



Notice of a meeting of Council

Monday, 19 July 2021

2.30 pm

**Pittville Pump Room - East Approach Drive, Cheltenham, GL52
3JE**

Membership	
Councillors:	Steve Harvey (Chair), Sandra Holliday (Vice-Chair), Victoria Atherstone, Matt Babbage, Paul Baker, Garth Barnes, Dilys Barrell, Ian Bassett-Smith, Angie Boyes, Nigel Britter, Jonny Brownsteen, Barbara Clark, Flo Clucas, Mike Collins, Iain Dobie, Stephan Fifield, Bernard Fisher, Wendy Flynn, Tim Harman, Rowena Hay, Alex Hegenbarth, Martin Horwood, Peter Jeffries, Alisha Lewis, Chris Mason, Guy Maughfling, Paul McCloskey, Andrew McKinlay, Emma Nelson, Tony Oliver, John Payne, Richard Pineger, Julie Sankey, Louis Savage, Diggory Seacome, Jo Stafford, Simon Wheeler, Max Wilkinson, Suzanne Williams and David Willingham

A Moment of Reflection

This will be of an inclusive nature and held virtually at 12 noon. 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 meeting held on 21 June 2021	(Pages 3 - 18)
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 Monday 12 July 2021	

8.	MEMBER QUESTIONS These must be received no later than 12 noon on Monday 12 July 2021.	
9.	FINANCIAL OUTTURN 2020/21 Report of the Cabinet Member Finance and Assets	(Pages 19 - 62)
10.	MINSTER INNOVATION EXCHANGE-ADDITIONAL FUNDING REQUEST Report of the Leader	(Pages 63 - 84)
11.	CABINET APPOINTMENT TO OUTSIDE BODIES Report of the Chief Executive- ***ITEM WITHDRAWN***	(Pages 85 - 92)
12.	NOTICES OF MOTION	
13.	ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION	

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Gareth Edmundson
Chief Executive

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If you participate in the meeting you are consenting to the use of those sound recordings for broadcasting and training purposes.

Council

Monday, 21st June, 2021
3.00 - 4.30 pm

Attendees	
Councillors:	Steve Harvey (Chair), Sandra Holliday (Vice-Chair), Matt Babbage, Paul Baker, Dilys Barrell, Angie Boyes, Nigel Britter, Barbara Clark, Flo Clucas, Mike Collins, Iain Dobie, Stephan Fifield, Bernard Fisher, Wendy Flynn, Tim Harman, Rowena Hay, Martin Horwood, Peter Jeffries, Alisha Lewis, Chris Mason, Guy Maughfling, Paul McCloskey, Andrew McKinlay, John Payne, Richard Pineger, Julie Sankey, Louis Savage, Diggory Seacome, Jo Stafford, Simon Wheeler, Max Wilkinson, Suzanne Williams and David Willingham

Minutes

1. APOLOGIES

Apologies were received from Cllrs. Atherstone, Barnes, Bassett-Smith, Brownsteen, Hegenbarth, Nelson and Oliver.

2. DECLARATIONS OF INTEREST

Cllr. Horwood declared an interest in item 9 as a trustee of Gloucestershire Wildlife Trust.

Cllr. Willingham declared a non-pecuniary interest in item 10 as a member of the Liberal Democrat Disability Association.

3. MINUTES OF THE LAST MEETING

Cllr. Williams noted that her 'for' vote on the election of the Deputy Mayor had not been recorded. Cllr. Flynn added that the minutes of the Extraordinary meeting stated she was there in person, when she had in fact attended remotely. Democratic Services agreed to rectify these.

RESOLVED THAT

1. The minutes of the Annual and Selection meeting held on 17 May 2021 be approved and signed as a correct record.
2. The minutes of the Extraordinary meeting held on 17 May 2021 be approved and signed as a correct record.

4. COMMUNICATIONS BY THE MAYOR

The Mayor noted that he had omitted to swear the oath of allegiance to the Queen during the Mayor Making ceremony, so he took the opportunity to do this. He thanked Cllr. Baker for proposing him as Mayor and for his kind words at the ceremony, and congratulated everyone working at Cheltenham Town Football Club for their promotion as champions at the end of the last season.

He added that it was important to ensure that the language the council used was appropriate, and as such had asked Jason Potter-Peachey of Gloucestershire Pride to be an advisor to the council on LGBTQ+ issues and Professor Jermaine Ravalier of Bath Spa University to advise him on BAME issues. He informed the meeting that the Chief Executive had indicated that he was happy to look at the wording of council policies and identify any improvements in terms of openness and inclusivity of council processes.

5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader of the Council reported that in partnership with Cheltenham Borough Homes, 27 new affordable homes in a variety of tenures had been delivered on the former Monkscroft Villas site (now called Radford Court), increasing the number of homes that were previously on the site by more than 800%. She added that all 27 homes would shortly be occupied as various tenancy agreements had been signed, and looked forward to delivering more units in the town as part of £180m investment into affordable homes in the years to come.

She added that the council's response to the Covid-19 crisis had been audited, and that the auditors had found it to have a sound system of governance, risk management and controls, with internal controls operating effectively and being consistently applied to support the achievement of objectives.

At the government's briefing on the extension of restrictions last week, there had been no suggestion of any further financial support in the form of grants to businesses. The business rates holiday of 100% for retail, hospitality and leisure businesses since 1st April 2020 would come to an end on 30th June, with a discount of 66% until 31st March 2022. Businesses were calling for the 100% discount to be extended, but there had been no response to this from the government as yet.

The Leader informed Council that the UK had been running a scheme to support locally employed staff (LES) in Afghanistan, often in dangerous and challenging situations, in recognition of their commitment and bravery shown supporting UK forces since 2013. The scheme consisted of two elements, one of which was the ex-gratia scheme which would close in November 2022, and the Afghan Relocations and Assistance Policy which launched in April 2021, reflecting the changing situation in Afghanistan and consequent risk to LES. Both schemes were intended to support current and former LES who had worked for British Forces and to provide appropriate support that honoured their service and properly reflected their work and the risks involved. The schemes provided a range of in-country packages of assistance in Afghanistan and, for those who meet the criteria, relocation to the UK with their dependants. As such, 3000 former interpreters and their families were coming to the UK,

including 35 to Gloucestershire. The Leader welcomed these individuals and stressed that they would have the council's support.

She added that the council was a finalist in the Room 151 Impact award in the Tackling Covid-19 category, which recognised the extraordinary contribution that council finance departments had made to supporting their communities through the pandemic through revenues and benefits, supporting frontline services and business grants. The category winners would be announced at a virtual awards ceremony on 1st July.

The Leader reported a series of changes to committee membership. Cllr. Barrell would become a reserve member of Planning Committee, with Cllr. Clark taking her place and Cllr. Lewis taking Cllr. Clark's spot on Licensing Committee. Cllr. Stafford would replace Cllr. Brownsteen on the Asset Management Working Group, Cllr. Harvey would replace Cllr. Brownsteen on the Disciplinary Committee and Cllr. McCloskey would be an additional reserve member of Full Licensing Committee.

Finally, she added her congratulations to Cllr. Brownsteen on the birth of his child.

6. TO RECEIVE PETITIONS

There were none.

7. PUBLIC QUESTIONS

1.	Question from Alan Bailey to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood
	<p>Can the Council state what high quality sustainable transport measures will be in place to allow the Cheltenham Plan MD4 to be developed? As required by the NPPF.</p> <p>Clarification: Whilst the individual plans within MD4 are carefully considered for each individual application there are now at least 3 applications under consideration for MD4 and new the school is approved and under construction. The 2016 appeal considered that the traffic on the A46 was severe. The individual developments are to have traffic adjustment but none of the plans will reduce the traffic. The 2019 Appeal PP/B1605/W/19/3238462 concluded that there were "no sustainable" links to local centres from MD4 (Then JCS MD5). But in conclusion the Judge had no reason to believe these would not be in place before the development took place. However, nearly 3 years on from the original application there are no high-quality sustainable routes from the area MD4 and no plans with funds to support them as required by NPPF. The delivery of Sustainable routes must precede any development of MD4. Thus, sustainable transport to major centres becomes vital before approval. Currently there are no sustainable routes and certainly not high quality.</p>
	Response from Cabinet Member
	<p>Gloucestershire County Council (GCC) is the Local Transport Authority for Gloucestershire, including Cheltenham Borough. This means that they are responsible for transport planning across the County. GCC produce a Local Transport Plan (LTP) for the area.. LTPs set the transport strategy for an area. LTPs also directly inform land use as set out in Local Plans.</p>

	<p>The Council also has a statutory duty to consult GCC on highways' matters as part of the planning application process. GCC comments are a material consideration in the planning process and on larger schemes will often form a significant part of the determination. When a planning application is approved which contains alterations or improvements to the transport network these are usually subject to some form of legal agreements. The implementation of the schemes becomes the responsibility of GCC as it is their network that will be impacted.</p> <p>Planning application (20/01788/FUL) for 350 dwellings in Leckhampton is currently under consideration and includes a Transport Assessment and proposed traffic measures. GCC, as the local transport authority, will assess these and provide comments to the planning officer. The question raised here, however, is very relevant to the consideration of this planning application and several others in the area. The cumulative impacts of the different developments must be assessed against the policies which are already in place, particularly Policy INF1 of the JCS and LTP Policy PD 0.1 which should support better connectivity and more sustainable transport choices. I propose to seek an urgent meeting with the relevant parties to discuss the proposals as a whole and ensure that these policies are complied with.</p>
	Supplementary question
	Is there a proper business plan in place, and if not, can it be put in place before MD4 is developed?
	Response from Cabinet Member
	Thank you for raising this point and for following the issue closely throughout. While Local Plan policies do not have specific business plans, we have adopted multiple policies at different levels (such as the Local Transport Plan) which ensure that the key principles are considered. I would like to convene an urgent meeting of interested parties to talk together about how we can make sure these important policies are implemented in Leckhampton.
2.	Question from Alan Bailey to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood
	<p>Will the Council detail how the LPA interacts with the Transport Authority to implement such infrastructure measures such that the area MD4 can be developed?</p> <p>Clarification: The public find the current situation exceedingly difficult to understand the roadmap for high-level plans for sustainable transport. "Without political intervention", who does what, and when, and who how the schemes are funded etc?</p>
	Response from Cabinet Member
	Please refer to the answer given above.
	Supplementary question
	We now have a Transport Plan until 2041, but the objectives themselves acknowledge they are not currently funded. On page 148, you can see that objectives 4 and 20 have no funding explanation. What will the funding sources

	be for these objectives?
	Response from Cabinet Member
	This is more of a county council issue, but we are still keen to bring together interested parties very soon considering the nature of live planning applications. Key funding sources are likely to include the Community Infrastructure Levy.

