that the booths be removed, they explained that single booths made situations easier to manage. All the door staff patrolled the area and could see in to the booths at any one time. They had concerns that if the performers were all in one room customers may act up in front of their friends and security would have less control which would be potentially dangerous for the performers. The performer confirmed that she had more control one on one and wouldn't feel comfortable performing to a room if someone had paid for a service.
- It was confirmed that money for dances was taken at the desk and the performer is then given a token which is safer than them dealing directly with money. They don't generally get tips, however, if they do they declare them to the management. The manager advised they generally encourage them not to accept tips and to carry minimal money on them, if they have over £10 they need to declare it.

Session 4 – Ward Cllrs

- He had long been opposed to SEV's particularly with regards to Fantasy Club. His main concern was that the council had a policy on areas permitted for SEV's and Fantasy had been granted a licence despite the fact it was outside of the permitted area. He felt strongly that the policy with regards to permitted areas should be strictly adhered to.

- He felt that when premises did have licence the regulations were not adhered to and that rather than spreading the councils resources thinly they should just allow premises to operate under a TEN. In particular, he had serious concerns with the management of Fantasy with regards to health and safety and felt there was a lot of anecdotal evidence that girls were performing in order to pay off university fees. From what he had seen girls had been allowed on to the roof to smoke and did not have a chaperone at the end of the evening, they had also lied to the committee about the money they had spent on the venue. From his past experience, the policy hadn't been robust and he saw SEV's as a money making enterprise and the opportunity for cutting corners was rife.
- Members felt that in contrast, the 2 Pigs was extremely well run and managed and the safety of the girls was paramount and suggested Councillor Barnes visit with the licensing officers.
- Within his ward, Councillor Barnes explained that there were a lot of objections to SEV's on moral grounds.
- With regards to the fact that Fantasy was outside of the permitted area, some Members highlighted that the policy was guidance and not necessarily law and if the committee can find justifiable reasons for varying from policy then it can do so.
- The Licensing Officer advised that a venue must pass the health and safety regulations and that when Fantasy was in operation they had visited once or twice a night to check they were adhering to regulations.

Closing Comments

- Reference to fax at 3.2 should be removed
- A discussion was had about 11.4 and sensitive locations, it was agreed that reference to specific sensitive locations should be removed and instead be a catch all.
- It was agreed that the reference to flyering in appendix 1 needed to be revisited as the council are unable to control flyering of venues operating under the exemption.
- The policy should specify how long the signing in register is kept for.
- Venues should have literature in the changing area regarding coercion and the work that GRASAC do.
- Move to challenge 25 rather than 21.
- A condition about door supervisors not touting for business.
- The permitted area for SEV's should be reviewed and brought back to the licensing committee. Some Members felt it should include the area down to the park on Bath Road.



SEV Policy Scrutiny Group – Briefing Paper

Background – SEVs in Cheltenham

Cheltenham Borough Council has licensed and regulated sexual entertainment venues (SEVs) in some form or another for many years.

Prior to 2009, sexual entertainment venues were not licensable and were able to operate largely without any council control. The only requirement would have been a premises licence under the Licensing Act 2003 authorising the sale/supply of alcohol and regulated entertainment such as the performance of dance and playing recorded music.

Prior to the legislative change in 2009, only one SEV operated in Cheltenham which was The Blue Room on St Margaret's Road.

In 2009 the Policing and Crime Act 2009 came into force that introduced for the first time a formal licensing requirement for SEVs. The Blue Room ceased trading in 2011 as a SEV.

In 2013 the first SEV licence was granted to the then Diamond Gentleman's Club on Bath Road. That venue, later known as Fantasy, was licensed until 2017 as a SEV.

In 2016 the council issued a SEV licence to the Two Pigs Pub on Church Street. The Two Pigs Pub continues to be licensed as a SEV to date.

The law change in 2009 also created a statutory exemption for infrequent SEVs. The majority of venues in the town that offer sexual entertainment do so under the statutory exemption.

Legislation

The need for a licence

SEVs are licensed as sex establishments under schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by section 27 and schedule 3 of the Policing and Crime Act 2009.

“Sexual entertainment venue” is defined as any premises at which relevant entertainment is provided before a live audience for the financial gain of the organiser or the entertainer.

“Relevant entertainment” means any live performance or any live display of nudity which is of such a nature that, ignoring financial gain, it must reasonably be assumed to be provided solely or

principally for the purpose of sexually stimulating any member of the audience (whether by verbal or other means).

Any premises that offers “relevant entertainment” more frequently than once a month, lasting longer than 24 hours at a time, or on more than eleven occasions per year requires a SEV licence.

Premises that offer infrequent “relevant entertainment” (i.e. no more than once/month, lasting no longer than 24 hours on each of these occasions and no more than 11 occasions/year) can do so without the need for a licence and are free from council regulation and control.

Determination

The legislation prescribes the circumstances under which the council can refuse or revoke a SEV licence:

1. Mandatory grounds:

- a) to a person under the age of 18;
- b) to a person who is for the time being disqualified under paragraph 17(3)¹;
- c) to a person, other than a body corporate, who is not resident in the United Kingdom or was not so resident throughout the period of six months immediately preceding the date when the application was made;
- d) to a body corporate which is not incorporated in the United Kingdom;
- e) to a person who has, within a period of 12 months immediately preceding the date when the application was made, been refused the grant or renewal of a licence for the premises, vehicle, vessel or stall in respect of which the application is made, unless the refusal has been reversed on appeal.

2. Discretionary grounds:

- a) that the applicant is unsuitable to hold the licence by reason of having been convicted of an offence or for any other reason;
- b) that if the licence were to be granted, renewed or transferred the business to which it relates would be managed by or carried on for the benefit of a person, other than the applicant, who would be refused the grant, renewal or transfer of such a licence if he made the application himself;
- c) that the number of sex establishments in the relevant locality at the time the application is determined is equal to or exceeds the number which the authority consider is appropriate for that locality;
- d) that the grant or renewal of the licence would be inappropriate, having regard:
 - i. to the character of the relevant locality; or
 - ii. to the use to which any premises in the vicinity are put; or
 - iii. to the layout, character or condition of the premises, vehicle, vessel or stall in respect of which the application is made.

The council has the power to prescribe conditions. The council’s standard conditions are attached for reference.

¹ Where a licence is revoked, its holder shall be disqualified from holding or obtaining a licence in the area of the appropriate authority for a period of 12 months beginning with the date of revocation.

National Guidance

The Government has issued guidance for licensing authorities. The guidance is available online (<https://webarchive.nationalarchives.gov.uk/20100408140149/http://www.crimereduction.homeoffice.gov.uk/crimereduction057a.pdf>)

Policy

The council has adopted Policing and Crime Act 2009 in so far as it relates to SEVs. The council has also adopted a SEV licensing policy.

The most current version of the SEV policy was adopted in October 2014. [The policy document](#) should be read in conjunction with this briefing note.

It is an overarching principle of the policy that the council does not take any moral stand in relation to the licensing of SEVs. The council recognises that Parliament has made it lawful to operate a sex establishment and that such businesses are a legitimate part of the retail and leisure industries. It is this council's role as the licensing authority to administer the licensing regime in accordance with the law.

Councils are able to set a limit on the number of SEVs it will permit in its administrative area – including a zero limit.

Cheltenham Borough Council's SEV policy has set limits on the number of SEV as follows:

- a) The appropriate number of SEVs for outside of the adopted Central Shopping Area is nil.
- b) The Council has resolved that it will not set a limit on the number of permitted SEVs in the adopted Central Shopping Area providing those premises are not near properties with sensitive uses or in sensitive locations.

Properties with sensitive uses or in sensitive locations are defined as:

- a) The fact that the premises are sited in a residential area;
- b) Whether the premises are sited near shops used by or directed at families or children, or on frontages frequently passed by the same;
- c) Whether the premises are sited near properties which are sensitive for religious purposes e.g. churches, mosques, temples; and/or
- d) Whether the premises are sited near premises or areas which are sensitive because they are frequented by children, young persons or families, including but not limited to educational establishments, leisure facilities such as parks, libraries or swimming pools, markets and covered markets.

Equality Issues

An issue that has consistently been raised is that of council's Public Sector Equality Duty (PSED) and its interaction with the licensing of SEVs.

The PSED places a statutory duty on the council, in the exercise of its functions, to have due regard to the need to:

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Protected characteristics are:

- age
- disability
- gender reassignment
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation

The licensing and regulation of SEVs does fall within the council's PSED and therefore the council must have regard to the matters listed above when, for example, setting policy and issuing licences.

The licensing and regulation of SEVs often creates a tension between the statutory right to operate such a venue and equality issues relating to discrimination and objectification of primarily women.

The starting point for the council is the fact that it cannot take any moral stand in relation SEVs in recognition that Parliament has made it lawful to operate a sex establishment. This starting point however does not mean that the council is therefore bound by the primary legislation at the expense of other statutory requirements.

When setting policy or determining individual applications, the council must have regard to its PSED taking into account the individual merits of each application.

Equality issues may be relevant to (not exhaustive):

1. The need to protect performers from harassment and threat;
2. The need to ensure that any protected characteristic group is not more, or less, welcome than another;
3. The need to properly consider the fear of any protected characteristic group using and accessing public spaces, facilities and infrastructure;
4. The need to properly understand the relevant locality and the need the need to ensure, taking into account the relevant locality, any protected characteristic group's view is taken into account such as those relevant to religion or belief or race;
5. The need to consider the views and experiences of people with disabilities as a protected characteristic group.

Some or all of these equality issues may be addressed through appropriate conditions and robust enforcement. Equally, the licensing process may also be an important tool to achieve the same outcome, for example, licence reviews and policy changes.

Waivers

Schedule 3, paragraph 7 of the Local Government (Miscellaneous Provisions) Act 1982 makes provision for the council to issue waivers. The effect is that it will remove the requirement for a licence.

The legislation allows an applicant to apply to the Council for a waiver either as part of a substantive application or just for a waiver by itself.

The circumstances that may lead the council to grant a request for a waiver is not clear in the legislation and therefore it should come down to local decision making and policy to define and provide guidance. The general principle should be that regulated activity should be minimal or largely ancillary to something else that is cannot be regarded as relevant entertainment. Examples of this could include some nudity in a burlesque show, shops with a small amount of sex toys and objects and/or ad hoc film festivals where erotic films are shown.

Since the legislation is silent on criteria to be applied when applications for a waiver is submitted, it is appropriate for the council's licensing policy to provide further guidance and set criteria to be applied.

Proposed policy on waivers:

The power to waive licensing requirements is not a substitute for licensing, and applicants will be expected to demonstrate exceptional circumstances in justifying why the licensing requirement should be waived in their case.

In considering applications for waivers, the council's general approach will be:

- 1. Waivers must be sought in respect of a temporary events*
- 2. Waivers will not be granted for events that includes relevant entertainment (i.e. striptease, lap-dancing, pole dancing or similar activities) recognising that a statutory exemption already exists for infrequent sexual entertainment*
- 3. Licensable activities (that would normally have required a licence) must principally be ancillary and kept to an absolute minimum to other activities not licensable under the provisions of the 1982 Act*
- 4. Waivers will only be considered, on its merits, in exceptional circumstances*

Applications will be considered by the Licensing and Committee, or delegated sub-committee thereof, and reasons shall be given of the decision taken.

A waiver may be for such period as the Council sees fit. Where the Council grants an application for a waiver, notice will be given to the applicant stating that it has granted the application. The Authority may at any time give a person who would require a licence, notice that the waiver is to terminate, on such date not less than 28 days from the date on which it gives the notice, or as may be specified in the notice.

STANDARD CONDITIONS REGARDING SEXUAL ENTERTAINMENT VENUES**General Conditions:**

1. The premises shall only permit adult entertainment between the hours of hours and hours the following morning as determined by the licensing committee.
2. Only activities which have previously been agreed in writing by the Council shall take place.
3. The agreed activities shall take place only in designated areas approved by the Council.
4. There shall not be displayed outside the premises, in the immediate vicinity, or elsewhere within the Town any advertisements, photographs or images that indicate or suggest that striptease-type dancing takes place on the premises.
5. Any flyers advertising the adult entertainment must not display any photographs or images of the entertainment and any images must be approved by the Advertising Standards Agency and not be handed to persons who look under the age of 21. Any handbills must only be distributed after 19.00hrs with the exception of race days. Examples of the handbills that are in use shall be lodged with the licensing authority prior to their distribution.
6. No flyers or similar promotional material for the premises shall be distributed within the Town.
7. Rules shall be produced by the licensee for customers indicating conduct that is deemed acceptable. These rules shall be prominently displayed at all tables and at other appropriate locations within the club.
8. A clear Notice shall be displayed inside the entrance to the premises in the following terms:
“Striptease-style entertainment takes place on these premises. No persons under 18 shall be permitted in the premises.”
9. The performance must not be visible from the street, and any person who can be observed from the outside of the premises must be properly and decently dressed. Scantily-clad individuals employed in the premises must not exhibit themselves in the entrance or in the vicinity of the premises.
10. When the premises are open for Striptease/Lap/Pole Dancing no person under the age of 18 shall be permitted to be on the premises. Anyone appearing to be under the age of 21 years shall be asked to produce valid photographic identification. If this is not produced the individual shall be refused access.
11. The premises shall maintain a Refusals Log whereby any occasion a person is refused entry shall be recorded and available upon request by the Police or an authorised officer of the Council.

Conditions regarding Performers:

12. Striptease and similar entertainment may only take place in ‘designated areas’ that are marked on the plan of the premises.

13. The entertainment shall be provided by professional performers only. The audience must at all times remain fully-clothed.
14. Performers shall be aged not less than 18 years and the licence holder (or his nominated deputy who is authorised in writing) shall satisfy him/herself that this is the case by requesting valid photographic ID, if necessary, prior to the performance.
15. A 'Signing-in' Register shall be kept at the premises that records the time that the performer starts and finishes at the premises. This shall be made available for immediate inspection by a Police Officer or authorised Officers of Cheltenham Borough Council (who will carry identification).
16. During any performance there must be no physical contact between the performer and any member of the viewing public.
17. No performances shall include any sexual act with other performers.
18. No performances shall include any sexual act with objects.
19. There shall be no nudity by performers in public areas of the premises, unless the Council has agreed in writing that the area may be used for performances of sexual entertainment.
20. At the completion of the relevant entertainment the performers shall dress themselves immediately and leave the designated performance area. Performers not engaged in performing shall not remain in any area in a state of undress.
21. Performers are not to solicit, exchange addresses or telephone numbers with customers, liaise with customers of the premises, or incite customers to purchase alcoholic drinks.
22. An appropriate room shall be set aside to provide a changing and rest area for performers. Access to this room shall be restricted to performers only, whilst the performers are on the premises and shall be marked on the plan of the premises.
23. Any bodily contact between entertainers or performers or any movement that indicates sexual activity or simulated sex between entertainers or performers is strictly forbidden.
24. Entertainers or performers not performing must not be in a licensed area in a state of undress.
25. There shall be prominently and legibly displayed a comprehensive tariff of all charges and prices in respect of relevant entertainment, including any charge for the company of any person working at the premises, which shall be placed in such a position that it can at all times be easily and conveniently read by persons inside the premises.

Briefing:

26. Prior to performers carrying out any activity on the premises, they shall be briefed (verbally or in writing) by the licence holder or his nominated deputy who is authorised in writing as to the conditions that pertain to these particular premises, including the fact that their activities will be recorded on CCTV. The performer(s) shall sign in the Register that they have been briefed.

Door-Supervisors:

27. Subject to a minimum of two, SIA-registered door-supervisors shall be employed at a minimum ratio of 1:50 customers on the premises whilst Striptease/Lap/Pole-dancing activity is taking place.
28. The licence holder, or his nominated deputy who is authorised in writing, or door-supervisors, shall carry out regular monitoring of all areas of the premises to which the public have access, and shall intervene promptly, if necessary, to ensure compliance with Licence conditions by customers and performers.
29. Door-supervisors shall regularly monitor the area immediately outside the premises for a distance of 30 metres in all directions and shall take steps to deal with (by alerting the Police if appropriate) any unsavoury activity that may be attracted to the vicinity due to the nature of the business.
30. A dedicated SIA-registered door supervisor shall remain at all times in any 'private' performance area where performers are performing nude, and shall intervene promptly, if necessary, to ensure compliance with the Licence conditions.
31. When performers leave the premises they are to be escorted to their cars or taxi by a door-supervisor or member of staff.

CCTV System:

32. A digital CCTV system shall be installed and be maintained in good working order, shall record at all times the premises are open, and recordings shall be kept for 14 days. The CCTV system is to be installed in all areas as recommended by the Police Crime Reduction Officer
33. The CCTV recording device, controls and recordings shall be kept under suitable security to prevent unauthorised access/tampering. Access shall be restricted to the licence holder or his nominated deputy who will be authorised in writing and no more than two designated persons.
34. Unaltered CCTV recordings shall be provided on request (as soon as possible and in any event within 24 hours) to the Police or authorised Officers of the Cheltenham Borough Council (who will carry identification).
35. No CCTV footage is to be copied, given away or sold (except as required by Police/Council for investigation/enforcement purposes).
36. Except in accordance with the requirements for CCTV as described above, no photographs, films or video recordings shall be taken of the performances. Nor shall electronic transmissions of performances take place.
37. Notices shall be displayed informing customers of the presence of CCTV.