8. MEMBER QUESTIONS

1.	Question from Councillor Bernie Fisher to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood
	Would the Cabinet Member please explore the possibility of putting the Local Green Space designated in the current Local Plan around Swindon Village, and agreed with the Secretary of State, to be created a local community asset of value?
	Response from Cabinet Member
	Assets of Community Value (ACVs) can only be nominated if they are of interest socially (such as for sport, culture or recreational uses) or increase the wellbeing of the community now and into the future. A community group (such as a society, the parish council, neighbourhood forum, not for profit organisation or a group of at least 21 individuals) that is locally connected to the area can nominate an asset to the local authority for judgement by the Council. We can open discussions with the Parish Council in order to achieve this aim but the Council would need to ensure that it is making a balanced judgement in assessing the proposal.
	Supplementary question
	Can the Cabinet Member confirm that the land at Swindon Village meets the criteria?
	Response from Cabinet Member
	Yes, this is the case.
2.	Question from Councillor John Payne to the Cabinet Member Culture, Wellbeing and Business, Councillor Victoria Atherstone
	On the 20 th April the council contracted the Nash Partnership to deliver a master planning exploration of a cyber, digital and creative quarter as part of the Town Central Vision. Would the Cabinet member consider sharing with members the scope, terms of reference for this masterplanning exercise together with the metric that will be used to judge the effectiveness of the consultation so that members can appreciate the synergy between the master planning, place making and Marketing Cheltenham?
	Response from Cabinet Member
	Thank you Cllr Payne for your interest in this work. As you know it's a high priority for CBC and myself as cabinet member for Culture, Wellbeing and Business to consider town centre vision projects that are swift, bold and brave as part of our economic recovery strategy. Work on the commission by Nash Partnerships is ongoing and I am happy to share with you and any other interested councillors the brief for this work. This work forms part of our assessment to inform the longer term vision for the High

	Street which will be critical in supporting our economic recovery. In due course we plan to use our recently procured public engagement platform 'Citizen Space' to engage with our businesses and wider community on the wider town centre regeneration agenda.
3.	Question from Councillor Stephan Fifield to the Cabinet Member Waste, Recycling and Street Services, Councillor Iain Dobie
	There is noticeable concern from residents about Cheltenham's current level of weed growth. I am aware that the Council's weed killing strategy is currently being reviewed. Could the Cabinet Member please update the Council on the current status of the strategy review with a timeline for completion, and could a report also be returned to Council so that progress on this issue can be monitored?
	Response from Cabinet Member
	<p>As a result of no weed spraying last year during COVID and the perfect growing conditions experienced this year, combined with the lower footfall due to lockdown restrictions not being fully lifted allowing more weed germination, I would accept that weed growth is more noticeable in some parts of the borough. Whilst we may not like the look of it, the bees and insects love it.</p> <p>To support biodiversity, the council has created diverse grassland habitat on many of its green spaces. Pittville Park, Benhall Open Space, and Springfields Park are just a few examples where extensive natural grassland is supporting bird species, where previously they had not existed. Sometimes it is as simple as allowing grass to grow longer, which allows valuable pollinating insect populations a chance to thrive.</p> <p>Members may recall last year during COVID we trialled alternatives to weed spraying. However, our conclusion at the end of the year, when we published an update as part of the Environmental Services Strategy approved by Cabinet in October 2020, was that, in addition to other manual and mechanical weed removal, one weed spray would be necessary this year and this will take place over the next few weeks, starting at the end of this week.</p> <p>The targeted weed spraying will start in the town centre, moving on to Lansdown, the Park, St Pauls, Springbank, Swindon Village and the rest of the borough over the next 6 weeks. Residents will notice the weeds dying off after a week or so.</p> <p>I am committed to reducing weed spraying to support biodiversity and our response to the climate emergency. I'm pleased to say that the council is starting discussions with Gloucestershire Wildlife Trust to look at how we can reduce weed spraying further moving forward, as well as implementing other measures to support biodiversity. I am pleased to say that we have achieved a 50% reduction in weed spraying, which is line with the commitment we publicised last year.</p> <p>Since January this year, Ubico, the Council's environmental services provider, has been tidying up the worst of the weeds across the town by using our new weed ripper, which avoids the amount of weed spraying we have to do. Most recently the weed ripper has been in the Warden Hill and Hatherley area. The weed ripper is a very effective tool we can now use to control weeds and there are other things we are doing to reduce the amount of weed spraying needed. We put a lot of effort into a trial of various methods of weed control last year during COVID to avoid weed spraying and we are still trying to find the most</p>

	<p>environmentally friendly method.</p> <p>Since Christmas, Ubico have also used a small mechanical sweeper with a special weed ripper arm attached to it to remove weeds in roads and on pavements in some areas – you may have seen it in parts of Priors Park, Whaddon, All Saints, Hatherley, Warden Hill and the Town Centre.</p> <p>To reduce weed growth in gullies on roads, Ubico has continued to sweep the roads with the mechanical road sweepers which not only gets rid of dirt and debris on the edge of roads but also stops germination of more weeds.</p> <p>From the end of June you will notice the Ubico strimming crew out and about tidying up the weeds and long grass around street furniture – roads signs etc. They will be starting in the town centre and moving out of town down the Lansdown Road, up London Road and into Charlton Kings, Leckhampton, Shurdington and Warden Hill, before moving on to the rest of the borough. The crew has already been out strimming in Priors Park and Windyridge.</p> <p>Areas of long grass on highway verges will be cut down by the end of June, but any areas of wildflower planting may be left longer, as this is part of its management plan. Those areas of grass where you see daffodils growing in the spring are left until the end of June before the grass is cut down, to help ensure a good display of flowers the following spring.</p> <p>Ground flailing of the large stretches of grass verges on semi-rural roads will be starting at the end of June too and this will be repeated in October. Hedge cutting across the town will start, after the bird nesting season, at the end of July.</p> <p>An update is available on the website and a press release has been issued to the media. I would be pleased to update all members on progress with this new approach to weed control during the summer and again in the Autumn.</p>
4.	Question from Councillor Tim Harman to the Cabinet Member Climate Emergency, Councillor Max Wilkinson
	<p>Can I remind the Cabinet Member of my question and his reply at the Council meeting on 7th December concerning the need to reduce the council's Carbon emissions? Can he update the Council on progress and confirm if and when low or zero emission vehicles will be introduced?</p> <p>Will he also indicate if he has given any consideration to my suggestion to develop a performance indicator for the council's carbon emissions?</p>
	Response from Cabinet Member
	<p>Thank you Councillor Harman for your question and persistence on this important issue. There has been significant interest in the monitoring and reporting of the Council's carbon footprint, and rightly so. We have set an ambitious target of becoming a carbon neutral Council and Borough by 2030 and it is imperative that we communicate our pathway clearly.</p> <p>The Council is committed to making better use of annual reporting. This includes the collection and publication of our Scope 1, 2, and 3 emissions, which goes above and beyond the approach of many other councils.</p> <p>As a reflection of this, an expansive dataset is still being gathered following the</p>

	<p>year end. The updated carbon footprint will be confirmed next month and will subsequently be published using a template which will be utilised in future years. The intention is to publish our footprint on the climate change pages of the CBC website, to improve transparency and encourage other organisations to follow suit. A key theme for CBC is 'leading by example'.</p> <p>The publication of the council's carbon emissions will be followed up with the publication of a Climate Pathway. This will set out annual emission reduction targets and will act as a roadmap to guide the Council towards the 2030 target.</p> <p>Cheltenham Borough Council and Ubico are working closely together to plan our future fleet replacement, with carbon reduction at the heart of our decision making. This week, the first 4 electric charging points will be operational at the Swindon Road depot and are just waiting for our first 2 electric vehicles to be delivered in July/August this year. These will be our first electric vehicles. We are also in the middle of a procurement exercise to install a further 4 electric charging points for CBC vehicles to use at the Swindon Road depot site, starting with the Mayor's vehicle.</p> <p>Going forward, where available on the market, all 3.5T and smaller vehicles that are purchased will be electric, although currently, 4x4 pick-ups aren't available on the market and we will therefore need to replace two of these in parks and gardens with the newest diesel versions. Our heavy goods fleet is not due for replacement until 2024-25, but in the meantime, we are looking at alternative fuels which could be delivered across most of the Ubico fleet within the next 12/18 months, reducing carbon emissions by up to 85%. In the longer term, subject to where our strategic waste site is located, we could invest in electric or hydrogen infrastructure to help the move away from diesel altogether.</p> <p>We are also looking at the fairly small number of CBC-owned vehicles and these will be replaced going forward using the same criteria I have already set out.</p> <p>In terms of our wider EV strategy for the borough as a whole, we are keen to ensure that this dovetails with the county council's approach to the provision of on-street charging points. GCC has advised that it will be imminently tendering the contract for on-street EV provision and there will be an option for CBC to use a call-off option to procure charging points in off-street car parks.</p> <p>One note of caution is that electric vehicles are unlikely to be a long term sustainable solution to the nation's transport needs (or indeed, that of the rest of the world), so we will be looking with interest at any proposals from the government and the Highways authority to help address this conundrum. The government has already made known its ambition to see 50% of shorter journeys currently being made by car, being undertaken by walking and cycling by 2030.</p> <p>Note: Research by C40 (a network of the world's megacities committed to addressing climate change) indicates between 40 and 80 per cent of trips in cities need to be walking, cycling, or public transport by 2030 if global heating is to be constrained below 1.5 degrees Celsius. Put simply, you can't have a sustainable city or town without radical changes to our mode of transport.</p>
5.	Question from Councillor David Willingham to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood

	<p>Could the Cabinet Member please advise how to get a road naming error corrected in the Council's databases, and if possible assist with getting a specific issue in St Peter's ward resolved?</p> <p>The specific issue is that Yarnold Terrace (GL51 9EQ and GL51 9EH) is currently incorrectly named as "Yarnolds Terrace" (with an extra "s") on various databases. The council minutes from Cheltenham's Housing Committee, held on Thursday 12th March 1936, agenda item 7(b) state the following: <i>Read, letter from Mrs. Yarnold that residents in the former North Ward had asked whether the late Alderman Yarnold's name could not be perpetuated by naming one of the roads on the Moors Estate after him. RESOLVED That the General Purposes and Watch Committee be recommended to name the houses fronting Tewkesbury Road, at present known as Tewkesbury Road West, "Yarnold Terrace."</i> The street nameplate with this name "Yarnold Terrace", without the erroneous "s" is in-situ and is visible on Google Streetview.</p>
	Response from Cabinet Member
	<p>Thank you Councillor Willingham for raising this issue. A mistake has obviously been made at some point in the past. However, the street name Yarnold Terrace is now recorded on the NLPG (National Land and Property Gazetteer), and with Gloucestershire Highways, Royal Mail and the Valuation Office Agency (VOA). Whilst it does appear to be a simple correction, the name as recorded with an 's' cannot legally be changed without consulting all the residents. I will ask officers to review the most appropriate and time effective way to do that.</p>
6.	Question from Councillor David Willingham to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood
	<p>Could I please be advised of the number of fixed penalty notices (FPNs) and convictions in the municipal year 1st April 2020 to 31st March 2021 for the following:</p> <ul style="list-style-type: none"> a) Fly tipping b) Dog fouling c) Littering
	Response from Cabinet Member
	<p>The number of fixed penalty notices (FPNs) in the municipal year 1st April 2020 to 31st March 2021 was as follows:</p> <ul style="list-style-type: none"> a) Fly tipping (45 issued) b) Dog fouling (2 issued) c) Littering (35 issued) <p>It is also worth noting that we issued 12 FPNs for graffiti during this same time period.</p> <p>Regarding convictions where we have pursued legal action, there are 3 pending cases that should have been heard last year, but we're adjourned and rescheduled for June/July this year. Covid has had a significant impact on the courts system.</p> <p>We had one case heard in December 2020 for three offences of fly tipping, where the person was convicted and received a community order; the Council did not receive its full costs back, but the individual was required to pay £150.</p>

	Total fine income from antisocial behaviour related offences was approximately £19,000.
7.	Question from Councillor David Willingham to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood
	While protecting our listed heritage buildings and our conservation areas is essential to our regency town, in the town centre, the inability of some listed and heritage buildings to be able to install double glazing seems to present issues around climate change as well as exacerbating the issue of noise in the ENTE. Concerns about late-night noise are often brought up by residents in licensing hearings. While recognising that in order to protect the heritage assets it may not be possible to change the Council's policy on this, could I please ask the Cabinet Member whether Planning would be able to investigate whether there are any solutions or products that would allow the installation of improved fenestration while also protecting those heritage assets?
	Response from Cabinet Member
	<p>This is a very relevant and difficult question as Cheltenham benefits from its heritage in terms of listed buildings and conservation areas. The Council is required to give great weight to these matters in sustaining and enhancing the historic environment. A high proportion of Officers time is spent advising residents on dealing with fenestration issues, and they are always willing to discuss different approaches that may be taken.</p> <p>Although the Council is important in its decision making we must recognise the role of Historic England as a consultee and guardian of the historic environment. Guidance is available from Historic England ((Energy Efficiency and Historic Buildings (June 2018). This sets out how the issues can be addressed in some details, including some less obvious solutions such as draught proofing and the use of heavy curtains. It occurs to me that it would be helpful if the Council was to place a link on the relevant page of the Council's website to this document.</p>
8.	Question from Councillor David Willingham to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood
	During the summer months, the lack of effective odour control on the Severn Trent Combined Sewer and Overflow facility in St Peter's Park often leads to the stench of raw, untreated sewage in parts of the park. Dealing with these types of environmental odour nuisances normally seems to be predicated on a particular individual resident or business being affected and complaining. Does the Cabinet Member agree with me that it is unacceptable for our parks to suffer this type of odour pollution, and will they look at what can be done to get Severn Trent to address this issue?
	Response from Cabinet Member
	<p>The issue which Cllr Willingham helpfully raises is clearly of concern in relation to local amenity and could dissuade residents from making beneficial use of St Peter's Park, which I know is a valued local community green space.</p> <p>Unfortunately, there appear to be far too many examples nationally of combined sewers discharging to watercourses in the event of heavy rainfall and this situation is predicted to get worse as a result of climate change. This has a</p>

	<p>detrimental effect on water quality and the wildlife and biodiversity supported by streams and rivers.</p> <p>In the absence of documented complaints from members of the public concerning odour nuisance at this location, there does not appear to have been any consideration of this matter by the authority, so I would welcome receiving any further details from Cllr Willingham that might assist officers in taking the issue up directly with Severn Trent.</p>
9.	<p>Question from Councillor David Willingham to the Chair of Planning and Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood</p>
	<p>A recent Prior Approval notification application for a telecoms mast in St Peter's ward has highlighted that the ability of members to call-in planning applications to Planning Committee does not apply to this type of application. In this, case the visually intrusive, poorly sited and inappropriate application was refused by officers under delegated powers, but it does raise concerns that as a member-led authority, there is no way for members to require the Planning Committee to determine this type of application if a ward member believes there are sufficient grounds. While I understand that due to the statutory timescales and presumption of approval if a refusal does not occur within that that time limit, this does seem to limit members' ability to represent their communities on such issues. Would the Chair of Planning and the Cabinet Member be willing to review this process to see if there are alternative solutions that would ensure that there can be some type of public hearing to determine these cases if the ward member believes it to be necessary?</p>
	<p>Response from Cabinet Member</p>
	<p>The proposal referred to by Cllr. Willingham was rejected by the Council. Proposals for telecommunications mast equipment are generally not planning applications in the traditional sense and do not fall within the remit of planning committee. It is not that the Council wishes to circumvent the involvement of members, simply that this type of development is generally granted planning permission by national legislation without the need to submit a planning application i.e. permitted development, subject to certain limitations and conditions. It is these limitations and conditions which require the Local Planning Authority's 'Prior Approval'.</p> <p>Work must not commence on the development until the Local Planning Authority has issued its determination. However, it is important that Prior Approvals are actioned promptly by the Local Planning Authority as many will receive 'deemed consent' if the time period for a determination to be issued expires. Due to the strict requirements of the legislation and timescales associated with these notifications, it would unfortunately be unmanageable to consistently coincide determination dates for Prior Approval with the committee dates timetable. I will however work with the Chairman and Vice Chairman of Planning Committee to examine the issue on an ongoing basis."</p>

9. TO CONSIDER THE PETITION 'REDUCE FLOODING AND EXAMINE FLOOD RISK IN DETAIL, BEFORE ALLOCATING MORE DEVELOPMENT SITES'

Cllr. Savage introduced the petition in the absence of Cllr. Nelson, thanking her for putting in a considerable effort to organise it. He noted that the council's petition scheme was an important way for local residents to highlight issues as critical and consequential as flood prevention. Flooding had had a devastating effect on Gloucestershire in the last few decades, especially in 2007, and over recent years, extreme weather events had increased in frequency and severity. It was not just neighbouring authorities which had well-founded concerns about flood risk – this was a national issue.

This petition arose in part from Cllr. Nelson representing residents' concerns across the A46 corridor, which had an increased risk of flooding. It was hard to overestimate the impact that flooding had on individuals, businesses and communities – not just the initial clean-up, but also the constant fear of it happening again. Addressing the root causes of extreme weather was essential, and the UK government should be commended for its ambitious plans in relation to climate change and the environment. It was also important to recognise good work at local level and the measures put in place since 2007. He added that the speed at which 750 signatures were collected demonstrated the importance of the issue, and that a similar petition would come before Tewkesbury Borough Council very soon.

In response, the Cabinet Member Customer and Regulatory Services thanked Cllr. Nelson for organising the petition and Cllr. Savage for presenting it. He especially agreed with the key point regarding the personal impact of flooding. The good news for signatories was that everything the petition called for was either something the council was planning to do or was required to do in the coming years. Genuine public consultation had taken place and he was very pleased with results. Flooding was an important issue across the town in all its forms, although there were some particularly vulnerable areas to focus on. Responsibility for tackling this also lay with partners, such as the county council, and he suggested that as a county councillor, Cllr. Nelson could take this to them too.

He added that existing JCS development proposals must avoid areas vulnerable to flooding and must not increase the level of flood risk. The new processes in the next JCS review would follow the guidance of the national planning policy framework and consider cumulative impact, but he suggested that they could go further by developing sophisticated urban drainage systems and building with nature. He hoped they could develop a natural and holistic approach to flood management, in order to best adapt to climate change and protect the town.

- One Member welcomed the petition and the officer report, stressing that it was important to communicate on this issue considering residents' very real concerns. The council needed to let people know what they were doing and also help them understand things like seasonal constraints.
- One Member emphasised that flooding prevention measures did not necessarily prevent development. In their ward, shared ownership

housing had been built in a flood zone on proper foundations that gave it height as a protective measure against flooding. He hoped that, as part of the Conservative administration at GCC, Cllr. Nelson would raise the issue with them too. A key issue for residents was blocked drains, which was a Highways issue. He added that partners needed to pull their weight if the council was going to be able to make a difference.

- One Member noted that they could not find any reference in report to supplementary planning guidance regarding flooding and drainage, which would help consultation with developers. The current policy required developers to just not increase flood risk, but it should go further and ensure that they contribute to a reduction in flood risk instead.
- One Member agreed that it was important to address these issues before they become very serious, citing the risk of flash flooding in the Charlton Kings area in particular.
- One Member added that their ward had suffered very badly in the 2007 floods and now had a very effective flood alleviation scheme. The problem was that there were three schemes nearby: one managed by the environment agency, one by Severn Trent and one by GCC. Flood defences would only be effective if these agencies were in constant dialogue and built a proper partnership.
- One Member thanked the petition organiser and the Cabinet Member for his response. They suggested that Conservative members should lobby the government as they were the ones who could cause the most change.
- One Member noted that the online information distributed by the Environment Agency was often hours late, and suggested that the process needed sharpening so it was genuinely useful for residents.

The Mayor moved to a vote, where it was unanimously:

RESOLVED THAT:

- 1. The existing work that the council was doing to reduce flood risk be noted, including already winning accreditation for a nature-led approach to flood risk in development; and that Council commit to work with relevant partners and agencies in managing the impacts of climate change ensuring that the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy plans for the longer term needs of flood management and mitigation;**
- 2. The considerable responsibility of the Council in flood risk management as well as the roles of other organisations be noted;**
- 3. Council thank the petitioners and acknowledge that this was a very important issue.**

10. TO CONSIDER THE PETITION 'DELAY THE ALL WHEELCHAIR ACCESSIBLE VEHICLE POLICY FOR TWO YEARS'

The petition organiser, Mr David Chambers, presented the petition on behalf of the taxi drivers of Cheltenham. He noted that when the consultation on the

policy had taken place, there had been no mention of a specific implementation date. Drivers had assumed that the requirement would be to upgrade when they were due for renewal, but this turned out not to be the case. Many drivers had bought new vehicles just prior to that and were still paying for them, making it impossible to save for another.

When the council did make its decision on the implementation date, this was done on the basis that it would give drivers time to adjust, but the last 18 months had changed the situation entirely. For over a year, drivers had received virtually no income due to the pandemic. The officer report cited government support for taxi drivers, but self-employed grants had been based on the previous year's profits, and since there had been a decline in the trade in general, previous profits were negligible and so were the grants.

He stressed that this was not an attempt by taxi drivers to avoid the policy, and that they understood why it was happening. They just expected a greater degree of sympathy from councillors, and to give them the chance to adjust to the change given the wider circumstances. He noted that the officer report suggested that drivers could work for a private hire company instead, which was not financially viable since it would cost drivers an extra £7-8k a year.

In response, the Cabinet Member Customer and Regulatory Services acknowledged that the number of signatures to the petition showed the importance of the issue and the strength of feeling around it. He would happily meet with more members of the trade to hear their concerns. He highlighted the need to consider other parties' interests too, noting that for disabled passengers in London, Birmingham or anywhere in the West Midlands, every single taxi was wheelchair accessible. Cheltenham should aspire to this too, especially considering the presence of a National Star campus in the town, which meant that it had a relatively large disabled population.

The 2010 Equality Act did not specifically require universal WAVs, but it did require the council to advance equality for all individuals in the exercise of its functions. As such, there was a risk of legal challenge on this basis if the authority failed to implement it. 40,000 taxi drivers had so far made the switch, which was a clear majority of all those in England, including 66 in Cheltenham. The date of implementation was agreed shortly after the consultation in November 2018, and the decision was called-in by Overview & Scrutiny and approved by all councillors shortly afterwards. Engagement with all concerned parties would be genuine, but needed to start from a position of equality and respect for disabled people, as was seen elsewhere across the country.

- One Member noted that the WAVs that the drivers were required to purchase were all diesel vehicles, and asked whether the Cabinet Member was concerned that drivers would once again be required to upgrade them to electric vehicles in a few years' time. The Cabinet Member Customer and Regulatory Services responded that the council's goal of all electric vehicles by 2030 meant this certainly needed to be addressed, but the problem was that wheelchair-accessible electric cars were currently prohibitively expensive. He believed that they would fall sharply in price over time as they became more widely

available, and that he would address this in the future alongside the Cabinet Member Climate Emergency.

- One Member asked what the process would be around any possible change to the implementation date. They had a lot of sympathy for the drivers' views, and wanted to know whether Council would input on the date or whether it would be a Cabinet decision. The Cabinet Member Customer and Regulatory Services responded that Council had already approved the policy, and that any tweaks would be relayed to councillors. Nothing was off the table, and he was open to any creative suggestions about how best to suit various interests. He stressed that he had not suggested that the date might change.
- A member asked about the process for review. The Legal Officer explained that the decision regarding this policy was an executive function. Any decision to delay the implementation of the policy was a matter for Cabinet and any decision is potentially subject to called-in by O&S.
- One Member suggested that it was a shame to only have 15 minutes to discuss such an important issue, but that they were pleased with the quality of debate. The taxi community was an important part of the town and members must listen carefully to what they want. If there were grounds for deferral, it should go back to Cabinet and then to Council.
- One Member agreed with the need to take into account a wide range of interests. They suggested that while all members would agree that delivering accessibility for disabled people was hugely important, it was also true that the pandemic had seriously affected the taxi trade, and members needed to show common sense and empathy.
- One Member noted that the policy was an example of the council's equality duty in practice. If a disabled person were to turn up at a taxi rank and there were no WAVs available, they would be being discriminated against. They acknowledged that it was difficult to fund the shift without government grants, and suggested that there should be more support for drivers to help them transition.
- One Member stressed that while the council's duties under the Equality Act were clear, they needed to also be mindful of the extraordinary circumstances of the last 18 months and its impact on drivers, who had been deprived of their livelihood almost overnight. They thanked the petition organiser and signatories for bringing the matter before Council, and suggested that the council needed to be open-minded and consider a delay.
- One Member added that they supported the policy, but that it was important to acknowledge the unprecedented last 18 months and engage with wider partners to hear their concerns. The government's grant schemes had significant gaps in terms of who received support.

The Mayor moved to a vote, where it was unanimously:

RESOLVED THAT:

- 1. It be noted that the Cabinet Member for Customer & Regulatory Services continues to support the policy implementation on 31 December 2021, but his intention is to continue engagement and**

dialogue with members of the public, including through the Accessibility Forum, and with members of the licensed trade.

11. NOTICES OF MOTION

There were none.

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

There were none.