CHEL TENHAM
BOROUGH COUNCIL

SEXUAL ENTERTAINMENT VENUE POLICY STATEMENT

Schedule 3 Local Government (Miscellaneous Provisions Act 1982), as amended by
Section 27 Policing and Crime Act 2009



Contents

3. Waivers..... 5
4. Making an Application 6
5. Application for the Grant of a Licence..... 6
6. Plans..... 7
7. Public Notices 7
8. Variation of a Licence..... 8
9. Renewal of a Licence..... 8
10. Transfer of Licence 9
13. Granting a Licence 12
14. Objections..... 12
15. Hearings 13
16. Appeals..... 13
17. Fees..... 13
18. Standard Conditions..... 13
19. Specific Conditions..... 13
20. Duration of Licence 13
22. Review 14
General Conditions: 15

Preface

This Policy Statement sets out the authority's requirements for premises to be licensed as Sexual Entertainment Venues ("SEVs") within the meaning of Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 ("1982 Act") as amended by Section 27 of the Policing and Crime Act 2009.

Adoption of Schedule 3 also allows the Authority to set terms and conditions and fees for the grant, variation, renewal and transfer of such licences and the number of premises to be licensed in an area, which may be nil.

The Authority adopted the original provisions of Schedule 3 of the 1982 Act for Sex Cinemas and Sex Shops on 25th April 1983 and the new provisions for SEVs under the amendments of the Policing and Crime Act 2009 on 11th October 2010.

Consultation was conducted with local residents, existing and future potential holders of SEV licences in the Borough, the statutory responsible authorities under the Licensing Act 2003, and holders of Premises Licenses and Club Premises Certificates under the Licensing Act 2003 in the Borough.

The Authority does not take any moral stand in adopting this policy. The Authority recognises that Parliament has made it lawful to operate a sex establishment and that such businesses are a legitimate part of the retail and leisure industries. It is this Authority's role as the Licensing Authority to administer the licensing regime in accordance with the law.

In formulating this policy statement consideration has been given to:

- a) The legal requirements of the 1982 Act (as amended);
- b) The Home Office Sexual Entertainment Venues Guidance for England and Wales;
- c) Section 17 of the Crime and Disorder Act 1998 to take all reasonable steps to reduce crime and disorder within the Borough;
- d) The Regulators Compliance Code; and
- e) Equality Act 2010
- f) The Provisions of Services Regulations 2009 and associated Department for Business, Innovation & Skills guidance.

The legislation may be viewed here:

<http://www.legislation.gov.uk/ukpga/1982/30>

Local Government (Miscellaneous Provisions) Act 1982 Chapter 30

<http://www.legislation.gov.uk/ukpga/2009/26/section/27>

Policing & Crime Act 2009 Part 2 Section 27 – Regulation of lap dancing and other sexual entertainment venues etc

The Borough of Cheltenham

The Authority is one of six district authorities within Gloucestershire.

The Area

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

The borough, which includes 5 parishes, has a population of approximately 117,000 who live in 20 wards. The borough is mainly urban with some areas of surrounding countryside. It covers an area of approximately 4,680 hectares of which 17 % is designated as green belt and 22 % as an area of outstanding natural beauty.

1. Introduction

- 1.1 This policy statement sets out the Authority's guidance, application procedure, terms and conditions relating to the regulation of SEVs.
- 1.2 This policy statement will guide current licence holders, potential licence holders, the public and the Authority when considering applications for SEVs.
- 1.3 This policy statement applies to every type of SEV (as defined in the Act) unless an exemption applies.
- 1.4 Whilst each application will be considered on its individual merits, this policy statement is intended to give prospective applicants an early indication of whether their specific application is likely to be successful and the material facts that will be taken into consideration when determining the application. This policy statement also sets out the expectations of the Authority on the applicant when receiving an application.
- 1.5 Applications for grant or variation and opposed applications to renew and/or transfer, will be determined by the Authority's Licensing Committee. Unopposed applications to renew and/or transfer will be determined by the relevant director in accordance with the Authority's constitution and scheme of delegation.

2. Definitions

The 1982 Act - This refers to Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by section 27 of the Policing and Crime Act 2009.

SEV - Means Sexual Entertainment Venue as defined by section 27(3) of the Policing and Crime Act 2009.

The Policy Statement - This refers to this policy statement.

The Relevant Locality - Refers to the locality in which an application for a SEV licence has been made in respect of a premises, vehicle, vessel or stall.

The Character of the Relevant Locality - The character of the Relevant Locality where the premises is situated will be instrumental in determining whether or not the grant of a licence will be appropriate. This is a proper matter for the Authority to consider based on local knowledge, factors and circumstances.

The Authority - Means Cheltenham Borough Council.

The Premises - This is the premises, vessel, vehicle or stall which is subject to a SEV licence. The premises will be in possession of all appropriate consents and permissions required to operate.

Permitted Hours - These are the hours of activity and operation that have been authorised under the SEV licence.

3. Waivers

- 3.1 Schedule 3, paragraph 7 of the Local Government (Miscellaneous Provisions) Act 1982 makes provision for the Authority to issue waivers. The effect is that it will remove the requirement for a licence.

- 3.2 The power to waive licensing requirements is not a substitute for licensing, and applicants will be expected to demonstrate exceptional circumstances in justifying why the licensing requirement should be waived in their case.
- 3.3 In considering applications for waivers, the Authority's general approach will be:
 - 3.3.1 Waivers must be sought in respect of a temporary event.
 - 3.3.2 Waivers will not be granted for events that include relevant entertainment (i.e. striptease, lap-dancing, pole dancing or similar activities) recognising that a statutory exemption already exists for infrequent sexual entertainment.
 - 3.3.3 Licensable activities (that would normally have required a licence) must principally be ancillary and kept to an absolute minimum to other activities not licensable under the provisions of the 1982 Act.
 - 3.3.4 Waivers will only be considered, on its merits, in exceptional circumstances.
- 3.4 Applications will be considered by the Licensing and Committee, or delegated sub-committee thereof, and reasons shall be given of the decision taken.
- 3.5 A waiver may be for such period as the Authority sees fit. Where the Authority grants an application for a waiver, notice will be given to the applicant stating that it has granted the application. The Authority may at any time give a person who would require a licence notice that the waiver is to terminate, on such date not less than 28 days from the date on which it gives the notice, or as may be specified in the notice.

4. Making an Application

- 4.1 An application for the grant, variation, renewal or transfer of a SEV licence must be made in writing to the Authority in accordance with the requirements set out below.
- 4.2 The address at which the Authority will accept applications and notices is:-
 - a) By post/personal service to Licensing Section, Cheltenham Borough Authority, Municipal Offices, Promenade, Cheltenham, GL50 9SA;
 - b) By e-mail to licensing@cheltenham.gov.uk;
 - c) On-line via the gov.uk website.
- 4.3 For all enquiries please contact the Licensing team on 01242 262626.

5. Application for the Grant of a Licence

- 5.1 The Authority may grant to any applicant a licence for the use of premises as a SEV on such terms and conditions as specified by the Authority.
- 5.2 To apply for the grant of a SEV licence an applicant must:
 - a) Complete an application form;
 - b) Pay the relevant fee;
 - c) Submit a plan of the premises to which the application relates showing, amongst other things, all means of ingress and egress to and from the premises, parts used in common with any other building, and
 - d) Supply details of how the premises lie in relation to the street. (See below)

- e) Submit a site plan scale 1:1250;
- f) Submit drawings showing the front elevation as existing and as proposed to a scale of (1:100) (see below);
- g) Display a notice on or near the premises (see below);
- h) Advertise the application in a local newspaper no later than 7 days after the date of the application; and
- i) Send a copy of the application and plan to the Chief Officer of Police for the area within 7 days of making the application to the Authority.

5.3 Application forms are available from www.cheltenham.gov.uk/licensing

6. Plans

6.1 The plan of the building, unless agreed in writing beforehand, must comply with the following:

The plan shall be drawn at a scale of 1:100 and shall show:

- a) The extent of the boundary of the building, if relevant, and any external and internal walls of the building and, if different, the perimeter of the premises;
- b) The location of points of access to and egress from the premises;
- c) If different from paragraph (1)(b), the location of escape routes from the premises;
- d) In a case where the premises is used for more than one existing activity the area within the premises used for each activity;
- e) Fixed structures (including furniture) or similar objects temporarily in a fixed location (but not furniture) which may impact on the ability of individuals on the premises to use exits or escape routes without impediment;
- f) In a case where the premises includes a stage or raised area, the location and height of each stage or area relative to the floor;
- g) In a case where the premises includes any steps, stairs, elevators or lifts, the location of the steps, stairs, elevators or lifts;
- h) The dressing room of performers;
- i) The area where performances take place;
- j) Any private screened area where a performance(s) take place;
- k) In a case where the premises includes any room or rooms containing public conveniences, the location of the room or rooms;
- l) The location and type of any fire safety and any other safety equipment; and
- m) The location of a kitchen, if any, on the premises.
- n) The area(s) to be licensed must be clearly identified by outlining these areas in red.

6.2 The plan must include a legend through which the matters mentioned are sufficiently illustrated by the use of symbols on the plan.

7. Public Notices

7.1 A notice must be displayed at or on the premises to which the application relates for a period of no less than 21 consecutive days beginning with the date of the application, where it can be conveniently read from the exterior of the premises.

7.2 Where the premises cover an area of more than 50 square metres, a further identical notice must be displayed every 50 metres along the external perimeter of the premises abutting any highway.

- 7.3 The notice must be on pale blue paper sized A4 or larger and printed legibly in black ink or typed in black in a font size equal to or larger than 16.
- 7.4 The notice must state:
- a) the details of the application and activities that it is proposed will be carried on or from the premises;
 - b) the full name of the applicant;
 - c) the postal address of the premises, or in the case where there is no postal address, a description of the premises sufficient to enable the location and extent of the premises to be identified;
 - d) the date, being 28 days after that on which the application is given to the authority, by which objections may be made to the authority and that the objections should be made in writing;
 - e) that it is an offence knowingly or recklessly to make a false statement in connection with an application and the maximum fine (£20,000) for which a person is liable on summary conviction for the offence.
- 7.5 A similar notice must be published in a local newspaper circulating in the area within 7 days of giving the application to the authority

8. Variation of a Licence

- 8.1 The holder of a SEV licence may apply at any time for any variation of the terms, conditions or restrictions on or subject to which the licence is held.
- 8.2 The process of applying for a variation is the same as that for applying for an initial grant except that a plan of the premises is not required unless the application involves structural alterations to the premises.
- 8.3 Application forms are available from www.cheltenham.gov.uk/licensing

9. Renewal of a Licence

- 9.1 The holder of a SEV licence may apply for renewal of the licence. In order for the licence to continue to have effect during the renewal process, a valid application form together with the appropriate fee must be submitted before the current licence expires.
- 9.2 The process of applying for the renewal of a licence is the same as that for applying for an initial grant except that a plan of the premises is not required.
- 9.3 The authority will not accept applications for the renewal of a SEV licence more than 3 months in advance of the renewal date.
- 9.4 The authority will determine renewal applications on individual merits taking into account the facts of the application and any objections received. Opposed applications will be referred to the authority's licensing committee for determination. The Courts have confirmed that authorities are entitled to look afresh at renewal applications and, accordingly, it is open to the authority to refuse to renew a licence even where there has been no change in the character of the relevant locality, or in the use to which any premises in the locality are put.

10. Transfer of Licence

- 9.1 A person may apply for the transfer of a licence at any time.
- 9.2 The process of applying for the transfer of a licence is the same as that for applying for an initial grant except that a plan of the premises is not required.

11. Determination

11.1 Mandatory Grounds for Refusal

11.1.1 A licence will not be granted:

- a) to any person under the age of 18 years;
- b) to any person who is for the time being disqualified due to the person having had a previous licence revoked in the area of the appropriate authority within the last 12 months;
- c) to any person, other than a body corporate, who is not resident in an EEA State or was not so resident throughout the period of six months immediately preceding the date when the application was made; or
- d) to a body corporate which is not incorporated in an EEA State; or
- e) to any person who has, within a period of 12 months immediately preceding the date when the application was made, been refused the grant or renewal of a licence for the premises, vehicle, vessel or stall in respect of which the application is made, unless the refusal has been reversed on appeal.

11.1.2 If the authority finds any of these grounds apply then it must refuse the application.

11.2 Discretionary Grounds for Refusal

11.2.1 A licence may be refused where:

- a) the applicant is unsuitable to hold the licence by reason of having been convicted of an offence or for any other reason;
- b) if the licence were to be granted, renewed or transferred the business to which it relates would be managed by or carried on for the benefit of a person, other than the applicant, who would be refused the grant, renewal or transfer of such a licence if he made the application himself;
- c) the number of SEVs in the relevant locality at the time the application is made is equal to or exceeds the number which the authority consider is appropriate for that locality (nil may be an appropriate number for these purposes);
- d) that the grant or renewal of the licence would be inappropriate, having regard:-
 - to the character of the relevant locality; and/or
 - to the use to which any premises in the vicinity are put; and/or
 - to the layout, character or condition of the premises, vehicle, vessel or stall in respect of which the application is made.

11.2.2 Applications for the transfer of an issued SEV licence may only be refused on grounds (a) and (b) above.

11.2.3 Any decision to refuse a licence must be relevant to one or more of the above grounds.

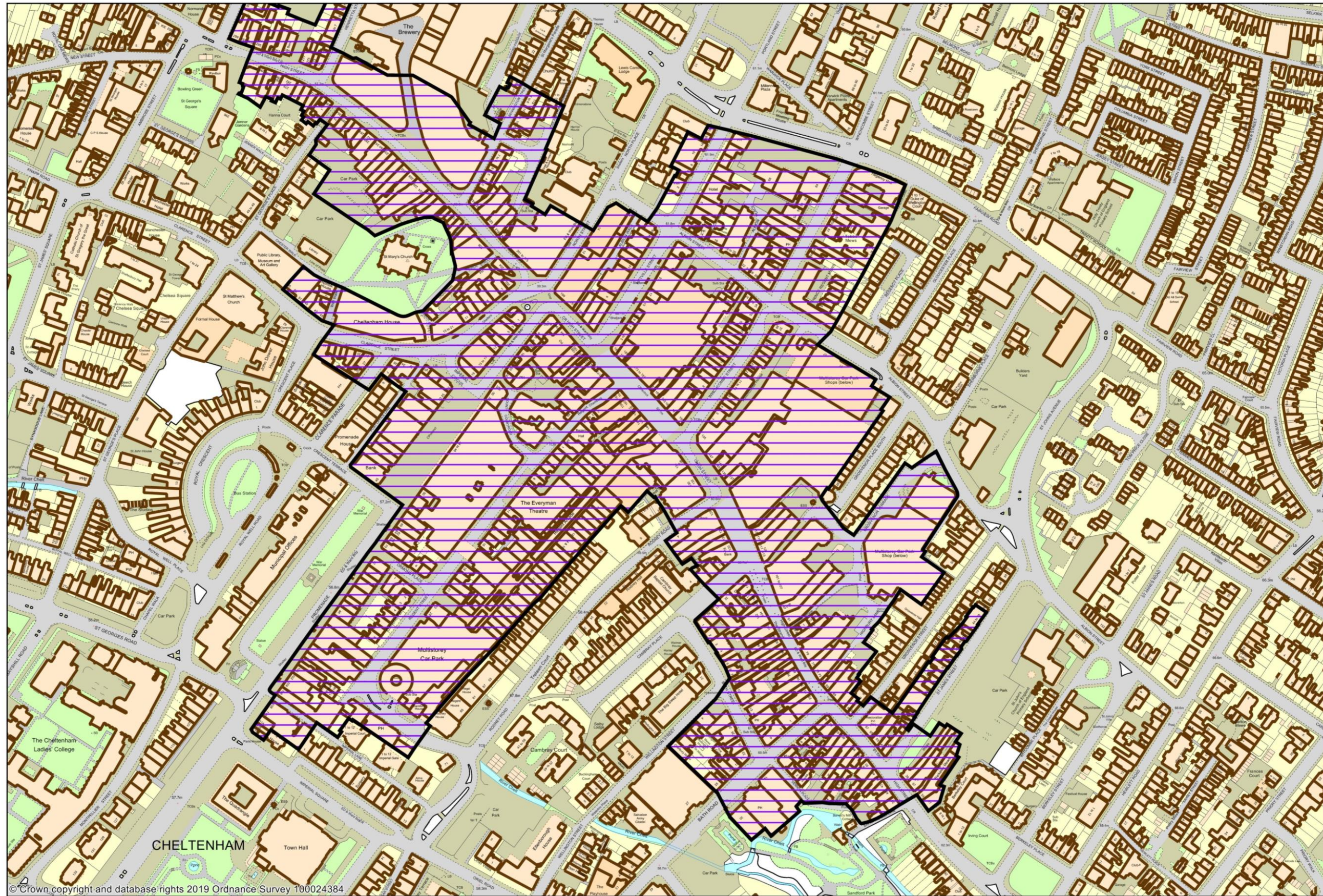
12. Location of Premises

12.1 In deciding the appropriate number of premises to be licensed, the authority must consider the character of the relevant locality and what is the appropriate number of SEVs for the relevant locality. The number can be 'nil'.