Steve Harvey
Chairman

Cheltenham Borough Council

Cabinet – 13 July 2021

Council – 19 July 2021

Financial Outturn 2020/21

Accountable member	Councillor Peter Jeffries, Cabinet Member for Finance and Assets
Accountable officer	Paul Jones, Executive Director Finance and Assets (Section 151 Officer)
Accountable scrutiny committee	All
Ward(s) affected	All
Key Decision	No
Executive summary	<p>In accordance with financial rule A11.3, the Section 151 Officer is responsible for providing regular reports to the Cabinet on the Council's finances and financial performance. This report highlights the Council's financial performance and sets out the General Fund and Housing Revenue Account (HRA) revenue and capital outturn position for 2020/21. The information contained within this report is being used to prepare the Council's Statement of Accounts for 2020/21.</p> <p>Financial rule B10.1 states that carry forward of planned underspend of revenue budgets into the following financial year will only be allowed with the agreement of the Section 151 Officer, in order to meet the needs of approved service delivery. Financial rule B10.3 states that all other carry forward requests, including budget underspends that have been carried forward in previous financial years, will be subject to full Council approval at the financial outturn meeting held after the year end.</p> <p>The Council's Treasury Management Policy requires the Section 151 Officer to report to members annually, by the 30 September, on the treasury management activities and treasury management indicators for the previous financial year. This report also seeks to meet this requirement after being presented to the Treasury Management Panel on 28 June 2021.</p>
Recommendations	<p>I therefore recommend that Cabinet approve the following recommendations to Council:</p> <ol style="list-style-type: none"> 1. That Council receives the financial outturn performance position for the General Fund, summarised at Appendix 2, and notes that in delivering services in 2020/21, there was an underspend of £394,663 against the recovery budget approved by Council in November 2020. 2. Notes £609,345 of carry forward approved by the Section 151 Officer under delegated powers at Appendix 5. 3. Approves the proposal for the use of the underspend after the carry forward requests outlined in Section 2.10 of this report and delegates authority to the Executive Director of Finance and Assets in consultation with the Lead Member for Finance and Assets to ensure the underspend is spent in line with this

	<p>proposal.</p> <ol style="list-style-type: none"> 4. Notes the annual treasury management report at Appendix 7 and note the actual 2020/21 prudential and treasury indicators. 5. Notes the capital programme outturn position as detailed in Appendix 8 and approve the carry forward of unspent budgets into 2021/22. 6. Notes the year end position in respect of Section 106 and CIL agreements and partnership funding agreements at Appendix 9. 7. Notes the outturn position in respect of collection rates for council tax and non-domestic rates for 2020/21 in Appendix 10. 8. Notes the outturn position in respect of collection rates for sundry debts for 2020/21 in Appendix 11. 9. Receives the financial outturn performance position for the Housing Revenue Account for 2020/21 in Appendices 12 and 13 (as detailed in Section 11) and approves the carry forward of capital budgets in 2021/22 as set out in paragraph 11.9.
Financial implications	<p>As detailed throughout this report.</p> <p>Contact officer: Gemma Bell, gemma.bell@cheltenham.gov.uk, 01242 264124</p>
Legal implications	<p><i>None directly arising from the report recommendations.</i></p> <p>Contact officer: One Legal – legal.services@teWKesbury.gov.uk, 01684 272012</p>
HR implications (including learning and organisational development)	<p><i>None directly arising from the report recommendations.</i></p> <p>Contact officer: Julie McCarthy, julie.mccarthy@publicagroup.uk, 01242 264355</p>
Key risks	<p>As outlined in Appendix 1.</p>
Corporate and community plan Implications	<p>Key elements of the budget are aimed at delivering the corporate objectives in the Corporate Business Plan.</p>
Environmental and climate change implications	<p>None.</p>

1. Background

- 1.1** On 17th February 2020, Council approved the budget for 2020/21, including setting the Council Tax. The 2020/21 approved budget identified efficiency savings and additional income of £0.826m. However, the unprecedented response required from the Council to support and protect our staff, residents and the general public from Covid-19 had a material impact on the Council's financial position. This was particularly the case in respect of the General Fund (GF) where unbudgeted expenditure was required and our resources were further limited by irrecoverable

income losses experienced throughout the first national lockdown.

- 1.2 In November 2020, a recovery budget for 2020/21 was approved by Council. This was a direct response to the financial impacts experienced by the Council caused by the pandemic in the first half of the year and the introduction by Central Government of the two main grant funding streams. The first was an unrestricted revenue grant to cover COVID-19 related expenditure and the second a quarterly claim process for irrecoverable losses in income resulting from the national lockdowns.
- 1.3 At the point of the recovery budget, additional expenditure was estimated to exceed the £1,535,602 grant funding that had been received by that point. Additionally, £1.498m of irrecoverable losses were projected for the full year to 31 March 2021, creating an estimated total net cost of £1.831m to the Council.
- 1.4 The recommendations approved by Council in November 2020 included revising the Minimum Revenue Provision policy, reallocating capital budget to repay borrowing and identifying surplus assets for disposal to generate funding to support the financial pressures on the general fund. These recommendations were made to ensure that sufficient revenue resources could be released to ensure a robust and balanced budget can be delivered in future years.
- 1.5 This report draws together the financial outturn position for 2020/21 for the General Fund against the recovery budget approved in November 2020. It also summarises the Housing Revenue Account (HRA) revenue and capital budgets, details reserve movements and summarises requests for carry forward of budgets approved by the Section 151 Officer under delegated powers.

2. General Fund Revenue Outturn 2020/21

- 2.1 The budget monitoring report to the end of December 2020, considered by Cabinet on 16 February 2021, projected an over spend of £100k against the recovery budget approved by Council in November 2020. It was recommended in this report that the projected over spend be funded from general balances.
- 2.2 The outturn position at 31 March 2021 reports an under spend of £394,663 against the same recovery budget. A summary of the General Fund outturn position by service is contained in Appendix 2 and by cost centre within each service is contained in Appendix 3. Information is presented in the same format as used in the draft statement of accounts, in accordance with the CIPFA Code of Practice 2020/21.
- 2.3 Whilst this is an extremely pleasing outturn position when the challenges of the previous 12 months are considered it should be noted that considerable financial resources have been required in its response to the pandemic. In the recovery budget it was projected that the financial impact of COVID-19 on this Council would be £1.84m; made up of £1.498m of irrecoverable income losses and £333k of unbudgeted expenditure above and beyond the £1.536m grant received from the Government at that point.
- 2.4 The outturn position shows that this is slightly lower than forecast with a net cost of £1.47m. Although irrecoverable income losses were higher than forecast, the COVID-19 related expenditure in the second half of the year was lower. Further detail of the financial impact of the pandemic are detailed below and a full explanation of all variances that exceed £50,000 is contained within Appendix 4.

Irrecoverable Income Losses from COVID-19

- 2.5 In the recovery budget, assumptions were made about how much income would be irrecoverably lost to the Council as a result of the restrictions in place under national lockdowns. This was based on the annual budgeted income and adjusted for the Government compensation projected to be received for lost sales, fees and charges income. The compensation scheme covered 75%

of the lost income against the budget, less a 5% margin which was required to be absorbed by the Council.

- 2.6** The table below reports the actual losses against those projected in November 2020. The most significant variance is the lost income from car parking fees and charges which was the income stream impacted most acutely by the third national lockdown between January and March 2021.

	Projected Loss of Income for 2020/21 £m	Actual Loss of Income for 2020/21 £m	Variance
Sales, fees and charges (SFC)			
Off-street car parking	2.115	2.915	0.800
Sponsorship and advertising income	0.207	0.210	0.003
Recreation and sport	0.271	0.253	(0.018)
Cremation, cemetery and mortuary services	0.233	0.198	(0.035)
Building control	0.069	0.055	(0.014)
Trade waste	0.108	0.210	0.102
Recycling	0.169	0.013	(0.156)
Green Waste -Surplus	(0.040)	-	0.040
Regulatory services	0.130	0.188	0.058
Central services to the public	0.207	0.166	(0.041)
Other	0.027	0.053	0.026
Less: Income Compensation Grant	(2.216)	(2.747)	(0.531)
Total Irrecoverable SFC	1.280	1.514	0.234
Commercial Income			
Commercial property rental	0.050	0.019	(0.031)
Investment income	0.168	0.046	(0.122)
Sub-total	0.218	0.065	(0.153)
Total	1.498	1.579	0.081

- 2.7** The longer term impact of the changes in behaviour around car usage, visitors to the town and more general usage of our services are yet to be fully understood and analysis of all key income streams will be included in the budget monitoring reports for 2021/22.

Unbudgeted costs of the pandemic response

- 2.8** The November recovery budget projected that the gross cost to the Council of the activities required in response to the pandemic would be £2.049m. This was offset by a small recovery of £0.18m of housing benefit and a Government grant of £1.536m, bringing the net cost to £0.333m.
- 2.9** The actual gross cost to the Council is £1.42m; with £1.161m of unbudgeted spend being incurred and a gap of £250k in unachieved savings being wholly met by the Government grant. The most significant impact on the spending projections in relation to COVID-19 was the award of £419,127 to the Cheltenham Trust from the Culture Recovery Fund and then a subsequent £220,000 from the National Leisure Recovery Fund. This meant significantly fewer resources were required from

the Council to support these services.

Recommendation for the use of the underspend

- 2.10** The 2020/21 outturn position is a reported underspend of £394,663 against the recovery budget approved in November 2020, after adjustments have been made for carry forward balances. The table below outlines the recommended use of the underspend in 2021/22:

Total reported underspend	£394,663
Recommended use:	
Funding to meet the increased contribution to the Joint Core Strategy (JCS) for 2021/22	(£109,000)
Green Economic Recovery and Investment Funding	(£250,000)
Total Surplus used	(£359,000)
Remaining surplus to be transferred back to general balances	£35,663

- 2.11** Every Local Authority is required to have an up to date Local Plan. In Cheltenham, we have two documents that comprise the statutory development plan; the Joint Core Strategy and the Cheltenham Plan. The JCS (December 2017) commits to an immediate partial review of the plan to deal with the housing shortfalls for Gloucester and Tewkesbury and also a review of the policy around retail / town centres. This provides the minimum starting point for considering the scope and timescales for the JCS Review.
- 2.12** The latest budget forecast for this JCS review cycle requires an additional £237k contribution from the Council over three years with £109k in 2021/22 and £32k and £96k respectively in the following two years. The total additional funding requirement from the Council also take into account a £650k contribution from Gloucestershire County Council, funded via the Gloucestershire business rates pool, for transport modelling.
- 2.13** It is recommended that the remaining underspend be set aside to fund activities, events and investment to support the green economic recovery of the town after the impact of the pandemic. The funding should be used to generate benefit for all residents; either directly through the investment or to support wider initiatives which will help the Council financially sustain the delivery of services in the longer term.

3. Budget carry forward requests

- 3.1** At the year end, a number of budget holders requested 'carry forward' of unspent budgets. Requests fall into two categories and have been dealt with as follows:
- Some requests are in respect of goods and services ordered but not received by 31 March 2021.
 - Some relate to items of expenditure not yet incurred due to slippage in work programmes but still planned to be spent in line with the original intention of the budget.
 - Others are amounts of grant funding which have been allocated but not yet been taken up by their intended beneficiaries.
- 4.2.** In line with previous practice, these have been reviewed by the Executive Leadership Team and approved by the Section 151 Officer, under delegated powers (financial rule B10.1). A list of the

approved carry forward of budgets totalling £609,354, for which expenditure is in line with the original approved purpose, is contained in Appendix 5.

- 4.3.** In accordance with the Service Reporting Code of Practice (SeRCOP), a transfer was made to a 'carry forward' reserve in 2020/21 (Appendix 6) and transfers will be made from the 'carry forward' reserve in 2021/22 to the appropriate cost centres in order that members and officers have a clear indication of the total budget, including carry forwards, available for 2021/22.

4. Treasury Management / Prudential Indicators

- 4.1** Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services. This Council has adopted the code and complies with its requirements, one of which is the receipt by Cabinet and Council of an Annual Review Report after the financial year end. The detailed treasury report, as approved by the Treasury Management Panel at its meeting on 28 June 2021, is attached at Appendix 7.

5. Business Rates Retention Scheme (BRRS)

- 5.1** One of the key documents in the budget setting process is the estimate of business rates yield which is reported in the National Non Domestic Rates return (NNDR1) which is submitted to the Ministry of Housing, Communities and Local Government (MHCLG). The NNDR1 return was submitted to MHCLG by the deadline of 31 January 2020 and the budget was based on the figures within that return.
- 5.2** The table below reflects the actual performance against the revised budget with an overall variance for the year of £179,353 when taking into account the Gloucestershire Business Rates pooling arrangement.

	2020/21 Original Budget £	2020/21 Revised Budget £	2020/21 Actual £	2020/21 Variance £
Retained business rates	22,546,722	7,496,004	7,676,382	180,378
Tariff payable to government	(19,244,897)	(19,244,897)	(19,244,897)	-
Grant to compensate for government decisions	1,813,252	14,658,481	15,370,864	712,383
Estimated levy payable to government after Pool surplus/deficit	(395,374)	(63,875)	(325,500)	(261,625)
Net retained business rates	4,719,703	2,845,713	3,476,849	631,136
Less Baseline Funding (target level of net retained rates)	(2,841,443)	(2,841,443)	(2,841,443)	-
Net surplus on business rates against baseline funding	1,878,260	4,270	635,406	631,136
Deficit adjustment re 2018/19	(423,556)	(423,556)	(423,556)	-
Deficit adjustment re 2019/20	(153,395)	(153,395)	(153,395)	-
Deficit Adjustment re 2020/21	-	15,050,718	14,870,340	(180,378)
One-off adjustments re previous years'	(576,951)	14,473,767	14,293,389	(180,378)

deficits				
Local Income Guarantee Scheme	-	1,171,922	541,811	(630,111)
Net retained business rates (after one-off deficit adjustments & LIGS)	4,142,752	18,491,402	18,312,049	(179,353)
Transfer to/(from) BRR earmarked reserve	206,300	(14,211,526)	(14,211,526)	-
Net income included in outturn	4,349,052	4,279,876	4,100,523	(179,353)

- 5.3** A transfer of £14.2m has been made to the Business Rates Retention (BRR) earmarked reserve at year end as per revised budget agreed at February 2021 Full Council.
- 5.4** The Government's policy of phasing out revenue support grant and in due course allowing councils to benefit from a higher share of business rates created a need for this Council to develop a long-term strategy which was significantly different from that followed in past years. Since 2013 the Council has had a direct financial interest in economic and business growth in the borough, and will have a larger stake in it under the Government's proposals for reforming business rates.
- 5.5** The impact on business rates from COVID-19 and the implications for the economy, are matters that will challenge the medium term financial strategy. It was therefore, critical that this Council ensured a targeted approach to supporting businesses throughout the pandemic and these are further articulated in Section 9 below.

6. Capital Outturn 2020/21

- 6.1** The outturn position in respect of General Fund capital is contained in Appendix 8. Members are asked to note the outturn position and, where there is slippage, approve the carry forwards into 2021/22 requested by officers.

7. Reserves and Section 151 Officer Advice

- 7.1** The Section 151 Officer has, under delegated powers (financial rule B11.4), authority to make transfers to and from these operational reserves in accordance with the intention of the reserve as determined by the Council's Reserves Policy and Protocol. The transfers approved by the Section 151 Officer for 2020/21 are set out in the outturn performance position schedules at Appendix 2 and 3.
- 7.2** Appendix 6 also details the reserves held by the Council, states their purpose and indicates the balance at 31st March 2021. In setting the budget for 2021/22 a review of reserves was undertaken to assess whether the levels were appropriate and in line with the policy for reserves and balances; and also whether they took into account the needs and risks of the organisation and the prevailing economic conditions as we emerge from the COVID-19 pandemic.
- 7.3** In assessing the adequacy of reserves and balances for 2020/21 the Section 151 Officer used a risk based approach to assess the appropriate level of general balances which calculated the optimum level to be £1.219m. At the year end, the General Fund Balance stands at £1.212m and therefore is marginally below the optimum level recommended by the Section 151 Officer at year end – an impressive outcome given the scale of losses incurred due to COVID-19.
- 7.4** Accepting that the long-term impact from COVID-19 could leave the Council exposed without clear decision-making in delivering a balanced budget, the level of reserves is lower than optimal at year end and action has been taken in the 2021/22 budget to increase the robustness of the reserves through a transfer of £543k to general balances. This brings the expected general

balance reserve to £1.720m against an optimum level of assessment of £1.708m agreed as part of the 2021/22 budget proposals.

- 7.5** Members will need to be mindful that there may be an expectation to further strengthen these reserves in order that the Council is robustly covered against further financial pressures which may emerge through recovery or future changes to local government financial support. With diminishing central government support in the form of direct grant and New Homes Bonus, volatility within business rates, and the impact on individual's ability to pay council tax, it may be the case that that some difficult choices need to be made in respect of service provision.
- 7.6** Members should consider how the underspend is used to invest in the economic recovery of the town post pandemic. There are many investment options available and it is recommended that the long term sustainability of the costs and funding associated with delivery of these are considered and reviewed before commitments are made to ensure the scarce resources available are able to generate the maximum value.

8. Section 106 receipts

- 8.1** A position statement in respect of the activity of Section 106 receipts is contained in Appendix 9.
- 8.2** The following summarises the activity in respect of Section 106 for 2020/21, compared to 2019/20.

	2019/20*	2020/21
Balance of unused Section 106 receipts	2,805,375	2,349,368
Net additional receipts in year	25,081	39,637
Receipts used to finance projects in year	(481,089)	(883,549)
Balance outstanding at year end	2,349,368	1,505,455

*Restated

9. Council tax and business rates collection and support

- 9.1** The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 10. This shows the position at the end of March 2021.
- 9.2** Since the start of the pandemic £95m of support has been awarded to Cheltenham businesses. A total of £47m of business rates relief was awarded to over 1,000 businesses in the retail, hospitality, leisure and nursery sectors. The relief was 100% in 2020/21 leaving over 1,000 businesses with no business rates to pay. The relief continues in 2021/22 although some of the larger businesses with multiple outlets no longer get any relief and the smaller ones are required to pay one third of their business rates bill.
- 9.3** In addition to the relief the business rates team has paid more than 10,000 business grants worth £48m to businesses and are currently in the process of distributing a further £1m to those businesses still severely impacted by restrictions. The Council's targeted approach through the use of its discretionary grants scheme will ensure those businesses that support the leisure, tourism and hospitality sector are around for many years to come.
- 9.4** Cheltenham relies heavily on its taxbase from business rates and council tax as well as the revenue raised from sales, fees and charges. The targeted measures above will ensure that many of these income streams will remain sustainable in the years post recovery, ensuring that Cheltenham remains a visitor attraction alongside its title of being a festival town.

10. Sundry debt collection

- 10.1** The monitoring report for the collection of sundry debt income is shown in Appendix 11. This shows the position at the end of March 2021. It should be noted that although the report shows £2,080k of debt outstanding, £793k (39%) of this total is not currently due. Equally, another £250k (12%) relates to a contribution outstanding from another Local Authority to part fund a capital project. Within the £2,080k there is £201k of debt which is subject to halted recovery. The most recent aged debt report shows that these debts are no longer halted and action is being taken to recover the monies.

11. Housing Revenue Account (HRA)

HRA Income and Expenditure

- 11.1.** The HRA revised forecast for 2020/21 (based on performance to December 2020) anticipated an operating surplus of £1,449,400 for the year, which after appropriating revenue contributions to capital of £7,018,900, would leave a balance of £1,500,000 in revenue reserves at 31 March 2021.
- 11.2.** The outturn statement at Appendix 12 shows a net reduction of £12,824 in the operating surplus to £1,436,576 for the year. Revenue contributions to capital were reduced to £7,006,075 leaving a balance of £1,500,000 in revenue reserves at year end, being the approved contingency for the HRA.
- 11.3.** An explanation of variances exceeding £30,000 is shown below:

Detail	Forecast £'000	Actual £'000	Variation £'000
General & Special Management – primarily arising from abortive fees on new build schemes unable to proceed	2,581	2,616	(34)
Repairs & Maintenance – forecast for year showed reduction from £3,982k original budget due to COVID. Repairs team were able to catch up on routine repairs quicker than anticipated.	3,718	3,815	(97)
Bad Debts – anticipated impact of COVID and universal credit mitigated by improved collection performance	260	69	191
Service Charges – reduction in rechargeable repairs	898	825	(73)
Decrease in Operating Surplus			13

Major Repairs Reserve

- 11.4** In accordance with regulations this reserve is funded by sums equivalent to the depreciation provision and has been used to finance HRA capital expenditure.

HRA Capital Programme

- 11.5.** Actual expenditure for the year was £17,136,399 an underspend of £1,757,901 compared with the forecast of £18,894,300.
- 11.6.** The programme includes a number of projects where expenditure plans span a number of financial years and are delivered through more than one contract. Where delays occur, for example through extended consultation with leaseholders or procurement issues, Cheltenham Borough Homes seek opportunities for advancing other projects within overall funding. Costs are controlled at both contract and project level.
- 11.7.** Significant project variations from forecast (exceeding £100,000) are shown below:-

Project	Forecast	Actual	Variation
	£'000	£'000	£'000
Major void refurbishment – increased proportion of higher value void work	545	720	(175)
Window & Door replacement – programme was put on hold to reduce COVID risk to residents and fitters	1,934	1,078	856
Internal Improvements – works were delayed 3 times due to COVID restrictions	555	334	221
Door Entry Schemes – works were delayed in February due to technical issues but have since been completed in April 2021	309	154	155
Asbestos Removal – linked to delayed windows programme	250	147	103
Acquisitions – programme of acquisitions successfully completed despite COVID issues. Funded by Right to Buy receipts	3,732	4,066	(334)
New development schemes – some delays to scheme development but acquisition of Monkscroft School site completed in year	3,220	2,930	290
Approved development schemes – some slippage of expenditure but Monkscroft Villas and Pennine Road sites now completed and let	3,795	3,595	200
Other net variances			442
Total variance to forecast			1,758

11.8. Changes to the projected financing of the capital programme have arisen from the reduction in overall spend (£1.758m.), the availability of additional capital receipts and a reduction in anticipated recharges. Revenue contributions have been maximised to reduce necessary additional borrowing whilst also retaining revenue reserves at the approved contingency level of £1,500,000.

11.9. Delays in three of the capital projects identified above require the carry forward of unspent budget to complete outstanding works in 2021/22: -

Window & Door replacement £550,000

Door Entry schemes £120,000

Asbestos removal £100,000

12. Conclusion

12.1. The outturn position for 2020/21 demonstrates that the action taken by Officers and the financial planning decisions taken by Members in the Autumn of 2020 as the town emerged from the first lockdown were vital in ensuring we could continue to deliver services to our residents and communities.

12.2. Although the pandemic has still had a significant financial impact on the Authority, the income compensation and Government grants received have helped somewhat to mitigate this and avoid the Authority having to make damaging cuts to our service delivery.

12.3. The carry forward requests and proposal for the use of the remaining under spend against the recovery budget will be invested to support the economic recovery of the town as we emerge from the pandemic and ensure we continue to work towards the achievement of our corporate objectives.

- 12.4.** The longer term impact of the pandemic on our resources will continue to be closely monitored and reported quarterly to Members throughout 2021/22 together with frequent and proactive review of reserves to ensure the Council has robust arrangements in place to respond to any future impacts on our funding or resources.

13. Consultation

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

Report author	Contact officer: Gemma Bell, Head of Finance gemma.bell@cheltenham.gov.uk, 01242 264 124
Appendices	<ol style="list-style-type: none"> 1. Risk assessment 2. Summary outturn performance position - General Fund 3. Service level outturn performance position - General Fund 4. Significant variances 5. Carry forward requests 6. Movement on earmarked reserves and general balances 7. Annual Treasury Management review 8. Capital programme - General Fund 9. Section 106 receipts statement 10. Council tax and NNDR collection 11. Sundry aged debt 12. HRA Operating account 13. HRA Capital programme and Major Repairs Reserve
Background information	<ol style="list-style-type: none"> 1. Section 25 Report – Council 17 February 2020 2. Final Budget Proposals for 2020/21 – Council 17 February 2020 3. Final Emergency Budget Proposal for 2020/21 – Council 16 November 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
CR3	If the Council is unable to implement long term solutions which close the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision.	Cabinet	01/09/2010	5	3	15	Reduce	The Medium Term Financial Strategy includes savings targets and funding strategies to ensure we continue to work towards financial sustainability whilst delivering the council's corporate priorities.	Ongoing	ED Finance and Assets	01/09/2010
CR105	If the Budget Strategy (Support) Reserve is not suitably resourced the use of General Balances will be required resulting in them falling below the minimum required level as recommended by the Section 151 Officer in the council's Medium Term Financial Strategy.	ED Finance and Assets	01/04/2016	5	4	20	Reduce	The MTFS is clear about the need to enhance reserves and identifies a required reserves strategy for managing this issue. In preparing the budget for 2021/22 and in ongoing budget monitoring, consideration will continue to be given to the use of fortuitous windfalls and potential future under spends with a view to strengthening reserves whenever possible.	Ongoing	ED Finance and Assets	
1.02	If income streams from the introduction of the business rates retention scheme in April 2013 are impacted by the loss of major business	ED Finance and Assets	14/09/12	5	4	20	Accept & Monitor	The Council joined the Gloucestershire pool to share the risk of fluctuations in business rates revenues retained by	Ongoing	ED Finance and Assets	

	and the constrained ability to grow the business rates in the town then the MTFS budget gap may increase.							the Council. The Gloucestershire S151 Officers continue to monitor business rates income projections and the performance and membership of the pool / pilot. Work with Members, the BID and using recovery funding to ensure Cheltenham protects and supports businesses in the town.			
1.03	Income generated through sales, fees and charges may be reduced in future periods resulting in gaps in the funding required to support service delivery.	ED Finance and Assets	15/12/10	4	4	16	Reduce	Robust forecasting is applied in preparing budgets taking into account previous income targets, collection rates and prevailing economic conditions. Professional judgement is used in the setting / delivery of income targets. Greater focus on cost control and income generation will be prioritised to mitigate the risk of income fluctuations.	Ongoing	ED Finance and Assets	
1.07	If the assumptions around government support, business rates income, impact of changes to council tax discounts prove to be incorrect, then there is	ED Finance and Assets	13/12/10	5	3	15	Reduce	Regular review of the assumptions through the quarterly monitoring process. Being proactive in responding to	Ongoing	ED Finance and Assets	

	likely to be increased volatility around future funding streams.							Government consultations on changes to funding.			
New corporate risk	If government support to compensate the Council for the impact of COVID-19 is insufficient, greater reliance will be placed on the use of reserves, service reduction and asset sales.	ED Finance and Assets	23/03/2020	5	5	25	Reduce	<p>A recovery budget was approved by Council in November 2020 which included changes and funding proposals to bridge the forecast £2m budget gap caused by COVID-19.</p> <p>Work programmes are underway to implement the key changes to activity such as asset sales to secure the Council's future financial sustainability.</p>	Ongoing	ED Finance and Assets	