12.2 Cheltenham is a relatively small urban borough that is predominantly residential in nature. The authority has already resolved that it is inappropriate to licence SEVs in or in the vicinity of, amongst others, residential areas. It is the authority's policy therefore that there is no locality outside of the Designated Permitted Area in which it would be appropriate to license a SEV. Accordingly the appropriate number of SEVs for outside of the Designated Permitted Area is nil.

12.3 The authority recognise however that the Designated Permitted Area offers a more varied situation in as much as it has a much wider mix on offer, particularly in the night time economy and it may therefore be appropriate to consider applications for SEVs in the area. The authority has therefore resolved that it will not set a limit on the number of permitted SEVs in the Designated Permitted Area providing those premises are not near properties with sensitive uses or in sensitive locations (see 11.4).

Designated Permitted Area (shaded)



© Crown copyright and database rights 2019 Ordnance Survey 100024384

Fig 1 – Designated Permitted Area (shaded)

Properties with sensitive uses or in sensitive locations

- 12.4 In considering if the grant, renewal or variation of the licence would be inappropriate, having regard to the character of the relevant locality or to the use to which any premises in the vicinity are put, the authority shall consider, amongst other things, whether the grant of the application would be appropriate, having regard to:
- a) The fact that the premises are sited in a residential area;
 - b) Whether the premises are sited near shops used by or directed at families or children, or on frontages frequently passed by the same;
 - c) Whether the premises are sited near properties which are sensitive for religious; and/or
 - d) Whether the premises are sited near premises or areas which are sensitive because they are frequented by children, young persons or families.
- 12.5 When determining an application for the grant of a SEV licence, the authority shall have regard to the policy statement, the relevant guidance issued by the Home Office and provisions set out above, but subject to the overriding principle that each application will be determined on its merits.
- 12.6 Applications in respect of premises must state the full address of the premises.
- 12.7 Applications in respect of a vehicle, vessel or stall must state where it is to be used as a SEV.
- 12.8 The authority would normally expect that applications for licences for permanent commercial premises would have the appropriate planning consent for the property concerned.
- ## 13. Granting a Licence
- 13.1 All applications for the grant of a new SEV licence will be referred to the authority's Licensing Committee for determination.
- 13.2 In determining the application, the Licensing Committee will have regard to this policy statement, any limitation on the number of permitted SEVs, the merits of the application and any objections, if any, that have been made.
- ## 14. Objections
- 14.1 When considering an application for the grant, renewal, variation or transfer of a SEV licence the authority will have regard to any observations submitted to it by the Chief Officer of Police and any objections that have been received from anyone else within the statutory consultation period.
- 14.2 Any person can object to an application provided that the objection is relevant to the discretionary grounds for refusal of a licence.
- 14.3 Objections should not be made on moral grounds or values and the authority will not consider objections that are not relevant to the grounds mentioned above.
- 14.4 Objectors must give notice of their objection in writing, stating the general terms of the objection.

- 14.5 Where the authority receives notice of any objection it will, before considering the application, give notice in writing of the general terms of the objection to the applicant. However, the authority shall not without the consent of the person making the objection reveal their name or address to the applicant.
- 14.6 Objections may only be made within the period of 28 days following the date on which the application was made to the authority.
15. Hearings
- 15.1 Where applications are referred to a Licensing Committee, the hearing will take place within 20 working days of the end of the period in which objections may be made.
- 15.2 The hearing provides all parties to the application, including those making objections, the opportunity to air their views openly and those views will be considered by the Licensing Committee.
16. Appeals
- 16.1 There is no right of appeal:
- a) Against the mandatory grounds for refusal as detailed in section 11.1.1 (a), (b), (c), (d), and (e) above, unless the applicant can prove that the ground of refusal does not apply to them, and
 - b) Against the grounds as detailed in Section 11.2.1 (c) and (d) which can only be challenged by the applicant by way of judicial review.
- 16.2 All relevant grounds for appeal, other than these detailed at point (a) and (b) above can be made to the Magistrates Court within 21 days from the date on which the person is notified of the decision.
17. Fees
- 17.1 The fees set are deemed to be reasonable to cover the cost of administration, enforcement in relation to licensed operators, inspections and any hearings and are not refundable.
18. Standard Conditions
- 18.1 The Standard Conditions for Sexual Entertainment Venues are attached at Appendix 1.
19. Specific Conditions
- 19.1 Under schedule 3(8) of the 1982 Act the authority may grant to an applicant, and from time to time renew, a licence for SEV on such terms and conditions and subject to any restrictions as may be specified. These specific terms and conditions will be tailored for each individual premises and each type of SEV licence.
20. Duration of Licence

- 20.1 The authority, unless there are exceptional circumstances for doing so, shall grant a licence for the maximum duration of one year at a time, to provide certainty to those persons operating businesses.

21. Exempt Sexual Entertainment Code of Practice

- 21.1 The Government has seen fit to exempt infrequent sexual entertainment from requiring a licence. Whilst the authority recognises and accepts this, it is also acutely aware that unless it is properly managed there are risks to public protection & safety, an increased likelihood of associated crime & disorder and an inability of regulatory bodies to respond accordingly.

- 21.2 Whilst the authority cannot legitimately impose restrictions on infrequent sexual entertainment, it has formulated an Exempt Sexual Entertainment Code of Practice. The intention of the code of practice is to promote responsible and properly managed exempt sexual entertainment. The authority expects any premises wishing to offer infrequent sexual entertainment to adhere to the code of practice.

- 21.3 A copy of the code of practice is attached at **Appendix 2** of this policy statement.

22. Review

- 22.1 This policy statement will be reviewed at least once every three years.

APPENDIX 1

STANDARD CONDITIONS REGARDING SEXUAL ENTERTAINMENT VENUES

In these conditions:

‘Relevant Entertainment’ means any live performance or any live display of nudity which is of such a nature that, ignoring financial gain, it must reasonably be assumed to be provided solely or principally for the purpose of sexually stimulating any member of the audience (whether by verbal or other means).

‘Authority’ means Cheltenham Borough Council.

‘Town’ means Cheltenham and refers to it in its entirety.

‘Premises’ means any vessel, vehicle, stall, building, forecourt yard, place of storage or any part of any of these where Relevant Entertainment takes place and is the subject of a licence.

In the event of a conflict between the prescribed conditions and special conditions contained in a SEV licence the special conditions shall prevail.

General Conditions:

1. The premises shall only permit adult entertainment between the hours of 20:00 hours and 04:00 hours the following morning as determined by the licensing committee.
2. Only activities which have previously been agreed in writing by the Authority shall take place.
3. The agreed activities shall take place only in designated areas approved by the Authority.
4. There shall not be displayed outside the premises, in the immediate vicinity, or elsewhere within the Town any advertisements, photographs or images that indicate or suggest that striptease-type dancing takes place on the premises.
5. Rules shall be produced by the licensee for customers indicating conduct that is deemed acceptable. These rules shall be prominently displayed at all tables and at other appropriate locations within the club.

Advertisements, solicitation and displays

6. There shall not be displayed outside the premises, in the immediate vicinity, or elsewhere within the Town any advertisements that indicate or suggest that any form of Relevant Entertainment takes place on the premises. This includes the display of any advertisement, word, letter, model, sign, light, placard, board, notice, device, representation, drawing, writing or any matter or thing (where illuminated or not) including in any of the following ways:
 - a) by means of personal solicitation in the locality of the licensed premises;
 - b) by means of leafleting in the locality;
 - c) by means of externally displayed advertisement (such as on billboards or posters) in any part of the Council’s administrative area.
 - d) by means of cruising vehicles or use of any other form of solicitation to invite people into the premises.

Premises

7. Alterations or additions, either internal or external and whether permanent or temporary, to the structures, lighting or layout of the premises as shown on the plan, including any change in the permitted signs on display shall not be made except with the prior approval of the Council.
8. A clear Notice shall be displayed inside the entrance to the premises in the following terms:
9. *“Striptease-style entertainment takes place on these premises. No persons under 18 shall be permitted in the premises.”*
10. The performance must not be visible from the street, and any person who can be observed from the outside of the premises must be properly and decently dressed. Scantily-clad individuals employed in the premises must not exhibit themselves in the entrance or in the vicinity of the premises.
11. When the premises are open for Relevant Entertainment no person under the age of 18 shall be permitted to be on the premises. Anyone appearing to be under the age of 25 years shall be asked to produce valid photographic identification. If this is not produced the individual shall be refused access.

Management and licensee

12. Where the licensee is a body corporate or an unincorporated body any change of director, company secretary or other person responsible for the management of the body is to be notified in writing to the Authority within 14 days of such change.
13. The premises shall maintain a refusals log whereby any occasion a person is refused entry shall be recorded and available upon request by the Police or an authorised officer of the Authority.

Conditions regarding performers

14. Relevant Entertainment may only take place in ‘designated areas’ that are marked on the plan of the premises.
15. The audience must at all times remain fully-clothed.
16. Performers shall be aged not less than 18 years and the licence holder (or his nominated deputy who is authorised in writing) shall satisfy him/herself that this is the case by requesting valid photographic ID, if necessary, prior to the performance.
17. A ‘Signing-in’ Register shall be kept at the premises that records the time that the performer starts and finishes at the premises. This shall be made available for immediate inspection by a Police Officer or authorised officers of the Authority.
18. During any performance there must be no physical contact between the performer and any member of the viewing public.
19. No performances shall include any sexual act with other performers.
20. No performances shall include any sexual act with objects.

21. There shall be no nudity by performers in public areas of the premises, unless the Authority has agreed in writing that the area may be used for performances of sexual entertainment.
22. At the completion of the Relevant Entertainment the performers shall dress themselves immediately and leave the designated performance area. Performers not engaged in performing shall not remain in any area in a state of undress.
23. Performers are not to solicit, exchange addresses, telephone numbers or social media contact details with customers, liaise with customers of the premises, or incite customers to purchase alcoholic drinks.
24. An appropriate room shall be set aside to provide a changing and rest area for performers. Access to this room shall be restricted to performers only, whilst the performers are on the premises and shall be marked on the plan of the premises.
25. Any bodily contact between entertainers or performers or any movement that indicates sexual activity or simulated sex between entertainers or performers is strictly forbidden.
26. Entertainers or performers not performing must not be in a licensed area in a state of undress.
27. There shall be prominently and legibly displayed a comprehensive tariff of all charges and prices in respect of relevant entertainment, including any charge for the company of any person working at the premises, which shall be placed in such a position that it can at all times be easily and conveniently read by persons inside the premises.
28. Literature and contact details of organisations that provide advice and counselling on matters relating to:
 - (a) Modern slavery,
 - (b) Domestic abuse,
 - (c) Coercive control,
 - (d) Rape and sexual assault,

shall be made available to performers free of charge in their changing area.

Briefing

29. Prior to performers carrying out any activity on the premises, they shall be briefed (verbally or in writing) by the licence holder or his nominated deputy who is authorised in writing as to the conditions that pertain to these particular premises, including the fact that their activities will be recorded on CCTV. The performer(s) shall sign in the Register that they have been briefed.

Door-Supervisors

30. Subject to a minimum of two, SIA-registered door-supervisors shall be employed at a minimum ratio of 1:50 customers on the premises whilst Relevant Entertainment is taking place.
31. The licence holder, or his nominated deputy who is authorised in writing, or door-supervisors, shall carry out regular monitoring of all areas of the premises to which the public have access, and shall intervene promptly, if necessary, to ensure compliance with licence conditions by customers and performers.

32. Door-supervisors shall regularly monitor the area immediately outside the premises for a distance of 30 metres in all directions and shall take steps to deal with (by alerting the Police if appropriate) any unsavoury activity that may be attracted to the vicinity due to the nature of the business.
33. A dedicated SIA-registered door supervisor shall remain at all times in any 'private' performance area where performers are performing nude, and shall intervene promptly, if necessary, to ensure compliance with the Licence conditions.
34. When performers leave the premises they are to be escorted to their cars or taxi by a door-supervisor or member of staff.

CCTV System

35. A digital CCTV system shall be installed and be maintained in good working order, shall record at all times the premises are open, and recordings shall be kept for 14 days. The CCTV system is to be installed in all areas as recommended by the Police Crime Reduction Officer
36. The CCTV recording device, controls and recordings shall be kept under suitable security to prevent unauthorised access/tampering. Access shall be restricted to the licence holder or his nominated deputy who will be authorised in writing and no more than two designated persons.
37. Unaltered CCTV recordings shall be provided on request (as soon as possible and in any event within 24 hours) to the Police or authorised Officers of the Cheltenham Borough Authority (who will carry identification).
38. No CCTV footage is to be copied, given away or sold (except as required by Police/Authority for investigation/enforcement purposes).
39. Except in accordance with the requirements for CCTV as described above, no photographs, films or video recordings shall be taken of the performances. Nor shall electronic transmissions of performances take place.
40. Notices shall be displayed informing customers of the presence of CCTV.

APPENDIX 2 - Sexual Entertainment Code of Practice

1. Operators/licensees will notify the Authority & Police Licensing Sections of events where sexual entertainment is due to take place.

Page 91

2. All sexual entertainment should only take place in one designated area inside the premises, and this shall not be visible from outside the premises.
3. Private performances should only take place inside screened-off private booths. However, the front of these booths must not be covered or obstructed, so that managers and SIA door-supervisors are able to monitor activity inside the booths.
4. A clear notice should be displayed inside the entrance to the designated area stating: "Sexual entertainment takes place on these premises. No persons under 18 shall be admitted."
5. Scantily clad individuals performing in the premises must not exhibit themselves in the entrance to or in the vicinity of the premises and individuals not performing shall not remain in any area in a state of undress.
6. Customers must at all times remain fully-clothed.
7. During any performance there must be no physical contact between the performer and any member of the viewing public/private customer.
8. No performance shall include any sexual act with other performers, customers or viewing public.
9. An appropriate room shall be set aside to provide a changing and rest area for performers. Access to this room shall be restricted to performers only.
10. A minimum of one SIA registered door supervisor shall be employed in the designated area where sexual entertainment is taking place and they shall intervene promptly to ensure compliance with these rules.
11. The area in which sexual entertainment is to take place shall be covered by CCTV from which footage shall be stored for a minimum of 14 days and produced to Police or Authority officers on request.
12. A list of all performers shall be available on the premises for immediate production if requested by Police or Authority officers. This list shall contain full names, dates of birth and contact details (address or telephone number).
13. Rules 2, 3, 5,7,8,9 and 10 shall be drawn to the attention of all performers and promoters prior to activity commencing.

Rules 6, 7 and 8 shall be prominently displayed to customers at appropriate locations within the premises.

This page is intentionally left blank

Community impact assessments – for services, policies and projects

What is a community impact assessment?

A community impact assessment is an important part of our commitment to delivering better services for our communities. The form will help us find out what impact or consequences our functions, policies, procedures and projects have on our communities, as well as employees and potential employees.

By undertaking an impact assessment, we are able to:

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

Background

Name of service / policy / project and date	Licensing
Lead officer	Louis Krog
Other people involved in completing this form	

Step 1 - About the service / policy / project

<p>What is the aim of the service / policy / project and what outcomes is it contributing to</p>	<p>The council's sexual entertainment policy review is part of the council's normal work to review and update policy. Regular policy reviews are necessary to ensure policy remains effective and up to date as a regulatory tool.</p>
<p>Who are the primary customers of the service / policy / project and how do they / will they benefit</p>	<p>The policy sets out the council approach to the regulation of sexual entertainment in Cheltenham as a whole. To this extent, every resident of the borough is affected to varying degrees. For example, the policy sets out where the council will permit the licensing of sexual entertainment venues and conversely where it will not.</p> <p>This policy also affects operators of sexual entertainment venues (SEV) as primary customers.</p>
<p>How and where is the service / policy / project implemented</p>	<p>The policy will undergo political scrutiny through Cabinet, licensing committee and Council.</p>
<p>What potential barriers might already exist to achieving these outcomes</p>	<p>There are strong opinions on the provisions set out in the policy from both sides of the argument. There is strong opposition to sexual entertainment in Cheltenham and the council's role as licensing authority in this. There is equal recognition that Parliament has made it lawful to operate a sex establishment and that such businesses are a legitimate part of the retail and leisure industries.</p> <p>Within this context however, the Council does not take any moral stand in adopting this policy. It is this council's role as the licensing authority to administer the licensing regime in accordance with the law.</p>

Step 2 – What do you know already about your existing / potential customers

<p>What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information</p>	<p>Residents and business of Cheltenham regularly engage in the licensing process, mostly as objectors.</p> <p>The council has also undertaken a scrutiny session with key stakeholders to gather information and data to support and inform the most recent policy review.</p>
<p>What does it tell you about who uses your service / policy and those that don't?</p>	<p>The conclusion of the review process including the scrutiny session has led the council not to propose any substantial changes to the current policy position. The main objection to sexual entertainment in Cheltenham relates to primary legislation which is outside of the council's control.</p>
<p>What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?</p>	<p>See above.</p>



If not, who do you have plans to consult with about the service / policy / project?	A more formal consultation will follow and this equality impact assessment will be updated accordingly at the conclusion of the consultation.
--	---

Step 3 - Assessing community impact

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

Group	What are you already doing to benefit this group	What are you doing that might disadvantage this group	What could you do differently to benefit this group	No impact on this group
People from black and minority ethnic groups				No direct or specific impact on this group.
People who are male or female	The council's policy is non-discriminatory. It does not restrict itself to specific gender or orientation.	<p>From consultation, the authority is aware that females in particular feel disadvantaged by the sexual entertainment and licensing of SEVs.</p> <p>This is manifested in both a general sense of feeling objectified and more specifically through feeling intimidated and unwelcome in the vicinity of licensed SEVs.</p>	<p>From experience of licensing SEVs since 2004 (when they were first formally regulated), there is confidence that the authority's policy is robust in addressing any disadvantage that may be caused to this group.</p> <p>A number of policy conditions have been tightened up to address some concerns raised through informal consultation including those relating to behaviour and duties on door and promotional staff and promotional activity in the vicinity of licensed SEVs.</p>	
People who are transitioning from one gender to another				No direct or specific impact on this group.
Older people / children and young people	Licensing policy gives particular attention and consideration to properties with sensitive	Exposure to sexual entertainment is inappropriate particularly for children and young	From experience of licensing SEVs since 2004 (when they were first formally regulated), there	

	<p>uses or in sensitive locations including</p> <ul style="list-style-type: none"> a) The fact that the premises are sited in a residential area; b) Whether the premises are sited near shops used by or directed at families or children, or on frontages frequently passed by the same; c) Whether the premises are sited near premises or areas which are sensitive because they are frequented by children, young persons or families, including but not limited to educational establishments, leisure facilities such as parks, libraries or swimming pools, markets and covered markets. <p>The licensing policy also does not permit the licensing of SEVs in or in the vicinity of residential areas.</p>	<p>people. Whilst there are safeguards in place, children and young people may find themselves in the vicinity of licensed SEVs.</p> <p>Older people may feel intimidated and vulnerable around or in the vicinity of licensed SEVs.</p>	<p>is confidence that the authority's policy is robust in addressing any disadvantage that may be caused to this group. This is backed up by data.</p> <p>A number of policy conditions have been tightened up to address some concerns raised through consultation including those relating to the restriction on leafleting, promotional activity in the vicinity of licensed SEVs and review of the "relevant locality".</p>	



	A number of the council's standard licensing conditions address the potential exposure to sexual entertainment of this group including minimum age requirements, public notices, opening times and requirements relating to the appearance of SEV venues.			
People with disabilities and mental health challenges				No direct or specific impact on this group.
People who have a particular religion or belief	<p>Licensing policy gives particular attention and consideration to properties with sensitive uses or in sensitive locations including:</p> <p>a) Whether the premises are sited near properties which are sensitive for religious purposes.</p>	The authority may (and have) granted licences for SEVs in the vicinity of properties which are sensitive for religious purposes.	<p>Each application is referred to the authority's licensing committee who will take into consideration the full scope of issues before making decisions particularly in cases where the grant of the licence is contrary to policy.</p> <p>This includes full consideration of the opposing views and any mitigation.</p> <p>Full reasons are given for any decision and this is subject to legal challenge.</p>	
People who are attracted to their own sex, the opposite sex or to both sexes.				No direct or specific impact on this group.



People who are married or in a Civil Partnership				No direct or specific impact on this group.
People who are pregnant or who are on maternity leave				No direct or specific impact on this group.
Other groups or communities – Performers	The council's licensing policy, standard conditions and scrutiny of licence holders directly relates to the wellbeing and safeguarding of performers.	<p>There is an inherent risk for performers given the environment they operate in.</p> <p>This is not as a direct cause of anything the authority is responsible for but is within the authority's power to regulate.</p>	From experience of licensing SEVs since 2004 (when they were first formally regulated), there is confidence that the authority's policy is robust in addressing any disadvantage that may be caused to this group. This is backed up by data, for example, from Gloucestershire Constabulary on any reported crime, disorder and welfare.	

Step 4 - what are the differences

Are any groups affected in different ways to others as a result of the service / policy / project?	Yes – see above (Assessing community impact)
Does your service / policy / project either directly or indirectly discriminate?	No for the reasons set out above (Assessing community impact)
If yes, what can be done to improve this?	N/A
Are there any other ways in which the service / project can help support priority communities in Cheltenham?	Yes – see above (Assessing community impact > What could you do differently to benefit this group)

Step 5 – taking things forward

What are the key actions to be carried out and how will they be resourced and monitored?	<p>Formal consultation will follow and feedback will be taken into account prior to any decision on the authority's policy moving forward.</p> <p>No additional resource requirements have been identified.</p> <p>Performance and scrutiny of this policy will be undertaken through the authority's adopted processes and accountability in terms of decision making by officers and the Licensing Committee.</p>
Who will play a role in the decision-making process?	Cabinet, Council, Licensing Committee and licensing officers (in accordance with delegation under the constitution).
What are your / the project's learning and development needs?	None identified.
How will you capture these actions in your service / project planning?	N/A

Page 101
Cheltenham Borough Council
Council –23rd March 2020

Capital, Investment, Treasury and MRP Strategies and Statements 2020/21

Accountable member	Cabinet Member for Finance, Councillor Rowena Hay
Accountable officer	Executive Director Finance and Assets (Section 151 Officer), Paul Jones
Accountable scrutiny committee	Treasury Management Panel
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>In December 2017, CIPFA published updates to the Prudential Code and The Treasury Management Code of Practice. The new Prudential Code requires the Council to approve a Capital Strategy on an annual basis in advance of the forthcoming financial year. The Ministry of Housing, Communities and Local Government (MHCLG) have also updated statutory guidance on treasury management which has resulted in changes to the Treasury Management Strategy and the introduction of a separate Investment Strategy. For 2020/21 a new set of strategic documents require Council approval: The Council's Capital Strategy, Investment Strategy and Treasury Management Strategy.</p> <p>In accordance with best practice, the Council has adopted and complies with the CIPFA Code of Practice on Treasury Management and the Prudential Code by relevant Capital Finance Regulations.</p>
Recommendations	<p>That Council considers and approves the following :</p> <ul style="list-style-type: none"> • The Capital Strategy 2020/21 at Appendix 2 • The Investment Strategy 2020/21 at Appendix 3 • The Treasury Management Strategy Statement 2020/21 at Appendix 4 • The Minimum Revenue Provision (MRP) Statement 2020/21 at Appendix 5
Financial implications	<p>The financial implications are reported in appendices 2 – 5.</p> <p>Contact officer: Andrew Sherbourne, andrew.sherbourne@publicagroup.uk, 01242 264337</p>

Legal implications	As detailed in the report. Contact officer: Shirin Wotherspoon shirin.wotherspoon@tewkesbury.gov.uk, 01684 272696
HR implications (including learning and organisational development)	None arising directly from this report. Contact officer: Julie McCarthy, julie.mccarthy@publicagroup.uk, 01242 264355
Key risks	As noted in Appendix 1.
Corporate and community plan Implications	The purpose of the strategy is to improve corporate governance, a key objective for the Council.
Environmental and climate change implications	None arising directly from this report.
Property/Asset Implications	As detailed in appendices 2 and 3. Contact officer: Dominic.Stead@cheltenham.gov.uk

1. Background

- 1.1 Local authorities in England are legally obliged to “have regard” to the CIPFA Treasury Management Code and the Prudential Code by relevant Capital Finance Regulations.
- 1.2 Local authority investment decisions have made headlines over the past year with the financial press questioning the role of local authorities investing in property and assets as a means to generate income to compensate for the reduction in government funding. Investing in property and other assets is nothing new for Cheltenham Borough Council whom has historically held major assets such as retail sites and commercial property for some time now. In recent years however the emphasis on using these assets to generate a commercial yield has become much greater and this has involved some councils investing in property outside of its area. The scaling up of investments by local councils has been brought to the attention of the Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA resulting in changes to the Treasury Management Code and the Prudential Code.
- 1.3 Following consultations in February and August 2017, CIPFA published its new 2017 guidelines of Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes and the Prudential Code for Capital Finance in Local Authorities just before the end of 2018. The Council is now required to prepare and approve four strategies/statements:
- Capital Strategy;
 - Investment Strategy;
 - Treasury Management Strategy Statement; and a
 - MRP Statement

2. Consultation

- 2.1 Each strategy is attached at Appendices 2 - 5 based on information relating to the Council's local circumstances with accompanying information and advice supplied by the Council's treasury advisors Arlingclose Limited.
- 2.2 The Treasury Management Strategy Statement has been recommended for approval by the Treasury Management Panel at its meeting on 20th January 2020 to Council.
- 2.3 Cabinet considered the attached report and appendices at its meeting on 3rd March 2020 together with a Property Matter in respect of a service investment to Workshop Cheltenham as detailed in appendix 3, on page 3.

Report author	Contact officer: Andrew Sherbourne, andrew.sherbourne@cheltenham.gov.uk 01242 264437
Appendices	Appendix 1 – Risk Assessment Appendix 2 – Capital Strategy 2020/21 Appendix 3 – Investment Strategy 2020/21 Appendix 4 – Treasury Management Strategy Statement 2020/21 Appendix 5 – MRP Statement 2020/21
Background information	Section 15(1)(a) of the Local Government Act 2003 Cheltenham Borough Council Treasury Management Practices Exempt Property Matter Report – Cabinet 3 rd March 2020

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	LOBO Loans - If £7m of these loans are recalled by the banks if they choose to exercise their option then we would need to have the resources on the day to repay. Alternative borrowing arrangements at today's current rates would be favourable for the Council	ED Finance & Assets Paul Jones	24 th January 2015	1	2	2	Accept	If the loans are recalled the council could take out temporary borrowing which is currently much lower than the rates on these loans. Any capital receipts available could also be used to repay debt.	May 2021	ED Finance & Assets Paul Jones	
	If the assumptions made within the strategies change, then the aspirations within the capital programme may become unaffordable.	ED Finance & Assets Paul Jones	13 th March 2019	3	2	6	Accept	The Treasury Management Strategy and Prudential and Treasury Indicators reflect various assumptions of future interest rate movements and Government support for capital expenditure. These will be continually monitored and any necessary amendments will be made in accordance with the Strategy		ED Finance & Assets Paul Jones	

	If tenants exercise break-clauses and/or not renew leases, then there may be an impact on income projections and net returns.	Simon Hodges	15 th August 2018	2	3	6	Accept	Should tenants serve notice, the Council will have 6 months prior notice to find new tenants.		Simon Hodges	
	If thorough due diligence is not undertaken when pursuing commercial property investments, the Council may not meet all of the criteria set out within its capital and investment strategies.	ED Finance & Assets Paul Jones	13th March 2019	4	2	8		Due diligence is of paramount importance. All of our commercial investments have individual business cases that are subject to thorough risk assessment and stress testing and we also stress test the whole investment portfolio to ensure all risks are captured and properly controlled. Where appropriate to the size and scale of the project we also commission independent technical, legal, accounting, risk management, property, taxation advice		Simon Hodges	

This page is intentionally left blank

Capital Strategy

2020/21



CHELTENHAM
BOROUGH COUNCIL

Follow our progress:
www.cheltenham.gov.uk



- 1.1 - The purpose of the Council’s Capital Strategy is to document the principles and framework that underpin its longer-term capital investment and expenditure proposals. The Capital Strategy was a new requirement for Councils to produce from April 2018 following the publication of the revised Prudential Code for Capital Finance in Local Authorities 2018.
- 1.2 - Cheltenham Borough Council’s Capital Strategy forms a key part of the Council’s overall Corporate Planning Framework. It provides a mechanism by which the Council’s capital investment and financing decisions can be aligned with the Council’s overarching corporate priorities and objectives over a medium term planning horizon.
- 1.3 - The Strategy sets the framework for all aspects of the Council’s capital expenditure; including planning, prioritisation, management and funding. The Strategy has direct links to the Council’s Asset Management Strategy, Commercial Strategy, Investment Strategy and Treasury Management Strategy and forms a key part of the Council’s Medium Term Financial Strategy (MTFS) as articulated below:

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

- 1.4 - Decisions made on capital and treasury management will have financial consequences for the Council for many years into the future.

1.5 - In particular, the Capital Strategy demPage 109w we will deliver the 5 key priorities for the Council:

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

1.6 - Capital expenditure is where the Council spends money on assets, such as land, property or vehicles, which will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £10,000 are not capitalised and are charged to revenue in year.



2. *What is our Capital Strategy?*

2.1 - The key aims of the Capital Strategy are to:

- provide a clear context within which proposals for new capital expenditure are evaluated to ensure that all capital investment is targeted at meeting the Council's Vision and Priorities;
- Deliver projects that focus on delivering revenue benefits in the form of spend to save, spend to earn or generate growth in revenue income;
- set out how the Council identifies, programmes and prioritises capital requirements and proposals arising from business plans, the Asset Management Plan (AMP) and other related strategies;
- consider options available for funding capital expenditure and how resources may be maximised to generate investment in the area and to determine an affordable and sustainable funding policy framework, whilst minimising the ongoing revenue implications of any such investment;
- identify the resources available for capital investment over the MTFS planning period; and
- establish effective arrangements for the management of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, and the achievement of Value for Money.

2.2 - Put simply, our Capital Strategy aims to invest and deliver for the residents of the Borough:

- At the end of August 2019, we completed the purchase of 112 acres of strategically important land for £37.5m which forms part of the West Cheltenham JCS allocation. This was the most expensive land purchase ever made by CBC. It will enable the delivery of the Cyber Central vision – which was formally launched on 17th September 2019 at Hub8 in Cheltenham. In June 2019 the government announced that Cyber Central had been awarded 'Garden Communities' status
- We have invested in commercial property which provides for an ongoing sustainable income stream to deliver front-line services, whilst also having a direct impact of the safe-guarding of much needed office accommodation within the town centre;
- We are delivering the affordable homes which the market fails to provide and we will prioritise those people on our Housing Register;
- Public Realm High Street investment focussed on supporting the revitalisation of the high street, complemented by the flagship concept store opening for John Lewis, and the redevelopment of the Brewery Quarter;
- We have invested in a new suite of waste and recycling vehicles to enhance and deliver the service requested by our residents;

- We have invested and delivered **Page 111** and play hub at leisure@;
- We have invested in a new £8.5 million crematorium, on time and within budget, which will deliver services for future generations.

2.3 - Beyond the above, our Capital Strategy will also help us meet our need to upgrade and maintain:

- Operational buildings;
- Infrastructure in the Borough;
- Our vehicle fleet;
- Our ICT infrastructure.

2.4 - In 2020/21, the Council is planning capital expenditure of £43.938m as summarised below:

	2018/19 actual £000	2019/20 forecast £000	2020/21 budget £000	2021/22 budget £000	2022/23 budget £000
General Fund services	10,438	8,105	2,982	600	692
Council housing (HRA)	9,479	29,846	30,076	36,976	32,082
Capital investments	43,126	28,104	10,880	-	-
TOTAL	63,043	66,055	43,938	37,576	32,774

Table 1: Prudential Indicator: Estimates of Capital Expenditure

2.5 - The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately, and includes the aspiration to build 500 new homes.



3. *Capital programme needs and priorities*

- 3.1 - Underlying the capital strategy is the recognition that the financial resources available to meet corporate priorities are constrained in the current economic and political climate. Central government support for revenue and capital investment has reduced significantly over the last few years. Along with these reductions is the recognition that the Council must rely more on internal resources and seek ways in which investment decisions can be either self-sustaining or generate positive returns both in terms of meeting corporate objectives and producing revenue savings.
- 3.2 - The Asset Management Plan (AMP) includes significant backlog maintenance issues across the Council's property portfolio. To provide the necessary investment needed to bring them up to current standards would require a level of investment that is currently unaffordable within the revenue resources of the Council. The Council may wish to prioritise the disposal of any surplus assets which would generate capital resources via capital receipts. These receipts, alongside private sector investment, can be prioritised to maximise outputs with minimal ongoing future revenue costs.
- 3.3 - Economic Investment – The Council will continue to seek investments that generate longer term growth. These projects will yield a combination of revenue generation (business rates, property rental or interest), jobs and capital infrastructure investment. Based on sound business cases the Council will aspire to make acquisitions to assist with strategic site assembly for the delivery of investment projects.
- 3.4 - Housing – A significant element of past resources (capital receipts and S106 contributions) have been applied to the housing market in the Borough. This work will continue to deliver a commitment from the Cabinet to facilitate the delivery of building affordable new homes and bring void properties back into use, in partnership with Cheltenham Borough Homes. Significant progress has been made in this area and additional funds along with a strategic delivery partner will enhance this project.