APPENDIX 2: GENERAL FUND REVENUE OUTTURN

	A	B	
	2020/21	2020/21	overspend /
	Current	Outturn	(underspend)
	Budget	per Ledger	before adjustments
	£	£	£
Chief Executive	1,510,494	1,613,844	103,350
Finance & Assets Directorate	10,143,565	10,381,703	238,138
People & Change Directorate	4,233,318	3,802,155	(431,163)
Place & Growth Directorate	6,233,133	5,407,259	(825,874)
	22,120,510	21,204,960	(915,550)
Capital Charges	(4,729,907)	(4,684,196)	45,711
Interest and Investment Income	(1,996,910)	(1,924,888)	72,022
Use of balances and reserves - Appendix 6	13,756,023	13,684,581	(71,442)
NET BUDGET	29,149,716	28,280,458	46,292
Deduct:			
New Homes Bonus	(1,252,262)	(1,252,262)	0
S31 NDR compensation grant	(14,658,481)	(15,370,862)	(712,381)
Other Government Grants	(1,171,923)	(564,016)	607,907
National Non-Domestic Rate	(2,365,904)	(2,104,279)	261,625
NET SPEND FUNDED BY COUNCIL TAX	(9,604,969)	(9,604,064)	905
TOTAL INCOME	(29,053,539)	(28,895,483)	158,056
	96,177		

KEY

- A - Emergency budget for 2020/21 approved by Council - November 2020
- B - Outturn net expenditure before year end adjustments
- C - Operational transfers to / (from) reserves approved by the Chief Finance Officer under delegated powers - Appendix 6
- D - Use of s106 receipts approved by the Section 151 Officer under delegated powers - Appendix 9
- E - Carry forward requests approved by the Chief Finance Officer under delegated powers - Appendix 5
- F - Net variance after adjustments in columns D to E
- G - Carry forward requests requiring Member approval - Appendix 5
- H - Net variance on cost centres taking into account all carry forward requests - see detail at Appendix 5

C	C	D	E	F	G	H
Trf to / (from)	Trf to / (from)	Use of s106	C/F requests	Variance	C/F requests	Variance
Programme Mtce	Other	Receipts	approved by	net of S151	to be approved	net of all
Reserve	Reserves		S151 Officer	c/f approvals	Members	c/f requests
Appendix 6	Appendix 6	Appendix 9	Appendix 5		Appendix 5	
£	£	£	£	£	£	£
				103,350		103,350
77,250	(141,849)		20,000	193,538		193,538
	165,956		91,000	(174,207)		(174,207)
31,800	0	(490,253)	498,354	(785,974)		(785,974)
109,050	24,107	(490,253)	609,354	(663,293)	0	(663,293)
				0		0
				45,711		45,711
64,282				136,304		136,304
				(71,442)		(71,442)
64,282	0	0	0	110,573		110,573
				0		0
				0		0
				(712,381)		(712,381)
				607,907		607,907
				261,625		261,625
				905		905
				158,056		158,056
NET OVER/(UNDER) SPEND				(394,663)		(394,663)

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APPENDIX 3 - GENERAL FUND REVENUE OUTTURN 2020/21		Current Budget 2020/21 £	Actuals 2020/21 £	(Under) / Overspend £	Carry Forwards £	Programme Mtce Reserve £	s106 funded £	other reserves £	(Under) / Overspend £
COR001	Corporate Management	620,450	713,521	93,071					93,071
ELE001	Registration of Electors	80,530	77,709	(2,821)					(2,821)
ELE002	District Elections	22,800	14,635	(8,165)					(8,165)
ELE003	Elections Support/Overheads	158,420	123,238	(35,183)					(35,183)
ELE004	Parliamentary Elections	0	9,445	9,445					9,445
ELE006	County Elections	0	46	46					46
ELE007	European Elections	0	1,744	1,744					1,744
ELE008	Police & Crime Commissioner Elections	0	105	105					105
ELE010	Individual Electoral Registration	0	2,465	2,465					2,465
SUP004	Legal	443,810	486,869	43,059					43,059
SUP007	Committee Services	184,484	184,068	(416)					(416)
1CEXEC	Chief Executive	1,510,494	1,613,844	103,350	0	0		0	103,350
ADB101	Cheltenham Municipal Offices	505,747	528,170	22,422		(21,915)		(141,849)	(141,342)
ADB103	Cheltenham Depot	(101,539)	(8,133)	93,406		37,355			130,760
ADB104	Miscellaneous Operational Properties	(86,871)	(73,014)	13,857					13,857
AIR101	Gloucestershire Airport	(17,800)	20,830	38,630					38,630
COM103	St. Margaret’s Hall	2,538	2,533	(4)					(4)
COR006	Treasury Management	55,100	99,958	44,858					44,858
COR008	Bank Charges	0	2,287	2,287					2,287
COR105	Corporate Resources	188,840	196,009	7,169					7,169
COV019	Corona Virus	858,702	869,376	10,674					10,674
COV020	High Street re-opening	0	10,729	10,729					10,729
CUL002	War Memorials	4,600	804	(3,796)					(3,796)
CUL003	World War 1 Commemoration Projects	0	61	61					61
CUL112	Town Hall Repairs & Maintenance	510,009	499,130	(10,879)		27,262			16,383
CUL113	Pittville Pump Room Repairs & Maintenance	257,617	276,425	18,808		(308)			18,500
CUL117	Art Gallery & Museum Repairs & Maintenance	417,860	357,970	(59,890)		29,439			(30,451)
ECD101	Xmas in Cheltenham	45,300	43,600	(1,700)					(1,700)
HAV001	Housing Advances	0	(427)	(427)					(427)
NDC001	Non Distributed Costs	(14,411)	(14,178)	233					233
OPS111	Arle Road Nursery Repairs Maintenance	0	21	21					21
OPS121	Parks & Gardens Repairs & Maintenance	9,000	57,113	48,113		(14,834)			33,279
OPS122	Sports & Open Spaces Repairs & Maintenance	80,400	90,309	9,909		34,995			44,904
REC111	Recreation Centre Repairs & Maintenance	1,432,506	1,436,106	3,601		(26,346)			(22,745)
REC112	Prince of Wales Stadium Repairs & Maintenance	144,552	120,360	(24,192)		11,602			(12,590)
REG019	Public Conveniences	147,916	166,497	18,581					18,581
REG119	Public Conveniences R&M	12,800	4,289	(8,511)					(8,511)
SUP009	Accountancy	43,273	6,429	(36,844)	20,000				(16,844)
SUP010	Internal Audit	86,992	87,166	174					174
SUP011	Creditors	(15,300)	(14,245)	1,055					1,055
SUP012	Debtors	2,900	5,680	2,780					2,780
SUP025	Property Services	442,810	476,507	33,697					33,697
SUP033	Central Purchasing	1,300	836	(464)					(464)
SUP035	Insurances	227,540	226,035	(1,505)					(1,505)
SUP038	Pensions Backfunding	3,475,600	3,475,339	(261)					(261)
SUP105	Corporate Fraud Unit	59,500	61,321	1,821					1,821
SUP106	Publica Business Support Contract	1,230,104	1,233,828	3,724					3,724
TMR101	CBC Highways works	135,980	135,980	0					0
2FINAA	Finance & Assets Directorate	10,143,565	10,381,703	238,138	20,000	77,250		(141,849)	193,538
ADB102	Custodians	17,180	12,829	(4,351)					(4,351)
COM001	Community Development	20,348	19,275	(1,073)					(1,073)
COM101	Oakley Resource Centre	19,004	13,896	(5,109)					(5,109)
COM102	Springbank Resource Centre	77,071	77,071	0					0
COM104	Big Local Project	0	0	0					0
COR003	Corporate Policy Making	221,750	200,772	(20,978)					(20,978)
COR102	2020 Vision	0	0	0					0
CPK002	Car Park Income Collection	31,676	9,282	(22,394)					(22,394)
CSM001	Cultural - Service Management and Support Services	841,390	760,783	(80,607)	49,000				(31,607)
CUL108	Everyman Theatre	353,879	353,879	(0)					(0)
CUL109	Playhouse Theatre	66,950	66,949	(1)					(1)
DRM001	Democratic Representation and Management	344,220	314,455	(29,765)	20,000				(9,765)
DRM008	Corporate Subscriptions	26,445	22,367	(4,078)					(4,078)
DRM009	Civic Expenses	12,750	9,820	(2,930)					(2,930)
DRM010	Civic Car	8,300	5,074	(3,226)					(3,226)
DRM011	Twinning Expenses	37,730	33,676	(4,054)					(4,054)
DRM012	Civic Events	17,000	(1,185)	(18,185)					(18,185)
EMP001	Emergency Planning	20,750	17,147	(3,603)					(3,603)
GBD001	Community Welfare Grants	257,801	202,956	(54,845)	22,000				(32,845)
GBD002	No Child Left Behind	0	0	0					0
GBD103	SLA Single Advice Contract	81,900	81,200	(700)					(700)
HBA001	Housing Benefit Administration	91,887	37,582	(54,305)					(54,305)
HBP001	Rent Allowances	(21,987)	126,111	148,098					148,098
HBP002	Rent Rebates	(78,380)	(106,738)	(28,358)					(28,358)
LTC001	Council Tax Collection	420,780	381,583	(39,197)					(39,197)
LTC002	Council Tax Support Administration	(88,014)	(104,968)	(16,954)					(16,954)
LTC011	NNDR Collection	(132,656)	(362,056)	(229,400)				165,956	(63,444)
LTC012	NNDR Discretionary Relief	0	(13,051)	(13,051)					(13,051)
LTC101	Revenues & Benefits Overheads	111,000	139,292	28,292					28,292
LTC111	Business Improvement District Administration	0	(8,179)	(8,179)					(8,179)
SUP003	Human Resources	8,800	4,025	(4,775)					(4,775)
SUP005	ICT	209,197	251,844	42,647					42,647
SUP006	Telephones	53,500	59,376	5,876					5,876
SUP008	Reception/Customer Services	359,825	320,977	(38,848)					(38,848)
SUP013	Payroll	100	619	519					519
SUP014	Cashiers	89,760	99,721	9,961					9,961
SUP017	Business Improvement/Transformation	0	289	289					289
SUP018	Press & PR/Communications	145,570	159,685	14,115					14,115
SUP019	Health & Safety	7,000	3,153	(3,847)					(3,847)
SUP020	Training & Development	26,800	34,224	7,424					7,424
SUP022	Printing Services	34,600	29,210	(5,390)					(5,390)
SUP024	Postal Services	7,700	6,688	(1,012)					(1,012)
SUP036	Project Management	330,050	338,800	8,750					8,750
SUP037	Equal Opportunities	0	0	0					0
SUP103	Business Support Services	126,641	128,377	1,736					1,736
SUP107	Modernisation	75,000	75,345	345					345