- 3.5 - Employment – The council is keen to **Page 113** other Government agencies and private developers to create long term employment opportunities through capital investment. Such investments will also appraise the ability to generate new business rate income.
- 3.6 - Corporate Property – To reduce its backlog maintenance liability the Council needs to rationalise its office accommodation and other operational estate. This is either in the form of commercially letting an element of its existing office accommodation or through the sale of surplus assets. Such action would contribute to ongoing revenue savings and / or capital receipts respectively.
- 3.7 - Leisure, Culture & Tourism - A major part of the Borough's economy is based on leisure, culture and tourism. To support such areas the Council will consider the investment in infrastructure projects that bring in significant third party investment. The Council will work with its partners to bid to attract third party funding into its offering, where available.
- 3.8 - ICT – The Council will be undertaking appropriate investment and replacement into ICT hardware and software on a case by case basis along with its Publica partners. The primary focus will be on improving the use of technology on an “invest to save” basis.
- 3.9 - The Council's capital investment falls within, and needs to comply with, the “Prudential Code for Capital Finance in Local Authorities” (The Code). Under the Code local authorities have greater discretion over the funding of capital expenditure especially with the freedom to determine, within the regulatory framework of the Code, the level of borrowing they wish to undertake to deliver their capital plans and programmes.
- 3.10 - The Council has various mechanisms in place which seek to ensure that there is an integrated approach to addressing cross-cutting issues and developing and improving service delivery through its capital investment in pursuance of the Council's over-arching aims. These include:
- Democratic decision-making and scrutiny processes which provide overall political direction and ensure accountability for the investment in the capital programme;
 - The Council which is ultimately responsible for approving investment and the capital programme;
 - The Cabinet which is responsible for setting the corporate framework and political priorities to be reflected in the capital programme; the Cabinet will continue to receive regular performance and monitoring reports which are subject to scrutiny;
 - Officer Groups which bring together a range of service interests and professional expertise;
 - An integrated service and financial planning process, including the corporate performance management framework. Within this framework, all proposals for capital investment are required to demonstrate how they contribute to the achievement of the Council's aims and priorities. This includes an evaluation process for investment proposals which ensures cross-cutting appraisal of projects which are aligned to the Council's key aims and priorities and deliver on the efficiency and value for money agendas.

3. Resourcing Strategy

- 4.1 - The Council's current approach to capital financing is geared towards ensuring the maximisation of resources available to the Council. As such funding is applied in order from the following sources:
- Specific grants (e.g. Growth Fund, Better Care Fund)
 - S106 monies (developer contributions) / Partnership funding
 - Useable capital receipts
 - Revenue Contributions for Capital Outlay (RCCO)
 - Reserves
 - Prudential Borrowing
- 4.2 - This enables the Council to maintain a greater degree of flexibility, as usable capital receipts can only be used to finance capital spending, whereas both revenue and reserves can be used for both capital and revenue purposes.
- 4.3 - In order to progress new capital schemes not already identified within the capital programme, the Council will need to prioritise the use of available resources which could involve the disposal of existing assets or prudential borrowing on a scheme by scheme basis.
- 4.4 - Whilst predominately linked to financing of the Housing Capital Programme, capital receipts derived from 'Right to Buy Sales' have been used in the past to support affordable housing provision.
- 4.5 - The Prudential Code for Capital Finance in Local Authorities commenced throughout Great Britain in April 2004. The code allows councils to undertake unsupported borrowing to meet its objectives if this is considered to be affordable, prudent and sustainable, measured using prudential indicators. The code enables authorities to take greater control of their investment in the capital assets such as local authority housing, office accommodation, and infrastructure which are central to the delivery of quality local public services. The arrangements provide a flexible framework within which they can be procured, managed, maintained and developed. When considering the potential use of prudential borrowing, the Council must satisfy itself that the borrowing will be undertaken to deliver specific key priorities or be used to finance projects which will provide on-going revenue savings in excess of the financing costs (invest to save).
- 4.6 - Given the pressure on the Council's revenue budget in future years, prudent use will be made of this discretion in cases where there is a clear financial benefit, such as "invest to save", "spend to earn" or major regeneration schemes which do not increase expenditure levels in the longer term.
- 4.7 - Such schemes will focus on clear priorities, attracting significant third party investment and those that generate revenue benefits in future financial years - namely income, interest, council tax or business rate yield.

- 4.8 - The Council will continue to considerPage 115ous and prudent basis the extent to which prudential borrowing may be undertaken to fund new capital investment, which generates returns over and above the revenue costs of the debt.
- 4.9 - New sources of funding are also being identified through the Local Economic Partnership (LEP) working on a County Region basis. The strategy, the outcomes of which inform the Medium Term Financial Strategy, is intended to consider all potential funding options open to the Council and to maximise the financial resources available for investment in service provision and improvement within the framework of the MTFs.
- 4.10 - The Council will continue to work with the private sector to utilise redundant assets and vacant land to bring them into a useful economic purpose to facilitate regeneration and employment creation.
- 4.11 - The Council will continue to work with Local Health Partners and other public agencies to consider sharing facilities to the mutual benefit of all parties.
- 4.12 - Capital receipts from asset disposal represent a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the Council. Cash receipts from the disposal of surplus assets are to be used to fund new capital investment as and when received. The Council's property estate is mainly held for operational service requirements and administrative buildings although it does have a significant commercial investment portfolio. This estate is managed through the Asset Management Plan which identifies property requirements and, where appropriate, properties which are surplus to requirements and which may be disposed.
- 4.13 - The Council will continue to maintain a policy of not ring-fencing the use of such capital receipts to fund new investment in specific schemes or service areas, but instead, to allocate resources in accordance with key aims and priorities, subject to the following exceptions:
- capital receipts received in respect of right to buy sales will be wholly invested in the provision of additional housing;
 - any receipts from the sales of properties previously acquired for site assembly where borrowing has previously incurred will be used to repay the debt incurred on that particular acquisition.
- 4.14 - Council resources will be allocated to programmes based on asset values to manage the long term yield and revenue implications. Capital receipts and reserves will be focused on those assets with short term life span (e.g. vehicles and IT investments) and the unsupported borrowing on long term assets (e.g. land and buildings).

4.15 - All capital expenditure must be financed from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the above expenditure is as follows:

	2018/19 actual £000	2019/20 forecast £000	2020/21 budget £000	2021/22 budget £000	2022/23 budget £000
External sources	1,427	1,742	4,555	5,095	9,255
Own resources	12,327	20,607	9,253	7,880	8,836
Debt	49,289	43,706	30,130	24,601	14,683
TOTAL	63,043	66,055	43,938	37,576	32,774

Table 2: Capital financing

4.16 - Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP) as detailed in Appendix 5. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

	2018/19 actual £000	2019/20 forecast £000	2020/21 budget £000	2021/22 budget £000	2022/23 budget £000
Own resources	1,465	2,233	2,313	2,434	2,469

Table 3: Replacement of debt finance

4.17 - The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £27.8m during 2020/21. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

	31.3.2019 actual £000	31.3.2020 forecast £000	31.3.2021 budget £000	31.3.2022 budget £000	31.3.2023 budget £000
General Fund services	78,317	105,580	114,997	112,564	110,095
Council housing (HRA)	56,908	71,118	89,517	114,118	128,801
TOTAL CFR	135,225	176,698	204,514	226,682	238,896

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement

4.18 - Asset management: To ensure that caPage 117ontinue to be of long-term use, the Council has an asset management strategy in place.

4.19 - Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2021/22. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive capital receipts in the coming financial year as follows:

	2018/19 actual £m	2019/20 forecast £m	2020/21 budget £m	2021/22 budget £m	2022/23 budget £m
GF Asset sales	0.17	0.016	-	-	-
HRA Asset sales	2.849	0.9	1.5	1.5	1.5
Capital loans and grants repaid	0.856	1.035	1.152	1.135	1.14
TOTAL	3.875	1.951	2.652	2.635	2.64

Table 5: Capital



5. Treasury Management Page 118

- 5.1 - Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing. Due to decisions taken in the past, the Council currently has £160.239m borrowing at an average interest rate of 2.49% and £21.807m treasury investments at an average rate of 2.24%.
- 5.2 - Borrowing strategy: The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.5% to 3.5%).
- 5.3 - Projected levels of the Council's total outstanding debt which comprises borrowing are shown below, compared with the capital financing requirement (see above).

	31.3.2019 actual £000	31.3.2020 forecast £000	31.3.2021 budget £000	31.3.2022 budget £000	31.3.2023 budget £000
Debt	120,595	163,294	193,802	218,443	233,173
Capital Financing Requirement	135,225	176,698	204,514	226,682	238,896

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

- 5.4 - Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.
- 5.5 - Liability benchmark: To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £17m at each year-end. This benchmark is currently £17m and is forecast to remain the same over the next three years.

	31.3.2019 actual £000	31.3.2020 forecast £000	31.3.2021 budget £000	31.3.2022 budget £000	31.3.2023 budget £000
Outstanding borrowing	120,595	163,294	193,802	218,443	233,173
Liability benchmark	101,290	146,294	176,802	201,443	216,173

Table 7: Borrowing and the Liability Benchmark

- 5.6 - The table shows that the Council ePage 119main borrowed above its liability benchmark. The liability benchmark is the total amount borrowed less investments held at year end or forecast. The Council wishes to have a treasury investment portfolio which achieves significant revenue income.
- 5.7 - Affordable borrowing limit: The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

	2019/20 limit £000	2020/21 limit £000	2021/22 limit £000	2022/23 limit £000
Authorised limit – total external debt	298,000	320,000	350,000	370,000
Operational boundary – total external debt	288,000	310,000	340,000	360,000

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt

- 5.8 - Investment strategy: Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 5.9 - The Council’s policy on treasury investments is to prioritise security and liquidity over yield; that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

	31.3.2019 actual £000	31.3.2020 forecast £000	31.3.2021 budget £000	31.3.2022 budget £000	31.3.2023 budget £000
Near-term investments	11,536	9,000	9,000	9,000	9,000
Longer-term investments	8,000	8,000	8,000	8,000	8,000
TOTAL	19,536	17,000	17,000	17,000	17,000

Table 9: Treasury management investments

- 5.10 - Governance: Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Executive Director Finance Assets and his staff, who must act in line with the treasury management strategy approved by Full Council. Quarterly reports on treasury management activity are presented to cabinet. The Treasury Management Panel is responsible for scrutinising treasury management decisions.

6. *The capital programme*

Page 120

- 6.1 - The Capital Programme is laid out in a separate report to Cabinet and Council each financial year as part of the annual budget setting process. The report reflects the most recent forecasts of expenditure based on Government announcements.
- 6.2 - Annually capital bids are invited for assessment and consideration. In preparing the annual capital programme, new schemes will be appraised using the assessment against corporate priorities and objectives business case template.
- 6.3 - The annual capital programme contains a projection of the capital investment required over a 4 year period. Typically, the capital programme consists of 4 areas of expenditure (i) replacement of vehicles (ii) replacement of ICT equipment / infrastructure (iii) housing grants for disabled facilities adaptations and (iv) to enable the provision of increased affordable housing.

Investments for Service Providers

- 6.4 - The Council makes investments to assist local public services, including making loans to the Council's subsidiaries and other local service providers that provide services to promote economic growth. In light of the public service objective, the Council is willing to take more risk than with treasury investments; however, it still plans for such investments to generate a small surplus after all costs.
- 6.5 - Governance: Decisions on service investments are made by Full Council under the guidance of the Executive Director Finance and Assets. Most loans are capital expenditure and purchases will therefore also be approved as part of the capital programme.



7. Programme maintenance ^{Page 121}

7.1 - The Council's Planned Maintenance Programme for property is reviewed annually and the programme includes the following types of expenditure:

- Planned – cyclical, programmed maintenance work for buildings based on regular condition surveys
- Routine – includes electrical and mechanical installation service contracts for the maintenance of infrastructure e.g. security/fire alarms and lifts
- Reactive – emergency / ad-hoc / unplanned expenditure.

7.2 - The Council budgets for an annual revenue contribution of £470k (2020/21) to the Planned Maintenance Reserve and an £200k contribution (2020/21) to the Capital Reserve. In order to assess the longer-term maintenance obligations, it is considered necessary for a programme covering the next 10 years to be estimated to ensure adequate resources are in place to mitigate known and expected liabilities. It should be noted that maintenance expenditure can only be funded from revenue sources.



8. Commercial Strategy Page 122

- 8.1 - Local authorities have a key role in facilitating the long term regeneration and economic growth of their local areas and they may wish to hold investments to facilitate this. When determining whether to acquire, the Council needs to recognise the contribution the asset will make. The contribution could be classified as direct service delivery and/or place-making, for example economic growth, business rates growth, responding to market failure or sustainability of certain asset classifications.
- 8.2 - With central government financial support for local public services declining, the Council invests in commercial property mainly for financial gain. Total commercial investments are currently valued at £76.309m, providing a net return after all costs of 4.19% for 2019/20 and a predicted return of 4.44% for 2020/21. The net yield is calculated to be 5.25% for both 2019/20 and 2020/21.
- 8.3 - With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. The Priorities for the Council when acquiring property interests for investment purposes are detailed below and each property will be assessed on a case by case basis:
- Covenant Strength - in the case of a let property, the quality of the tenant and, more importantly, their ability to pay the rent on time and in full. The Council's primary reason and objective for this strategy is financial gain. It is however worth noting that the Council, as a public body, may not wish to invest in properties where the occupiers are generally seen to be undertaking a business which is contrary to its corporate values.
 - Lease length - in the case of a let property, the unexpired length of the term of the lease or a tenant's break clause is of key importance in ensuring that the landlord's revenue stream is uninterrupted. The Council will take into consideration the risks associated with a tenant vacating and the potential to attract good quality replacement tenants at acceptable rental levels. Generally occupiers are moving away from 25 year leases which were more common back in the late twentieth century with 10 to 15 years now becoming more acceptable unless some form of lease break provisions are included in favour of the tenant.
 - Rate of return - the rate of return from the property (for example through annual rental incomes) will need to be equivalent or better to the returns that could be earned from alternate investments, such as placing monies on deposit, following adjustment for risks and potential growth. The property will also need to produce an annual return in excess of the cost of PWLB borrowing or any other institution (principle and interest payments). The Council will therefore aim to achieve a minimum net yield of 5%, excluding the cost of debt financing (principle and interest) but including other expenses.
 - Risk - rate of return needs to be balanced against risk. In general, the higher the return from an investment, the higher level of risk that it carries. For example, a higher return may lead to longer voids at lease end or lower covenant strength of tenant and therefore higher risk of default, or over-rented against current market rents and risk of lower future income.

- Lease Terms - The terms of leases vary and even those held on an “Institutionally acceptable basis” can be very different in nature particularly as such leases have developed over time. The Council is seeking to invest in modern leases with full repairing and insuring obligations on the Tenant and a full Service Charge recovery to include any management fees where applicable. This will ensure a certain income/return to the Council.
- Growth - property has the potential for both revenue and capital growth. The Council will take into account that potential when assessing the strength of the investment opportunity. Property values can fall as well as rise and mechanisms to minimise revenue reductions should be identified. Generally the nature of standard, institutional leases is that rent review clauses are upward only which protects landlords from any downward pressure on rental income giving some security as to the level of income. However, this can lead to over-renting in a downward market and the Council needs to be aware of this at lease end or tenant forfeiture.
- Location - should a tenant default or vacate, the location of the property is the key factor in influencing the ability to re-let and find another tenant. Location is also important when considering future redevelopment or regeneration opportunities. The Council will be able to undertake inspections and to deal with any management issues without the need to employ specialists or agents. Preference should be given to properties located within Cheltenham or in close proximity such as Gloucestershire Airport. This does not prevent investment outside of Cheltenham, subject to the appropriate justification and business case and correct governance procedure.
- Sector - information as to the sector of use of the property (e.g. office, retail, industrial, leisure) will assist in deciding on the risks associated with specific properties and the mix of sectors within the portfolio. It is essential that the overall portfolio is balanced with no overall exposure to one particular asset classification.
- Building Age and Specification - in the case of a let property, whilst the Council, as an investor, may be principally concerned with the characteristics of the tenant and lease, the age and specification of the property will also affect the ability of the Council to let or sell the property in the future, or the costs incurred to bring the property up to a lettable standard at the end of an existing lease. It must also be taken into consideration in respect of the cost of protecting the investment. An example of this would be the undertaking of repairs and refurbishment if the cost cannot be fully recovered from the tenant. Any permitted development rights will also be a consideration for the future.

8.4 - In summary, the strategy for acquiring **Page 124** property assets is therefore to:

- Seek property let to tenants who are of strong covenant strength and sound financial standing with at least more than five years remaining on an FRI lease.
- Minimise risk.
- Maximise rental income and minimise management costs to ensure the best return is generated, thus making a positive contribution to the MTFS.
- Identify opportunities for future growth, redevelopment or regeneration via property in commercially popular or development areas.
- Prioritise Cheltenham.
- Pursue opportunities to increase returns and improve the investment value of commercial assets.

8.5 - Governance: Decisions on commercial investments are made by the Cabinet and Full Council in line with the criteria and limits approved by Full Council in December 2016. Property and most other commercial investments are also capital expenditure and purchases will therefore also be approved as part of the capital programme.

8.6 - Further details on commercial investments and limits on their use are on pages 2 of the investment strategy report.

9. Revenue Budget Implications

9.1 - Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2018/19 actual	2019/20 forecast	2020/21 budget	2021/22 budget	2022/23 budget
Financing costs (£m)	3.134	3.889	4.002	4.002	4.002
Proportion of net revenue stream	6.26%	9.46%	9.59%	9.58%	9.58%

Table 10: Prudential Indicator: Proportion of financing costs to net revenue stream

9.2 - Sustainability: Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Executive Director Finance and Assets is satisfied that the proposed capital programme is prudent, affordable and sustainable as detailed in paragraph 10.4 below.

10. Conclusion ^{Page 125}

- 10.1 - The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Executive Director Finance and Assets is a qualified accountant of fellowship status with over 20 years' experience. The Managing Director Place and Growth has over 30 years' experience in regeneration and development industry, and has worked in both the private and public sectors, in a delivery and advisory capacity. The Head of Property Services and Asset Management has over 25 years' experience in the public/private retail estate market. The Council pays and actively encourages staff to study towards relevant professional qualifications.
- 10.2 - Where Council employed staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. The Council employs other specialist advisers to advise upon specific, extra-ordinary transactions as required. Examples of such transactions include property acquisitions, and loans to third parties. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.
- 10.3 - Given that the Council's capital resources are diminishing, the importance of working with external partners to jointly fund schemes is recognised. The Council has well established working relationships with other major public service bodies at a single-service level, for instance the provision of new affordable housing, where the Council not only works with Cheltenham Borough Homes and the other Housing Authorities in Gloucestershire, but also with active Registered Social Landlords and the private sector.
- 10.4 - All capital investment must be sustainable in the long term through revenue support by the Council or its partners. All capital investment decisions consider the revenue implication both in terms of servicing the finance and running costs of the new assets. The impact of the revenue implications is a significant factor in determining approval of projects. The use of capital resources has been fully taken into account in the production of the Council's MTFS
- 10.5 - The Council continues to make significant strides forward in ensuring that a more coherent approach to capital planning and asset management is taken.



CHELTENHAM
BOROUGH COUNCIL



THE WORKPLACE
**WELLBEING
CHARTER**



**INVESTORS
IN PEOPLE** | Accredited
Until 2020

Follow our progress:
www.cheltenham.gov.uk



Investment Strategy Report 2020/21

Cheltenham Borough Council

Introduction

The Authority invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This investment strategy for 2020/21 meets the requirements of statutory guidance issued by the government in January 2018, and focuses on the second and third of these categories.

Treasury Management Investments

The Authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure. These activities lead to a cash surplus at various points of the year which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to fluctuate between £26.3m and £32.0m during the 2020/21 financial year.

Contribution: The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.

Further details: Full details of the Authority's policies and its plan for 2020/21 for treasury management investments are covered in a separate document – the treasury management strategy - which is available via the Councils website.

Service Investments: Loans

Contribution: Subject to a business case, the Council will lend money to its subsidiaries. The Council also lends money to support local public services and stimulate local economic growth. These include loans to organisations and residents within the Borough which support the priorities of the Council.

Security: The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as below in table 1. Most of the loans made in the past have been to subsidiaries Cheltenham Borough Homes (CBH) and Gloucestershire Airport which is 50% shared with Gloucester City Council.

Table 1: Loans for service purposes in £

Category of borrower	31.3.2019 actual £			2020/21
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Charities	563,989	-	563,989	700,000
Cheltenham Borough Homes	6,520,875	-	6,520,875	107,000,000
Gloucestershire Airport	511,141	-	511,141	7,250,000

Accounting standards require the Authority to set aside loss allowance for loans, reflecting the likelihood of non-payment. The loans that the Council has made are limited to specific service areas and subsidiaries and the likelihood of non-payment is minimal. There is no history of non-payment and no evidence to suggest that there will be any default against the loans granted. As a result, no allowance for loss has been included against the loan balances. Should any indication be given that there is a risk of default then the risk will be assessed and a provision established at that time. Should a loan default, the Authority will make every reasonable effort to collect the full sum lent and recover any overdue repayments.

In addition to the loans granted the Council has included provision in its Treasury Management Strategy to loan up to £500,000 to both Ubico Limited and Cheltenham Borough Homes (CBH) and up to £100,000 to Publica Group (Support) Limited, Cheltenham Festivals, The Cheltenham Trust and Cheltenham BID should any company require our support. The Council is a shareholder in Gloucestershire Airport, Ubico and SWAP (South West Audit Partnership) and a shared owner in Publica. In these cases, the loan facility is to enable the Council to be able to provide a loan for short-term cash flow purposes.

Risk assessment: The Authority assesses the risk of loss before entering into and whilst holding service loans by undertaking credit checks and ensuring that appropriate legal documentation is in place to secure the Council's money.

The Council also receives independent financial advice on its financial dealings from Arlingclose Limited.

Service Investments: Shares

Contribution: The Council has a £1 shareholding in Ubico Ltd. Ubico Ltd is wholly-owned by seven local authorities and operates as a not for profit enterprise. Ubico Ltd is an environmental services company which provides household and commercial refuse collection, recycling, street cleansing, grounds maintenance and fleet maintenance services to the Council. Also the Council has £435,222 shareholding in Gloucestershire Airport (at cost) which equates to 50%. The other 50% is retained by Gloucester City Council.

Security: One of the risks of investing in shares is that they could fall in value meaning that the initial outlay may not be recovered. The Council has no other shareholdings.

Table 2: Shares held for service purposes in £

Category of company	31.3.2019 actual £		
	Amounts invested at cost	Gains or losses	Value in accounts
UBICO	1	-	1
Gloucestershire Airport	435,222	1,264,778	1,700,000
TOTAL	435,223	1,264,778	1,700,001

Risk assessment: the Council has not invested into Ubico or Gloucestershire Airport to generate a financial return. The Council has invested purely to support service provision. Ubico is a cost sharing company – any surplus generated within Ubico is returned to the partner Councils [shareholders] similarly with any deficit met by the Councils. Through regular budget monitoring and sound financial management by Ubico and transparency within calculation of contract sums, the risk of any financial loss is mitigated.

Liquidity: the Council has not invested into Ubico or Gloucestershire Airport to generate a financial return. The Council has invested purely to support service provision. The Council has no intention to dispose of its investment in the foreseeable future.

Non-specified Investments: Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Service Investments: Workshop Cheltenham

On 8th October 2019, Cabinet approved the recommendation to support the creation of the Workshop Development by Workshop Cheltenham Limited (WSC) on Chester Walk car park. WSC will provide a tier 2 growth hub, flexible workspace for creative industry start-ups and incubation units for cyber tech companies along with an events space and a new home for Cheltenham Festivals.

WSC approached the council to consider an investment into WSC to facilitate the delivery of the project. As a result, on 3rd March 2020, Cabinet approved (in exempt session) the proposal for an investment of up to £1.7m with WSC to facilitate the delivery of the facility.

The precise nature of the vehicle for delivery of the Workshop Development has yet to be determined and as such, Cabinet delegated responsibility to set up the most appropriate vehicle and investment mechanism to support WSC, including if necessary setting up a new company with WSC.

Due diligence is still required on the numbers set out in the proposal however the breakeven point for Workshop to be profitable is just below 50% occupancy if £1.7m is invested and 49.8% occupancy if £1.45m is invested. It is estimated that the occupancy will be an average of around 50% for the first year and then grow 5% per annum.

It is proposed that WSC will repay the investment on a straight line basis over the 10 year period, based on a value of up to £170k p.a. (1/10th of the investment sum). This will be the first draw on the gross profit and taken directly as a cost of running the venture along with costs such as the lease of the land to CBC. It is proposed that the council will receive a share of the net profit based on 60% to WSC and 40% to the council which ensures a commercial rate of return to the council. The full business case, including projected investment returns to the council, is contained within the exempt report and appendices approved by Cabinet on 3rd March 2020.

As such, the following table includes parameters to allow for an investment of up to £1.7m to support the development of Workshop Cheltenham.

Table 1: investment for service purposes in £

Category of borrower	31.3.2019 actual £			2020/21
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Workshop Cheltenham Limited	-	-	-	1,700,000

Commercial Investments: Property

Investment Property is defined in the CIPFA code of practice on Local Authority Accounting as property (land or buildings, or both) held solely to earn rentals or for capital appreciation, or both. The Council holds a number of assets which it classifies as Investment Properties.

Contribution: The Council owns a number of Investment Properties within Cheltenham, with the intention of generating a revenue income to support the revenue budget.

Table 4: Property held for investment purposes in £ (including HRA Investment properties)

Property	Purchase Price	01.4.18	31.3.2019 actual £		31.3.2020
		Value in accounts £	Purchases, Gains or (losses)	Value in accounts £	Expected value* £
Investment Property within Cheltenham	Various	35,320,000	40,673,000	75,993,000	104,097,200

**During 2019/20 the council purchased land to develop, costing £39.6m, of which £28.1m (the General Fund proportion) is classified as Investment property, the value of which at 31st March 2020 is currently being assessed for the year end accounts.*

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

A fair value assessment of the Authority's investment property portfolio is made each year as part of the final accounts process. Investment Property is valued at market value.

The fair value of the Authority's investment property portfolio is included in the Statement of Accounts, based upon 'market value'. The Council's Investment Property is held primarily to generate a stable income stream to support the revenue budget. Should a property be sold any profit/loss on disposal will be recognised at that point. The Council has no plans to dispose of any Investment Property in the near future.

Risk assessment: The Council aims to generate a revenue return from its Investment Property assets which is greater than the return generated by its Treasury Management activity. It is understood that the fair value of property will fluctuate, although it is anticipated that the revenue returns in 2020/21 will remain constant. The Authority assesses the risk of movement in asset values before entering into and whilst holding property investments and mitigates the risk by purchasing property with secure tenants on long leases.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the Council has cash funds that can be accessed when they are needed, the Treasury management policy includes the provision of liquid investments should the Council be in need of cash. It is not anticipated that the Council would need to sell any Investment Property at short notice.

Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Authority and are included here for completeness.

The Authority is a shareholder of Ubico Ltd and Gloucestershire Airport Ltd, and owner by guarantee and is a joint partner in Publica Group (Support) Limited (¼ owner). In both cases, should the company overspend the Council would be liable for its share of the additional costs. In both companies, sound financial management and budgetary control mitigate the risk that additional sums will be required without adequate notice.

Proportionality

The Authority is dependent on investment activity to achieve a balanced revenue budget. Table 4 below shows the extent to which the General Fund expenditure planned to meet the service delivery objectives of the Authority is dependent on achieving the expected income from treasury investments over the lifecycle of the Medium Term Financial Plan. Should it fail

to achieve the expected income targets, the Authority will be required to draw additional balances from reserves, or generate savings elsewhere within the budget to continue to provide its services.

Table 4: Proportionality of Investments in £

	2018/19 Actual	2019/20 Forecast	2020/21 Budget	2021/22 Forecast	2022/23 Forecast
Gross service expenditure*	35,498,605	35,720,115	34,904,403	35,602,491	36,314,541
Investment income	3,125,720	4,996,209	4,851,409	4,851,409	4,851,409
Proportion	8.8%	13.99%	13.9%	13.6%	13.4%

* Excluding Housing Benefit payments.

Borrowing in Advance of Need

Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. The Authority has plans to borrow in 2020/21 to invest in new capital schemes. Any funds borrowed will be in relation to specific schemes and based upon the cash required for the chosen schemes. There are no plans to borrow in advance of need.

Capacity, Skills and Culture

Summary of knowledge and skills available to the authority:

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Executive Director Finance and Assets is a qualified accountant of fellowship status with 20 years' experience. The Managing Director Place and Growth has over 30 years' experience in regeneration and development industry, and has worked in both the private and public sectors, in a delivery and advisory capacity. The Head of Property Services and Asset Management has over 25 years' experience in the public/private retail estate market. The Council pays and actively encourages staff to study towards relevant professional qualifications.

Where Council employed staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers. The Council employs other specialist advisers to advise upon specific, extra-ordinary transactions as required. Examples of such transactions include property acquisitions, and loans to third parties. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

The Council has experience of investing in commercial property in recent years. The Council's property service's officers have the following qualifications or status:

- BSc Hons Real Estate Management
- Member Royal Institute Chartered Surveyors

- Royal Institute Chartered Surveyors Registered Valuer
- Member Chartered Institute of Public Finance and Accountancy

The Council's legal team, provided by One Legal, have experience of carrying out legal due diligence checks, particularly for commercial property acquisitions, and the legal officers have the following qualifications or status:

- Chartered Legal Executive
- Solicitor
- Para-Legals

The Property and Legal teams work together with the Finance team to support the Council's Executive Director Finance and Assets in developing investment proposals for the Council. External specialist advice is obtained when required to support these teams.

The Council has previously invested in a range of diversified commercial properties which are delivering a sustainable revenue stream to the Council. Any further investment in non-treasury management transactions will be set out in this, or future iterations of this strategy.

Scrutiny Arrangements:

The Cabinet will make decisions or make recommendations to full Council on new investments that are not part of Treasury Management Activity.

Financial Performance is reported quarterly to Cabinet. This will include the financial performance of the Treasury management function and any other revenue generating investments.

Treasury Management performance is reported at half-year and year-end to the Treasury Management Panel and to full Council.

The Council's internal audit provider (South West Audit Partnership Ltd) regularly audits the Council's treasury management activity and its processes and procedures for approving investment and performance management. SWAP report to the Council's Audit Committee.

Investment Indicators

The Authority has set the following quantitative indicators to allow elected members and the public to assess the Authority's total risk exposure as a result of its investment decisions.

Total risk exposure: The first indicator shows the Authority's total exposure to potential investment losses. This includes amounts the Authority is contractually committed to and any guarantees the Authority has issued over third party loans.

Table 5: Total investment exposure in £

Total investment exposure	31.03.2019 Actual	31.03.2020 Forecast	31.03.2021 Forecast
Treasury management investments	19,493,550	19,000,000	19,000,000
Service investments: Loans	7,834,503	7,434,135	7,170,599
Service investments: Shares (at cost)	435,224	435,224	435,224
Commercial investments: Property	75,993,000	104,087,400	115,817,820
TOTAL INVESTMENTS	103,756,277	130,956,759	142,423,643
Commitments to lend ¹	-	-	-
TOTAL EXPOSURE	103,756,277	130,956,759	142,423,643

¹ This excludes the potential loan facility offered to Ubico Limited, Publica Group (Support) Limited and Cheltenham Trust for cash flow purposes.

How investments are funded: Government guidance is that these indicators should include how investments are funded. The Council's plans for borrowing are limited to a small number of schemes – which are primarily for service delivery – which do not form part of this report. As a result, investments funded by borrowing can be presented as follows:

Table 6: Investments funded by borrowing in £

Investments funded by borrowing	31.03.2019 Actual	31.03.2020 Forecast	31.03.2021 Forecast
Treasury management investments	-	-	-
Service investments: Loans	7,834,503	7,434,135	7,170,599
Service investments: Shares	-	-	-
Commercial investments: Property	52,553,048	79,527,259	90,102,936
TOTAL FUNDED BY BORROWING	60,387,551	86,961,394	97,273,535

Rate of return received: This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2018/19 Actual	2019/20 Forecast	2020/21 Forecast
Treasury management investments	1.85%	2.00%	2.00%
Service investments: Loans			
Cheltenham Borough Homes	3.93%	3.93%	3.93%
Gloucestershire Airport	1.80%	1.80%	1.80%
Everyman Theatre	3.93%	3.93%	3.93%
St Margarets Hall	3%	3%	3%
Service investments: Shares	0%	0%	0%
Commercial investments: Property yield/contribution (net of borrowing)	£1,747,275	£3,194,651	£3,390,745
Commercial investments: Property	5.24%	4.19%	4.44%

Net Yield: This indicator calculates the annual profit (income minus costs) generated by an asset, divided by its price. The costs that you would normally consider include agent fees, insurance, an allowance for repairs, an allowance for voids (the property being empty), service charge and ground rent. In order to provide consistency across the property portfolio, net yield is used to assess the returns.

Table 8: Net yield on commercial property investments

Net Yield	2018/19 Actual	2019/20 Forecast	2020/21 Forecast
Commercial investments: Property	5.86%	5.25%	5.25%

This page is intentionally left blank

TREASURY MANAGEMENT STRATEGY STATEMENT 2020/21

1. Introduction

Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and 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 financial risk are therefore central to the Authority's prudent financial management.

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. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

2. Economic Background

The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2020/21.

UK Consumer Price Inflation (CPI) for November registered 1.5% year on year, unchanged from the previous month. Core inflation, which excludes the more volatile components, was also 1.5% in November. The most recent labour market data for the three months to October 2019 showed the unemployment rate remained at 3.8% while the employment rate was 76.2%, just above recent record-breaking highs. The headline 3-month average annual growth rate for pay was 3.2% in October as wages dipped steadily. In real terms, after adjusting for inflation, pay growth decreased to 3.5%.