3PEOP	People & Change Directorate	4,233,318	3,802,155	(431,163)	91,000	0	165,956	(174,207)
BUC001	Building Control - Fee Earning Work	(140,658)	(208,467)	(67,809)				(67,809)
BUC004	Land Charges	(174,802)	(194,949)	(20,147)				(20,147)
CCC001	Climate Change	0	16,216	16,216				16,216
CCM001	Cemetery, Crematorium and Churchyards	(1,125,379)	(1,113,115)	12,265				12,265
CCM111	Cemetery & Crematorium Repairs & Maintenance	21,400	23,248	1,848				1,848
CCR001	Community Safety (Crime Reduction)	22,600	(5,626)	(28,226)				(28,226)
CCT001	CCTV	94,404	82,726	(11,678)				(11,678)
CPK001	Car Parks - Off Street Operations	(1,906,406)	(1,887,739)	18,667				18,667
CPK101	Car Parks - Off Street R&M	214,500	213,878	(622)		31,870		31,247
CPK103	Sandford Lido car park	0	7,000	7,000				7,000
CSS001	Community Safety (Safety Services)	(7,500)	31,436	38,936				38,936
DEV001	Development Control - Applications	209,987	118,066	(91,921)				(91,921)
DEV003	Development Control - Enforcement	87,250	84,824	(2,426)				(2,426)
DEV004	Development Advice	(54,771)	(7,730)	47,041				47,041
ECD001	Economic Development	53,355	30,636	(22,719)	20,000			(2,719)
ECD002	Markets	(3,100)	(31,473)	(28,373)				(28,373)
ENA001	Housing Enabling	0	0	0				0
ESR001	Highways Agency Verges & Trees	63,942	25,048	(38,894)				(38,894)
FLD001	Flood Defence and Land Drainage	89,072	89,072	0				0
FRM101	Flood Risk Management	84,100	(22,140)	(106,240)	75,000			(31,240)
HOM001	Homelessness	384,210	(36,023)	(420,233)	397,354			(22,879)
HOM002	Homelessness Grants	0	0	0				0
HOS001	Housing Strategy	0	44,501	44,501			(44,501)	0
HOS004	Housing Standards	254,005	227,290	(26,715)				(26,715)
HOS100	JCS Affordable Housing Capacity Funding	0	(0)	(0)				(0)
OPS001	Parks & Gardens Operations	972,012	817,291	(154,721)				(154,721)
OPS002	Sports & Open Spaces Operations	1,200,669	1,063,670	(137,000)				(137,000)
OPS004	Allotments	2,140	5,918	3,778				3,778
OPS101	Arle Road Nursery Operations	36,731	38,295	1,564				1,564
PLP001	Planning Policy	17,175	28,400	11,225				11,225
PLP006	Trees	13,700	17,496	3,796				3,796
PLP102	Development Task Force	50,270	41,261	(9,009)				(9,009)
PLP103	Cheltenham Strategic partnership	2,000	2,000	0				0
PLP104	Joint Core Strategy - CBC Contribution	60,000	60,000	0				0
PLP105	Cyber Business Park	0	445,752	445,752			(445,752)	0
PUT101	Royal Well Bus Node	14,331	21,532	7,201				7,201
PUT102	Shopmobility	71,717	42,477	(29,240)				(29,240)
REG001	Environmental Health General	654,930	672,017	17,087				17,087
REG002	Licensing	(163,333)	(192,255)	(28,922)				(28,922)
REG003	Animal Control	13,600	977	(12,623)				(12,623)
REG012	Air Quality	32,000	10,927	(21,073)				(21,073)
REG013	Pollution Control	(19,555)	(19,069)	486				486
REG014	Contaminated Land	0	(1,172)	(1,172)				(1,172)
REG016	Food Safety	0	(767)	(767)				(767)
REG018	Pest Control	65,591	19,254	(46,337)				(46,337)
REG020	Water Sampling	500	16	(484)				(484)
REG024	Night Time Levy	0	(2,562)	(2,562)				(2,562)
REG025	Town Centre Enforcement	24,730	37,606	12,876				12,876
RYC002	Green Waste	(265,755)	(269,998)	(4,243)				(4,243)
RYC004	Recycling Centres	281,784	277,999	(3,785)		(70)		(3,855)
RYC005	Bring Sites	90,211	96,027	5,816				5,816
RYC006	Recycling Collection Schemes	2,022,061	1,871,824	(150,237)				(150,237)
RYC007	Waste & Recycling - Marketing & Management	212,031	202,914	(9,117)				(9,117)
RYC008	Bulking Facility	(96,339)	(6,595)	89,744				89,744
SPP001	Supporting People	0	(174)	(174)				(174)
SPP002	Community Alarms	(76,930)	(86,737)	(9,807)				(9,807)
STC001	Street Cleaning	916,861	824,730	(92,131)	6,000			(86,131)
STC011	Abandoned Vehicles	(1,593)	557	2,150				2,150
SUP034	Fleet Management	(21,300)	(29,554)	(8,254)				(8,254)
SUP040	Built Environment	469,933	474,308	4,375				4,375
SUP140	Regulatory & Environmental Services Transformation	152,150	141,699	(10,451)				(10,451)
TOU002	Tourist/Visitor Information Centre/ Marketing Cheltenham	94,245	7,133	(87,112)				(87,112)
TRW001	Trade Waste	(65,674)	(111,173)	(45,499)				(45,499)
URB101	Urban Design	204,430	170,096	(34,334)				(34,334)
WST001	Household Waste	1,131,600	1,282,865	151,265				151,265
WST004	Bulky Household Waste	(30,000)	(34,405)	(4,405)				(4,405)
4PLACE	Place & Growth Directorate	6,233,133	5,407,259	(825,874)	498,354	31,800	(490,253)	0
4PLACE	Place & Growth Directorate	6,233,133	5,407,259	(825,874)	498,354	31,800	(490,253)	0
TOTAL SERVICES		22,120,510	21,204,960	(915,550)	609,354	109,050	(490,253)	24,107
BAL103	Capital Charges	(4,729,907)	(4,684,196)	45,711				45,711
OOE300	Contributions to the Housing Capital Receipts Pool	0	0	0				0
TGI040	Capital Grants and Contributions Receivable	0	0	0				0
92CAPC	Capital Charges	(4,729,907)	(4,684,196)	45,711	0	0		0
EIP003	Impairment of Investments	-	234.16	234.16				(234.16)
FIE010	Interest Payable and Similar Charges	2,145,500	2,094,033	(51,467)				(51,467)
FIE030	Interest and Investment Income	(637,200)	(590,815)	46,385				46,385
FIE040	Income and Expenditure on Investment Properties and Investments	(3,505,210)	(3,427,871)	77,339		64,282		141,621
93INT	Interest and Investment Income	(1,996,910)	(1,924,888)	72,022	0	64,282		0
BAL104	Balances and Reserves	13,756,023	13,684,581	(71,442)				(71,442)
94BALS	Use of Balances and Reserves	13,756,023	13,684,581	(71,442)	0	0		0
TOTAL COST OF SERVICE		29,149,716	28,280,458	(869,258)	609,354	173,331	(490,253)	24,107
OOE200	Parish Council Precepts	295,094	295,094	0				0
TGI010	Council Tax income	(9,604,969)	(9,604,064)	905				905
TGI018	Non-domestic rates income and expenditure	(2,660,998)	(2,399,373)	261,625				261,625
TGI020	Non-ringfenced Government Grants	(17,082,666)	(17,187,140)	(104,474)				(104,474)
99COR	TOTAL FUNDING	(29,053,539)	(28,895,483)	158,056	0	0	0	0
NET OUTTURN POSITION		96,177	(615,025)	(711,202)	609,354	173,331	(490,253)	24,107

Appendix 4: 2020/21 SERVICE BUDGET VARIANCE ANALYSIS (above £50,000)

Ref	Over/(under)spend (Net of VAT)	Cost Centre	Cost Centre Name	Explanation
CHIEF EXECUTIVE DIRECTORATE				
CE1	93,071	COR001	Corporate Management	There is a net overspend of £92k within Corporate Management in 2020/21 which is due an increase in the cost of audit (£30k) and valuation services (£30k). The cost of audit services increased due to the addition work required to be undertaken to provide assurance over the Statement of Accounts during the pandemic. Similarly, the cost of valuing our assets has increased as fewer firms are now operating in the market who are able to provide the advice required to inform the Statement of Accounts. The remaining overspend is due to legal fees relating to North Place.
FINANCE & ASSETS DIRECTORATE				
FA1	-141,342	ADB101	Municipal Offices	The budget for the cost of the Municipal Offices is £141k underspent. As the building has been closed to the public for the full period, the operational cost of running the building has been significantly below budget. For example, spend on electricity was £35k below budget. Additionally, the maintenance work undertaken on the building has resulted in a £90k underspend on the reactive repairs base budget.
FA2	130,760	ADB103	Cheltenham Depot	There is a net overspend of £131k in the Depot. Within the year, £30k was spent on additional security and over £65k on reactive repairs, particularly to the roof. The service charge income to offset these costs was also £20k under budget as a result of a credit balance for water supply having to be passed back to the tenants.
PEOPLE AND CHANGE DIRECTORATE				
PC1	-54,305	HBA001	Housing Benefit Administration	The Housing Benefit Administration budget is £54k underspend on salary costs where vacant posts in the team have not been able to be filled due to resource being prioritised to deliver the business grant programmes.
PC2	148,098	HBP001	Rent Allowances	The rent allowances budget is £148k overspent as the budget assumptions used to forecast the subsidy received on overpayments of housing benefit are hugely volatile and depend on where and what type of accommodation our customers are placed in. The assumptions will be reviewed throughout 2021/22 and revised if needed in the 2022/23 budget setting process.
PC3	-63,444	LTC011	NNDR Collection	There is an underspend reported on NNDR Collection as £354k of New Burdens Administration grant was received in 2020/21 to support the costs of delivering the business support grants throughout the pandemic.
TOTAL PLACE & GROWTH DIRECTORATE				
PG1	-67,809	BUC001	Building Control - Fee Earning Work	There is an underspend of £67k on building control due to operational costs such as protective equipment, stationary and mileage not being incurred in line with the budget when the service operation was limited during the pandemic.
PG2	-91,921	DEV001	Development Control - Applications	The development control application budget was £91k underspent in 2020/21 as the spend on legal expenses and court costs was significantly reduced due to temporary planning changes not being challenged and challenges to approved applications more generally being reduced.
PG3	-154,721	OPS001	Parks & Gardens Operations	The maintenance and upkeep of our parks, gardens, streets and open spaces is commissioned to Ubico. In 2020/21, a £200k underspend was reported by Ubico on activities undertaken for Cheltenham Borough Council, this was due to reduce costs of diesel, capital asset charges and less than expected costs of employee leave. Our allocation of this underspend and a decrease in our own central operational costs such as equipment has resulted in an underspend on both these cost centres.
PG4	-137,000	OPS002	Sports & Open Spaces Operations	
PG5	-150,237	RYC006	Recycling Collection Schemes	This underspend is mainly due to an increase of £117k of income generated from recycling credits than originally set in the budget, a result of the increase in recycling in the town as residents worked from home.
PG6	89,744	RYC008	Bulking Facility	There was a negative impact on material sales income due to Brexit and COVID-19 combined with the volatile global market conditions with over supply of some materials resulting in significantly lower prices per tonne.
PG7	-86,131	STC001	Street Cleaning	The maintenance and upkeep of our parks, gardens, streets and open spaces is commissioned to Ubico. In 2020/21, a £200k underspend was reported by Ubico on activities undertaken for Cheltenham Borough Council, this was due to reduce costs of diesel, capital asset charges and less than expected costs of employee leave. Our allocation of this underspend and a decrease in our own central operational costs such as equipment has resulted in an underspend on both these cost centres.