GDP growth rose by 0.3% in the third quarter of 2019 from -0.2% in the previous three months with the annual rate falling further below its trend rate to 1.0% from 1.2%. Services and construction added positively to growth, by 0.6% and 0.4% respectively, while production was flat and agriculture recorded a fall of 0.2%. Looking ahead, the Bank of England's Monetary Policy Report (formerly the Quarterly Inflation Report) forecasts economic growth to pick up during 2020 as Brexit-related uncertainties dissipate and provide a boost to business investment helping GDP reach 1.6% in Q4 2020, 1.8% in Q4 2021 and 2.1% in Q4 2022.

The Bank of England maintained Bank Rate to 0.75% in December following a 7-2 vote by the Monetary Policy Committee. Despite keeping rates on hold, MPC members did confirm that if Brexit uncertainty drags on or global growth fails to recover, they are prepared to cut interest rates as required. Moreover, the downward revisions to some of the growth projections in the Monetary Policy Report suggest the Committee may now be less convinced of the need to increase rates even with the Brexit deal.

Growth in Europe remains soft, driven by a weakening German economy which saw GDP fall -0.1% in Q2 and is expected to slip into a technical recession in Q3. Euro zone inflation was 0.8% year on year in September, well below the European Central Bank's target of 'below, but close to 2%' and leading to the central bank holding its main interest rate at 0% while cutting the deposit facility rate to -0.5%. In addition to maintaining interest rates at ultra-low levels, the ECB announced it would recommence its quantitative easing programme from November.

In the US, the Federal Reserve began easing monetary policy again in 2019 as a pre-emptive strike against slowing global and US economic growth on the back on of the ongoing trade war with China. At its last meeting the Fed cut rates to the range of 1.50-1.75% and financial markets expect further loosening of monetary policy in 2020. US GDP growth slowed to 1.9% annualised in Q3 from 2.0% in Q2.

3. Credit outlook

Credit conditions for larger UK banks have remained relatively benign over the past year. The UK's departure from the European Union was delayed three times in 2019 and while there remains some concern over a global economic slowdown, this has yet to manifest in any credit issues for banks. Meanwhile, the post financial crisis banking reform is now largely complete, with the new ringfenced banks embedded in the market.

Challenger banks hit the news headlines in 2019 with Metro Bank and TSB Bank both suffering adverse publicity and falling customer numbers.

Looking forward, the potential for a "no-deal" Brexit and/or a global recession remain the major risks facing banks and building societies in 2020/21 and a cautious approach to bank deposits remains advisable.

4. Interest rate forecast

The Authority's treasury management adviser Arlingclose is forecasting that Bank Rate will remain at 0.75% until the end of 2022. The risks to this forecast are deemed to be significantly weighted to the downside, particularly given the recent general election, the need for greater clarity on Brexit and the continuing global economic slowdown. The Bank of England, having previously indicated interest rates may need to rise if a Brexit agreement was reached, stated in its December Monetary Policy Report and its Bank Rate decision (7-2 vote to hold rates) that the MPC now believe this is less likely even in the event of a deal.

Gilt yields have risen but remain at low levels and only some very modest upward movement from current levels are expected based on Arlingclose's interest rate projections. The central case is for 10-year and 20-year gilt yields to rise to around 1.00% and 1.40% respectively over the time horizon, with broadly balanced risks to both the upside and downside. However, short-term volatility arising from both economic and political events over the period is a near certainty.

A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix A.

For the purpose of setting the budget, it has been assumed that new treasury management investments will be made at an average rate of 0.70% to 0.80%.

5. Balances

On 31st December 2019, the council held £160.239m of borrowing and £17.738m of investments. This is set out in further detail at Appendix 2. Forecast changes in these sums are shown in the balance sheet analysis in the table below.

Table 1: Balance sheet summary and forecast

	31.3.19 Actual £m	31.3.20 Estimate £m	31.3.21 Forecast £m	31.3.22 Forecast £m	31.3.23 Forecast £m
General Fund CFR	78,317	105,580	114,997	112,564	110,095
Housing (HRA) CFR	56,908	71,118	89,517	114,118	128,801
Total CFR	135,225	176,698	204,514	226,682	238,896
Less: Usable reserves	(28.712)	(20.816)	(13.254)	(13.254)	(13.254)
Less: Working capital	(5.454)	(1.500)	(1.500)	(1.500)	(1.500)
Net borrowing	101.059	154.382	189.760	211.928	224.142

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. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The Authority has an increasing CFR due to the HRA capital programme, but minimal investments and will therefore be required to borrow up to £71m over the forecast period.

CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Authority's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Authority expects to comply with this recommendation during 2020/21.

6. Borrowing Strategy

6.1 The Authority currently holds £160.239m of loans, an increase on the previous year, as part of its strategy for funding previous year's capital programmes by temporary loans. The balance sheet forecast in table 1 shows that the Authority expects to borrow up to £23m in 2020/21 in respect of asset purchases for the HRA. The Authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £233m for 2020/21.

The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs

over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2020/21 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2020/21, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

6.2 Sources of borrowing:

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except our local) Pension Fund
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

Public Works Loan Board: The Authority has previously raised the majority of its long-term borrowing from the PWLB but the government increased PWLB rates by 1% in October 2019 making it now a relatively expensive option. The Authority will now look to borrow any long-term loans from other sources including banks, pension funds and local

authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code.

Municipal Bonds Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet and full Council.

LOBOs: The Authority holds £7m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £2m of these LOBOS have options during 2020/21, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and variable rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators.

Debt rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

7. Investment Strategy

7.1 Introduction

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has averaged from as high as £30m and as low as £14m over the last twelve months.

7.2 Objectives

Both the CIPFA Code requires 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. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

7.3 Negative interest rates

If the UK enters into a recession in 2020/21, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Given the increasing risk and low returns from short-term unsecured bank investments, the Authority aims to remain with a diversified investment portfolio. This is especially the case for the estimated £8m that is available for longer-term investment. The majority of the Authority's surplus cash is currently invested in short-term unsecured bank deposits, certificates of deposit, money market funds and Pooled Funds. This diversification will represent a continuation of the strategy over the coming year.

Approved counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£6m 5 years	£6m 20 years	£7m 50 years	£5m 20 years	£5m 20 years
AA+	£6m 5 years	£6m 10 years	£7m 25 years	£4m 10 years	£5m 10 years
AA	£6m 4 years	£6m 5 years	£7m 15 years	£4m 5 years	£5m 10 years
AA-	£6m 3 years	£6m 4 years	£7m 10 years	£3m 4 years	£5m 10 years
A+	£6m 2 years	£6m 3 years	£7m 5 years	£3m 3 years	£5m 5 years
A	£6m 13 months	£6m 2 years	£6m 5 years	£3m 2 years	£3m 5 years
A-	£6m 6 months	£6m 13 months	£5m 5 years	£2m 13 months	£3m 3 years
None	£2m 6 months	£2m 6 months	n/a	n/a	n/a
MMF Pooled funds	£3m per fund £5m per fund manager				

7.4 Credit rating

Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment as part of a diversified pool in order to spread the risk widely.

Registered providers: Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services; they retain the likelihood of receiving government support if needed.

Pooled funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available

for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Operational bank accounts

The Council banks with Lloyds (Lloyds Banking Group). On adoption of this Strategy, it will meet the minimum credit criteria of A- (or equivalent) long term. It is the Councils intention that even if the credit rating of Lloyds Bank falls below the minimum criteria A- the bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

Policy investments

Over the years the Authority has provided cash-flow cover for a number of third-party organisations linked to the Authority. The following limits are set for 2018/19:

- | | |
|------------------------------------|---------------------------------------|
| • Cheltenham Festivals | £100k up to one year duration |
| • Gloucestershire Everyman Theatre | £100k up to one year duration |
| • Ubico Limited | £500k up to one year duration |
| • Cheltenham BID | £100k up to one year duration |
| • The Cheltenham Trust | £100k up to one year duration |
| • Publica Group | £100k up to one year duration |
| • Cheltenham Borough Homes | £97m Non-specified duration* |
| • Cheltenham Borough Homes | £10m Equity Non- Specified duration** |
| • Cheltenham Borough Homes | £500k up to one year |
| • Gloucestershire Airport Limited | £1.75m up to one year |
| • Gloucestershire Airport Limited | £5.5m Non-specified duration |
| • Folk2Folk (Peer to Peer lending) | £75k Non-specified duration*** |

*Cheltenham Borough Homes is looking to borrow £90m and a further **£10m Equity Investment from the council to assist in three areas over the coming years to provide substantial new housing in the town by providing Private Rented Sector (PRS) housing, purchasing 106 sites and building new homes. The drawdown of the loans will be over a period of 40 years.

***Folk2Folk is a peer to peer lending platform in which the council can lend to support local, rural and entrepreneurial businesses. The investment limit will be £75,000 (in total) up to a maximum of 5 years. Interest rates earned can be between 4.5% and up to 9% per annum.

Renewable Energy investments

Over recent years significant investments from Local Authorities in the Renewable Energy markets has occurred by way of investing in an energy bond. Currently the council has approved the use of Corporate Bonds and has used them on a regular basis but only for a maximum of two years previously. To be able to potentially invest in Green Renewable energy recommendation was made following consultation with members of the Treasury Management Panel on the 5th June 2017 and approved by Council on 24th July 2017 that up to £2m in relation to Green Investment bonds can be invested up to 5 years.

7.5 Risk assessment and credit ratings

Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

7.6 Other information on the security of investments

The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

7.7 Specified investments

The CLG Guidance defines specified investments as those:

- denominated in pound sterling,

- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of “high credit quality”.

The Authority defines “high credit quality” organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of A- or higher.

7.8 Non-specified investments

Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-specified investment limits

	Cash limit
Total long-term investments	£15m
Total investments without credit ratings or rated below A- (except UK Government and local authorities)	£10m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£10m

7.9 Investment limits

The Authority’s revenue reserves available to cover investment losses are forecast to be £22.3 million on 31st March 2020. In order that no more than 25% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £6 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£6m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£6m per group
Any group of pooled funds under the same management	£5m per manager
Foreign countries	£4m per country
Registered providers	£5m in total
Unsecured investments with building societies	£5m in total
Loans to unrated corporates – Renewable Energy	£4m in total-£2m max in each
Money Market Funds	£10m in total

7.10 Liquidity management

The Authority uses purpose-built cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

8. Non-Treasury Investments

Although not classed as treasury management activities and therefore not covered by the CIPFA Code or the CLG Guidance, the Authority may also purchase property for investment purposes and may also make loans and investments for service purposes. Such loans and investments will be subject to the Authority's normal approval processes for revenue and capital expenditure and need not comply with this treasury management strategy.

9. Treasury Management Indicators

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

9.1 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.

	Target
Portfolio average credit rating	A

Interest rate exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2019/20	2020/21	2021/22
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	50%	50%	50%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

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 will be:

	Upper	Lower
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and within 20 years	100%	0%
20 years and within 30 years	100%	0%
30 years and within 40 years	100%	0%
40 years and above	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.

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 will be:

	2019/20	2020/21	2021/22
Limit on principal invested beyond year end	£10m	£10m	£10m

10. Other Items

There are a number of additional items that the Authority is obliged by CIPFA or MHCLG to include in its Treasury Management Strategy.

10.1 Policy on the use of financial derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act 2011* removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

10.2 Policy on apportioning interest to the HRA

On 1st April 2012, the Authority notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow

(adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each year and interest transferred between the General Fund and HRA at the Authority's average interest rate on investments, adjusted for credit risk.

10.3 Markets in Financial Instruments Directive

The Authority has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

10.4 Investment training

The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Officers regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA.

10.5 Investment advisers

The Authority appointed Arlingclose Limited as treasury management advisers for three years plus the option for a further two years after a joint tender with Gloucestershire County Council, South Gloucestershire Council and the Forest of Dean District Council back in December 2017. The Authority receives specific advice on investment, debt and capital finance issues.

10.6 Investment of money borrowed in advance of need

The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £320m. The maximum period between borrowing and expenditure is expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

10.7 Financial Implications

The budget for investment income in 2020/21 is £437k, based on an average investment portfolio of £22 million at an interest rate of 2.00%. On top of this interest received on third parties loans amounts to £266k. The budget for debt interest to be paid in 2020/21 is forecast to be £4.002 million, based on an average debt portfolio of £160m at an average interest rate of 2.5%. The HRA will reimburse the General Fund £1.784m for its share of the debt it holds as at 1st April 2020. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

10.8 Alternative options

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer, having consulted the Cabinet Member for Finance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Annex A – Arlingclose Limited Economic & Interest Rate Forecast December 2019

Underlying assumptions:

- The global economy is entering a period of slower growth in response to political issues, primarily the trade policy stance of the US. The UK economy has displayed a marked slowdown in growth due to both Brexit uncertainty and the downturn in global activity. In response, global and UK interest rate expectations have eased.
- Some positivity on the trade negotiations between China and the US has prompted worst case economic scenarios to be pared back. However, information is limited, and upbeat expectations have been wrong before.
- The new conservative UK government will progress with achieving Brexit on 31st January 2020. The more stable political environment will prompt a partial return in business and household confidence in the short term, but the subsequent limited Brexit transitional period, which the government is seeking to enforce, will create additional economic uncertainty.
- UK economic growth has stalled in Q4 2019. Inflation is running below target at 1.5%. The inflationary consequences of the relatively tight labour market have yet to manifest, while slower global growth should reduce the prospect of externally driven pressure, although escalating geopolitical turmoil could continue to push up oil prices.
- The first few months of 2020 will indicate whether the economy benefits from restored confidence. The government will undertake substantial fiscal easing in 2020/21, which should help support growth in the event of a downturn in private sector activity.
- The weak outlook for the UK economy and low inflation has placed pressure on the MPC to loosen monetary policy. Two MPC members voted for an immediate cut in the last two MPC meetings of 2019. The evolution of economic data and political moves over the next few months will inform policy, but upside risks to Bank Rate are very limited.
- Central bank actions and escalating geopolitical risks will continue to produce significant volatility in financial markets, including bond markets.

Forecast:

•Although Arlingclose have maintained the Bank Rate forecast at 0.75% for the foreseeable future, there are substantial risks to this forecast, dependant from the government's policy around Brexit and the transitional period.

•Arlingclose judges that the risks are weighted to the downside.

•Gilt yields remain low due to the soft UK and global economic outlooks. US monetary policy and UK government spending will be key influences alongside UK monetary policy.

•We expect gilt yields to remain at relatively low levels for the foreseeable future and judge the risks to be broadly balanced.

	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.21
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
3-month money market rate														
Upside risk	0.10	0.10	0.25	0.25	0.25	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.25
Arlingclose Central Case	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75	-0.73
1yr money market rate														
Upside risk	0.10	0.20	0.20	0.20	0.20	0.20	0.20	0.25	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Downside risk	-0.30	-0.50	-0.55	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.65	-0.60
5yr gilt yield														
Upside risk	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.45	0.45	0.45	0.37
Arlingclose Central Case	0.50	0.50	0.50	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
Downside risk	-0.35	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.56
10yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	0.75	0.75	0.80	0.80	0.85	0.85	0.90	0.90	0.95	0.95	1.00	1.00	1.00	0.88
Downside risk	-0.40	-0.40	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.45
20yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45
50yr gilt yield														
Upside risk	0.30	0.30	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.40	0.40	0.45	0.45	0.37
Arlingclose Central Case	1.20	1.20	1.25	1.25	1.25	1.30	1.30	1.30	1.35	1.35	1.35	1.40	1.40	1.30
Downside risk	-0.40	-0.40	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.45	-0.50	-0.50	-0.45

Appendix B – Existing Investment Position

	31 st December 2019 Actual Portfolio £m	31 st December 2019 Average Rate %
Treasury investments:		
Banks & building societies (unsecured)	8.258	0.86
Government (incl. local authorities)	2.000	1.00
Glos Airport	0.450	3.75
Money Market Funds	0.030	0.70
Other pooled funds		
CCLA Property Investment Management	3.000	4.34
CCLA Diversified Income	2.000	3.20
Schroders Unit Trusts Ltd	2.000	7.45
Total treasury investments	17.738	1.91%

This page is intentionally left blank

Minimum Revenue Provision Statement 2020/21

Where the Authority finances capital expenditure by borrowing, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Ministry of Housing, Communities and Local Government's (MHCLG's) *Guidance on Minimum Revenue Provision* (the Guidance) most recently issued in 2018.

The broad aim of the Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The Guidance requires the Authority to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods:

- For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with the former regulations that applied on 31st March 2008, modified to a more prudent basis as permitted by the Guidance. Since 2016/17 such MRP has been based on repaying the non-housing debt in equal annual instalments over a 35 year period (this is Option 1 in the Guidance).
- For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments *or* equal to the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the life of the asset, starting in the year after the asset becomes operational (Option 3 of the guidance).

MRP on purchases of freehold land will be charged over 50 years, *except* where the land is subsequently held for sale as part of an Investment / economic development / regeneration project (in which case no MRP will be charged, the debt being repaid by applying the capital receipts / sale proceeds when received), or where the land is being held for future council development (in which case the MRP will be based on the asset life of the building(s) resulting from the development, commencing the year after those building(s) become operational).

MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.

- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.

No MRP will be charged in respect of assets held within the Housing Revenue Account.

Capital expenditure incurred during 2020/21 will not be subject to a MRP charge until 2021/22 or until the year after an asset becomes operational.

Based on the Authority's latest estimate of its Capital Financing Requirement on 31st March 2020, the budget for MRP and voluntary revenue overpayments (or VRP) has been set as follows:

	31.03.2020 Estimated CFR £m	2020/21 Estimated MRP/VRP £m
Capital expenditure before 01.04.2008	6.887	0.222
Capital expenditure after 31.03.2008	91.259	1.657
Loans to other bodies repaid in instalments	7.434	0.012
Voluntary overpayment	n/a	0.171
Total General Fund	105.580	2.062
Housing Revenue Account	71.118	Nil
Total	176.698	2.062

Overpayments: In earlier years, the Authority has made voluntary overpayments of MRP that are available to reduce the revenue charges in later years. It is planned to make a further £171,441 overpayment (known as Voluntary Revenue Provision or VRP) in 2020/21.

MRP Overpayments	£
Expected balance 31.03.2020	889,486
Planned overpayment/(drawdown) 2020/21	171,441
Forecast balance 31.03.2021	1,060,927

Cheltenham Borough Council

Council – 23rd March 2020

Council Diary – September 2020 to August 2021

Accountable member	Cabinet Member Corporate Services, Alex Hegenbarth
Accountable officer	Bev Thomas, Democratic Services Team Leader
Accountable scrutiny committee	Not applicable
Ward(s) affected	All
Significant Decision	No
Executive summary	<p>The proposed diary of Council meetings for September 2020 to August 2021 is attached as Appendix 1.</p> <p>The dates and times for the Cabinet are shown for information only as it is for the Leader of the Council to determine the Cabinet meeting dates. However, they follow the pattern of time and frequency followed in previous years.</p> <p>If it is necessary to make any subsequent amendments to the draft diary, these will be reflected in the published diary.</p>
Recommendations	<p>It is recommended that:</p> <p>1. The draft Council Diary of meetings for September 2020 – August 2021 be approved.</p>

Financial implications	<p>No financial implications</p> <p>Contact officer: Martin.Yates@publicagroup.uk</p>
Legal implications	<p>No specific legal implications arising from the recommendations.</p> <p>Contact officer: Sarah.Farooqi@tewkesbury.gov.uk</p>
HR implications (including learning and organisational development)	<p>Start and end times of council meetings may impact on officer working hours which may need to be adjusted through flexible working practices e.g. use of flexitime. Additional paid hours may be considered providing any additional cost implications are met within existing budgets. Managers will need to be aware of potential health and safety risks for late evening meetings. This will particularly apply during the winter months for officers returning to their vehicles and travelling home outside normal day light hours.</p> <p>Contact officer: Corry.Ravenscroft@publicagroup.uk</p>
Key risks	None

Corporate and community plan Implications	The diary of council meetings supports the democratic process. Contact officer: Richard.Gibson@cheltenham.gov.uk
Environmental and climate change implications	No implications. Contact officer: Gill.Morris@cheltenham.gov.uk

1. Background

1.1. The diary followed a similar rationale to that adopted in previous years, i.e.:

- As far as possible, meetings of a particular committee are scheduled on the same day of the week.
- Easter, August and Whitsun half terms and Friday evenings are avoided wherever possible, with the occasional exception of the regulatory Planning and Licensing meetings.
- Evening meetings have been scheduled for 6 pm to facilitate Members' attendance after the working day.
- The start time for planning view meetings is again omitted to give greater flexibility in arranging an appropriate start time, dependent on the time of the year and number of sites to be visited.
- Three regular meetings of the Standards Committee have been scheduled in the diary per year. Due to the nature of the committee, there may be a need for ad hoc meetings during the year to deal with specific issues or for meetings to be rescheduled.
- The dates and times for the Cabinet are shown for information only as it is for the Leader of the Council to determine the Cabinet meeting dates. However, they follow the pattern of time and frequency followed in previous years.
- Generally, once a working group has been established it will be permitted to schedule meetings at a time to suit those Members involved so working group meetings are not included in the diary.
- Eight meetings have been scheduled of the Overview and Scrutiny Committee. These are timetabled to cover key events during the year likely to require scrutiny involvement, including the budget consultation, review of the corporate strategy and agreeing the annual work plan.
- Provisional dates have been included for the Informal Cabinet meetings. These, however, are subject to change and can be rescheduled as the Cabinet sees fit.
- Twelve slots have been identified for member seminars, generally one per month.

2. Consultation and Feedback

2.1 The draft diary was circulated to officers in December 2019 and Members in January 2020 as part of the consultation. Cheltenham Borough Homes was also consulted in order to avoid clashes.

2.2 Generally, once a working group has been established it will be permitted to schedule meetings at a time to suit those members involved. The Asset Management, Budget Scrutiny and Treasury Management working group meetings are included in the diary but others will be set up as

required.

- 2.3 Regarding Council meetings, a provisional meeting has been scheduled on February 27th following the budget meeting on February 22nd. If the latter meeting is not required, it will be cancelled.
- 2.4 Consideration has been given to party conference dates and meetings avoided during these times as far as possible. For reference, the relevant Liberal Democrat conference dates are 28th – 29th September 2020, and the Conservative conference dates are 5th – 7th October 2020.

3. Performance Management – Monitoring and Review

- 3.1 Any feedback on the diary during the year can be noted for consideration in future years.

Report author	Harry Mayo E-mail harry.mayo@cheltenham.gov.uk Tel 01242 264211
Appendices	1. Risk Assessment 2. Council Diary September 2020 – August 2021

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the dates for Council meetings are not fixed by the Council before the start of or at the first meeting in the New Municipal Year then the Council will not be meeting the requirements of the Constitution.	DSTL	Jan 20	3	2	6	Reduce	Approve the diary at the March meeting of Council	Mar 23	Democratic Services Team Leader	
	If dates for other meetings are not scheduled in advance there could be problems in arranging meetings in terms of Members, officers and facilities.	DSTL	Jan 20	3	2	6	Reduce	Approve the diary with a full list of meetings as early as possible.	Mar 23	Democratic Services Team Leader	

September 2020

Start of Term 1 (1st September – 23rd October)		
(please note the school term dates and holidays listed in the diary are those set by Gloucestershire County Council and may vary for individual schools)		
Tuesday 1		
Wednesday 2	Licensing	6:00pm
Thursday 3	Member Seminar	6:00pm
Friday 4		
Monday 7	Overview & Scrutiny	6:00pm
Tuesday 8		
Wednesday 9	CBH Audit and Risk	5:00pm
Thursday 10		
Friday 11		
Monday 14		
Tuesday 15	Cabinet Planning View	6:00pm
Wednesday 16		
Thursday 17	Planning	6:00pm
Friday 18		
Monday 21	Treasury Management Panel	6:00pm
Tuesday 22	Informal Cabinet	6:00pm
Wednesday 23	Audit, Compliance and Governance	6:00pm
Thursday 24	Asset Management Working Group	6:00pm
Friday 25		
Monday 28		
Tuesday 29		
Wednesday 30	Public Art Panel CBH Board Meeting	6:00pm 5:30pm

October 2020

Thursday 1	Budget Scrutiny Working Group	6:00pm
Friday 2		
Monday 5		
Tuesday 6		
Wednesday 7		
Thursday 8	Licensing – Miscellaneous Sub-Committee	6:00pm
Friday 9		
Monday 12	<i>Deadline for Council Motions</i>	
Tuesday 13	Cabinet <i>Deadline for Council Questions</i> Planning View	6:00pm
Wednesday 14		
Thursday 15	Planning	6:00pm
Friday 16		
Monday 19	Council	2:30pm
Tuesday 20	Informal Cabinet	6.00pm
Wednesday 21	CBH Annual General Meeting	5:00pm
Thursday 22		
Friday 23		
End of Term 1 (half term 26th – 30th October)		
Monday 26		
Tuesday 27		
Wednesday 28	Standards	2:00pm
Thursday 29	Member Seminar	6:00pm
Friday 30		

November 2020

Start of Term 2 (2 nd November – 18 th December)		
Monday 2	Overview & Scrutiny	6:00pm
Tuesday 3		
Wednesday 4	Licensing – Miscellaneous Sub-Committee	6:00pm
Thursday 5		
Friday 6		
Monday 9		
Tuesday 10	Cabinet	6:00pm
Wednesday 11		
Thursday 12	Asset Management Working Group	6:00pm
Friday 13		
Monday 16	Treasury Management Panel	6:00pm
Tuesday 17	Informal Cabinet Planning View	6:00pm
Wednesday 18		
Thursday 19	Planning	6:00pm
Friday 20		
Monday 23		
Tuesday 24	Budget Scrutiny Working Group	6:00pm
Wednesday 25	Public Art Panel CBH Board Meeting	6:00pm 5:30pm
Thursday 26	Member Seminar	6:00pm
Friday 27		
Monday 30	<i>Deadline for Council Motions</i>	

December 2020

Tuesday 1	Cabinet <i>Deadline for Council Questions</i>	6:00pm
Wednesday 2	Licensing	6:00pm
Thursday 3		
Friday 4		
Monday 7	Council	2:30pm
Tuesday 8	Informal Cabinet	6.00pm
Wednesday 9	CBH Audit and Risk	5:00pm
Thursday 10	Member Seminar	6:00pm
Friday 11		
Monday 14		
Tuesday 15	Cabinet (Budget Proposals) Planning View	6:00pm
Wednesday 16		
Thursday 17	Planning	6:00pm
Friday 18		
End of Term 2 (Christmas holiday 21st December – 1st January)		
Monday 21		
Tuesday 22		
Wednesday 23		
Thursday 24		
Friday 25	Christmas Day	
Monday 28	Boxing Day	
Tuesday 29		
Wednesday 30		
Thursday 31		

January 2021

Friday 1	New Year's Day	
Start of Term 3 (4th January – 12th February)		
Monday 4		
Tuesday 5		
Wednesday 6	Licensing – Miscellaneous Sub-Committee	6:00pm
Thursday 7		
Friday 8		
Monday 11		
Monday 11	Treasury Management Panel	6:00pm
Tuesday 12	Informal Cabinet	6.00pm
Wednesday 13	Member Seminar	6:00pm
Thursday 14		
Friday 15		
Monday 18		
Monday 18	Overview & Scrutiny	6:00pm
Tuesday 19	Planning View	
Wednesday 20	Audit, Compliance and Governance	6:00pm
Thursday 21	Planning	6:00pm
Friday 22		
Monday 25		
Monday 25	Budget Scrutiny Working Group	6:00pm
Tuesday 26	Cabinet	6:00pm
Wednesday 27	Public Art Panel	6:00pm
	CBH Board Meeting	5:30pm
Thursday 28		
Friday 29		

February 2021

Monday 1	Member Seminar	6:00pm
Tuesday 2	Informal Cabinet	6.00pm
Wednesday 3	Licensing – Miscellaneous Sub-Committee	6:00pm
Thursday 4		
Friday 5		
Monday 8		
Tuesday 9	Planning View	
Wednesday 10	Standards	2:00pm
Thursday 11	Planning	6:00pm
Friday 12		
End of Term 3 (half term 15th – 19th February)		
Monday 15	<i>Deadline for Council Motions</i>	
Tuesday 16	Cabinet (Budget) <i>Deadline for Council Questions</i>	6:00pm
Wednesday 17		
Thursday 18		
Friday 19		
Start of Term 4 (22nd February – 2nd April)		
Monday 22	Council (Budget)	2:30pm
Tuesday 23		
Wednesday 24		
Thursday 25		
Friday 26	Additional Council if required	2:30pm

March 2021

Monday 1		
Tuesday 2	Cabinet	6:00pm
Wednesday 3	Licensing	6:00pm
Thursday 4	Asset Management Working Group	6:00pm
Friday 5		
Monday 8	Overview & Scrutiny	6:00pm
Tuesday 9	Member Seminar	6:00pm
Wednesday 10	CBH Audit and Risk	5:00pm
Thursday 11		
Friday 12		
Monday 15	<i>Deadline for Council Motions</i>	
Tuesday 16	Race Week <i>Deadline for Council Questions</i>	
Wednesday 17		
Thursday 18		
Friday 19	Gold Cup	
Monday 22	Council	2:30pm
Tuesday 23	Informal Cabinet Planning View	6.00pm
Wednesday 24		
Thursday 25	Planning	6:00pm
Friday 26		
Monday 29		
Tuesday 30		
Wednesday 31	Public Art Panel CBH Board Meeting	6:00pm 5:30pm

April 2021

Thursday 1		
Friday 2	Good Friday	
End of Term 4 (half term 5th – 16th April)		
Monday 5	Easter Monday	
Tuesday 6	Cabinet	6:00pm
Wednesday 7	Licensing – Miscellaneous Sub-Committee	6:00pm
Thursday 8		
Friday 9		
Easter Holidays		
Monday 12		
Tuesday 13		
Wednesday 14		
Thursday 15		
Friday 16		
Start of Term 5 (19th April – 28th May)		
Monday 19		
Tuesday 20	Informal Cabinet Planning View	6.00pm
Wednesday 21		
Thursday 22	Planning	6:00pm
Friday 23		
Monday 26		
Monday 26	Overview & Scrutiny	6:00pm
Tuesday 27		
Wednesday 28	Audit, Compliance and Governance	6:00pm
Thursday 29	Budget Scrutiny Working Group	6:00pm
Friday 30		

May 2021

Monday 3	May Day	
Tuesday 4	Cabinet	6:00pm
Wednesday 5	Licensing – Miscellaneous Sub-Committee	6:00pm
Thursday 6		
Friday 7		
Monday 10		
Tuesday 11	Informal Cabinet Planning View	6.00pm
Wednesday 12		
Thursday 13	Planning	6:00pm
Friday 14		
Monday 17	Annual Council and Inauguration of the Mayor (Town Hall)	5:00pm
Tuesday 18		
Wednesday 19	Member Seminar	6:00pm
Thursday 20		
Friday 21		
Monday 24		
Tuesday 25	Member Seminar	6:00pm
Wednesday 26	Public Art Panel	6:00pm
Thursday 27		
Friday 28		
End of Term 5 (half term 31st May – 4th June)		
Monday 31	Spring Bank Holiday	

June 2021

Half term		
Tuesday 1		
Wednesday 2		
Thursday 3		
Friday 4		
Start of Term 6 (7 th June – 20 th July)		
Monday 7	Overview & Scrutiny	6:00pm
Tuesday 8		
Wednesday 9	Licensing	6:00pm
Thursday 10		
Friday 11		
Monday 14	<i>Deadline for Council Motions</i>	
Tuesday 15	Cabinet <i>Deadline for Council Questions</i> Planning View	6:00pm
Wednesday 16		
Thursday 17	Planning	6:00pm
Friday 18		
Monday 21	Council	2:30pm
Tuesday 22	Informal Cabinet	6.00pm
Wednesday 23		
Thursday 24	Asset Management Working Group	6:00pm
Friday 25		
Monday 28	Treasury Management Panel	6:00pm
Tuesday 29	Member Seminar	6:00pm
Wednesday 30		

July 2021

Thursday 1		
Friday 2		
Monday 5	Overview & Scrutiny	6:00pm
Tuesday 6	Budget Scrutiny Working Group	6:00pm
Wednesday 7	Licensing – Miscellaneous Sub-Committee	6:00pm
Thursday 8		
Friday 9		
Monday 12	<i>Deadline for Council Motions</i>	
Tuesday 13	Cabinet Planning View <i>Deadline for Council Questions</i>	6:00pm
Wednesday 14	Audit, Compliance and Governance	6:00pm
Thursday 15	Planning	6:00pm
Friday 16		
Monday 19	Council	2:30pm
Tuesday 20	Informal Cabinet	6.00pm
End of Term 6 – Start of Summer Holidays		
Wednesday 21	Standards	2pm
Thursday 22		
Friday 23		
Summer Holidays		
Monday 26	Member Seminar	6:00pm
Tuesday 27		
Wednesday 28	Public Art Panel	6:00pm
Thursday 29		
Friday 30		

August 2021

Summer Holidays		
Monday 2	Overview & Scrutiny	6:00pm
Tuesday 3		
Wednesday 4		
Thursday 5		
Friday 6		
Summer Holidays		
Monday 9		
Tuesday 10		
Wednesday 11	Member Seminar	6:00pm
Thursday 12		
Friday 13		
Summer Holidays		
Monday 16		
Tuesday 17	Informal Cabinet Planning View	6.00pm
Wednesday 18		
Thursday 19	Planning	6:00pm
Friday 20		
Summer Holidays		
Monday 23		
Tuesday 24		
Wednesday 25		
Thursday 26		
Friday 27		
Summer Holidays		
Monday 30	August Bank Holiday	
Tuesday 31		