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Appendix 5: 2020/21 CARRY FORWARD REQUESTS

Ref	Amount £ (Net of VAT)	Expenditure Code	Cost Centre	Detail Code	Reason for carry forward	A (i)	A (ii)	B
						Base Budgets Amounts agreed by S151 Officer under delegated powers	One-Off Budgets Amounts agreed by S151 Officer under delegated powers	Amounts for member approval
1	20,000	R4400	SUP009	N/A	Unspent professional services budget to be spent in 2021/22 to support the TUPE transition of the finance team back in-house.	20,000		
	20,000	TOTAL FINANCE AND ASSETS DIRECTORATE				20,000	-	-
2	49,000	R1000	CSM001	N/A	Unspent budget for documentation officers commissioned as part of the Museum Collection review which was not spent in 2020/21 due to project delays caused by COVID-19.		49,000	
3	22,000	R6280	GBD001	CIV008	Unspent funds to support youth provision in 2021/22.		22,000	
4	20,000	R4601	DRM001	N/A	Underspend on Members Allowance budget to be used to fund training for new Members and Cabinet Members.	20,000		
	91,000	TOTAL PEOPLE AND CHANGE DIRECTORATE				20,000	71,000	-
5	20,000	R4400	ECD001	N/A	Budget set aside for resource to support economic recovery bids for the town which was not commissioned before the 2020/21 year end.	20,000		
6	397,354	R9016	HOM001	NA	Grant monies received in 2020/21 restricted for activity relating supporting the homelessness which will be committed in 2021/22.		397,354	
7	75,000	R5001	FRM101	NA	Probable failure of flood allviation scheme, ditch clearance at Burrows Playing Field and Somergate road area water course. Works not completed in 2020/21, as there was difficulty obtaining contractors.	75,000		
8	6,000	R5001	STC001	N/A	Unspent DCLG National Community Clean Up funding to be spent in 2021/22.	6,000		
	498,354	TOTAL PLACE & GROWTH DIRECTORATE				101,000	397,354	-
	609,354	TOTAL CARRY FORWARD REQUESTS				141,000	468,354	-

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Appendix 6 - Reserve Statement 2020/21

		31st March 2020 £	2020/21 Movement Revenue £	2020/21 Movement Capital £	Proposals to support 2020/21 Budget	31st March 2021 £	2021/22 Movement Revenue £	2021/22 Movement Capital £	31st March 2022 £
<u>EARMARKED RESERVES</u>									
<u>Other</u>									
RES002	Pension & Restructuring Reserve	(370,956)	78,628			(292,328)	37,968		(254,360)
RES003	Economic Development & Tourism Reserve	(4,200)				(4,200)			(4,200)
RES006	Cultural Development Reserve	0				0			0
RES008	House Survey Reserve	(5,616)				(5,616)			(5,616)
RES009	Twinning Reserve	(8,366)				(8,366)			(8,366)
	To fund future flood resilience work, delegated to the Flood working group for allocation	(37,900)	37,900			0			0
RES014	GF Insurance Reserve	(77,106)				(77,106)			(77,106)
RES016	Joint Core Strategy Reserve	(18,780)				(18,780)			(18,780)
RES018	Civic Pride Reserve	0				0			0
RES020	Ubico Reserve	(54,000)				(54,000)			(54,000)
RES022	Homelessness Reserve	(41,100)				(41,100)			(41,100)
RES023	Transport Green Initiatives Reserve	(33,825)				(33,825)			(33,825)
RES024	New Initiatives reserve	(336,623)				(336,623)			(336,623)
RES025	Budget Strategy (Support) Reserve	(458,837)	231,426			(227,411)	(293,000)		(520,411)
RES026	Social Housing Marketing Assessment (SHMA) Reserve	(36,534)	(2,500)			(39,034)	(2,500)		(41,534)
		(1,483,842)				(1,138,388)			(1,395,920)
<u>Repairs & Renewals Reserves</u>									
RES201	Commuted Maintenance Reserve	(73,035)	12,172			(60,863)	12,172		(48,691)
RES204	I.T. Repairs & Renewals Reserve	(67,200)	(50,000)			(117,200)	(50,000)		(167,200)
RES206	Delta Place Reserve	(400,000)	(100,000)	25,208		(474,792)	(100,000)	200,000	(374,792)
RES205	Property Repairs & Renewals Reserve	(738,337)	102,000		(173,331)	(809,668)	102,000		(707,668)
		(1,278,572)				(1,462,523)			(1,298,041)
<u>Equalisation Reserves</u>									
RES101	Rent Allowances Equalisation	(217,857)	86,426			(131,431)			(131,431)
RES102	Planning Appeals Equalisation	(76,612)				(76,612)			(76,612)
RES105	Local Plan Equalisation	(9,795)				(9,795)			(9,795)
RES106	Elections Equalisation	(187,587)	(62,100)			(249,687)	62,900		(186,787)
RES107	Car Parking Equalisation	(399,341)	130,000			(269,341)			(269,341)
RES108	Business Rates Retention Equalisation	(393,263)	(14,211,526)		(165,956)	(14,770,745)	13,810,279		(960,466)
RES109	Cemetery income Equalisation reserve	(126,369)				(126,369)			(126,369)
		(1,410,824)				(15,633,980)			(1,760,804)
<u>Reserves for commitments</u>									
RES301	Carry Forwards Reserve	(191,552)	191,552		(609,345)	(609,345)	534,354		(74,991)
<u>CAPITAL</u>									
RES402	Capital Reserve - GF	(131,486)	(200,000)	46,234	141,849	(143,403)	(200,000)	150,000	(193,403)
TOTAL EARMARKED RESERVES		(4,496,276)				(18,987,639)			(4,723,466)
<u>GENERAL FUND BALANCE</u>									
B8000 - B8240	General Balance - RR	(1,273,073)	96,177		(35,663)	(1,212,559)	(543,574)		(1,756,133)
		(1,273,073)				(1,212,559)			(1,756,133)
TOTAL GENERAL FUND RESERVES AND BALANCES		(5,769,349)	(13,659,845)	71,442	(842,446)	(20,200,198)	13,370,599	350,000	(6,479,599)

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Appendix 7: Treasury Management Outturn Report 2020/21

1. Introduction

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

1.2 The coronavirus pandemic dominated 2020/21, leading to almost the entire world being in some form of lockdown during the year. The start of the financial year saw The Bank of England cut Bank Rate to 0.1% and the UK government provided a range of fiscal stimulus measures, the size of which has not been seen in peacetime.

1.3 Some good news came in December 2020 as two COVID-19 vaccines were given approval by the UK Medicines and Healthcare products Regulatory Agency (MHRA). The UK vaccine rollout started in earnest; over 31 million people had received their first dose by 31st March.

1.4 A Brexit trade deal was agreed with only days to spare before the 11pm 31st December 2020 deadline having been agreed with the European Union on Christmas Eve.

1.5 Ultra-low interest rates prevailed throughout the whole financial year, with yields generally falling between April and December 2020 with 1-month, 3-month and 12-month rates averaged 0.01%, 0.10% and 0.23% respectively over the financial year.

2. Main Points

2.1 Investment and borrowing interest for 2020/21 have produced a net surplus of £55k against the revised budget.

2.2 Pooled Funds have returned stronger dividends than first expected, and starting against lower capital values returned just under 4% against the £7m invested in this area.

2.3 The capital values of the Pooled Funds realised gains of over £405k for 2020/21.

2.4 The Council had debt of £173.720m as at 31st March 2021 at an average rate of 2.20%

2.5 All treasury prudential indicators were within their limits for 2020/21.

3. Local Context

3.1 On 31st March 2021, the Authority had net borrowing of £156.932m arising from its revenue and capital income and expenditure, an increase on 2019/20 of £6.016m. 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.

3.2 The Council's strategy was to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest

costs low. The treasury management position as at 31st March 2021 and the year-on-year change is shown in table 1 below.

Table 1: Treasury Management Summary

	31.3.20 Balance £m	2020/21 Movement £m	31.3.21 Balance £m	31.3.21 Rate %
Long-term borrowing	115.951	(0.731)	115.220	3.22
Short-term borrowing	69.000	(10.500)	58.500	0.18
Total borrowing	184.951	(11.231)	173.720	2.20
Long-term investments	7.043	1.590	8.633	3.84
Short-term investments	15.600	(14.385)	1.215	2.40
Cash and cash equivalents	10.991	(4.051)	6.940	0.21
Icelandic	0.401	(0.401)	0	0
Total investments	34.035	(17.247)	16.788	1.54
Net borrowing	150.916	(6.016)	156.932	

3.3 Borrowing Activity as at 31st March 2021, the Authority held £173.720m of loans, a decrease of £11.231m on the previous year, as part of its strategy for using investment funds to help reduce the need to temporary borrow as short term investments were close to returning zero interest. The Council back in February 2020 was forecasting to borrow up to £23m in respect of asset purchases for the Housing Revenue Account (HRA). But this never materialised in 2020/21, as the cost of long term borrowing was too expensive, so internal borrowing was utilised instead. This has only delayed the timing of when it is best to lock into some long term debt. Arlingclose, the council's treasury advisors are aware of the situation, and are monitoring this for us. The year-end borrowing balance position and the year-on-year change is shown in table 2 below.

Table 2: Borrowing Position

	31.3.20 Balance £m	2020/21 Movement £m	31.3.21 Balance £m	31.3.21 Rate %
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Public Works Loan Board	100.051	(0.731)	99.320	3.09
Banks (LOBO)	7.000	0	7.000	4.24
Banks (fixed-term)	8.900	0	8.900	3.82
Local authorities (short-term)	69.000	(10.500)	58.500	0.18
Total borrowing	184.951	(11.231)	173.720	2.20

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

4. Investment Activity

4.1 The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During 2020/21, the Authority's investment balance ranged between £8.6m and £57m due to timing differences between income and expenditure. The year-end investment position and the year-on-year change in show in table 3 below.

Table 3: Investment Position (Treasury Investments)

	31.3.20 Balance £m	2020/21 Movement £m	31.3.21 Balance £m	Interest Rate %
Banks & Building Societies	5.401	(5.401)	0	-
Government (inc. Local Authorities)	10.000	(10.000)	0	-
MMF's/Call Accounts	10.990	(4.050)	6.940	0.02
Pooled Funds	7.000	0	7.000	3.95
Other Investments	0.643	2.205	2.848	2.60
Total Investments	34.034	(17.246)	16.788	1.78

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

4.3 £7m of the Authority's investments are held in externally managed strategic pooled (bond, equity, multi-asset and property) funds where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability. These funds generated a total return of £276,175 (3.95%), and gained in capital value by £405,780, which is treated as an unrealised capital gain.

4.4 During the initial phase of the pandemic in March 2020, the sharp falls in corporate bond and equity markets had a negative impact on the value of the Council's pooled fund holdings

and was reflected in the 31st March 2020 fund valuations with every fund registering negative capital returns over a 12 month period. Since March 2020 there has been improvement in market sentiment which is reflected in an increase in capital values of these short-dated, strategic bond, equity and multi-asset income funds in the Authority's portfolio. The recovery in UK equities has lagged those of US and European markets since March 2020. UK banks are no longer giants of the FTSE market and the oil majors are fading too compared with like Apple in the US which is valued more than all the FTSE 100.

Table 4: Current Pooled Funds

Fund Manager	Investment	Capital Value as at 31st March 2020	Capital Value as at 31st March 2021	Dividends Received 2020/21	2020/21 Gain/(Loss)	Gain/(Loss) v Original Investment
	£	£	£	£	£	£
CCLA Property Fund	3,000,000	2,774,677	2,754,951	89,977	(19,726)	(245,049)
Schroders Income Maximiser Fund	2,000,000	1,184,864	1,457,039	123,437	272,175	(542,961)
CCLA Diversified Income Fund	2,000,000	1,823,816	1,977,147	62,761	153,331	(22,853)
Total –current Funds	7,000,000	5,783,357	6,189,137	276,175	405,780	(810,863)

4.5 The nature of these funds is that values can fluctuate from one year to another. Their performance and suitability in meeting the Authority's investment objectives are monitored and discussed with Arlingclose on a regular basis. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives is regularly reviewed. Strategic fund investments are made in the knowledge that capital values will move both up and down on months, quarters and even years; but with the confidence that over a three to five-year period total returns will exceed cash interest rates.

5. Financial Implications

5.1 The outturn for debt interest paid in 2020/21 was £3.891 million (2.25%) on an average debt portfolio of £172.634 million against a budgeted £3.942 million. A surplus of £51,467 was recorded for the financial year due to temporary borrowing costs falling dramatically in 2020 and 2021. The HRA reimbursed the General Fund £1.797m for the debt associated to the HRA for 2020/21.

5.2 The outturn for investment income received in 2020/21 was £343,084 which equates to a 1.78% return (19/20 – 2.17%) on an average investment portfolio of £19.245 million against a budgeted £387.3k on an average investment portfolio of £21.7 million at an average interest rate of 2.01%. The General Fund reimbursed the HRA £76k for revenue balances held within investment balances during 2020/21. A surplus of £3,604 was made for investment income.

5.3 Net loans and investments budget for 2020/21 which also includes leasing and third party loans repayments, was a budgeted cost of £1.614m but made an actual cost return of £1.559m, a surplus of £55,071. See table 5 below for a breakdown.

Table 5 – Borrowing and Investment Costs

Borrowing Costs	2020/21 Original £	2020/21 Revised £	2020/21 Actual £	Variance (Act v Rev) £
Temp Borrowing	345,000	214,600	171,598	(43,002)
LT Borrowing	3,657,000	3,727,500	3,719,035	(8,465)
HRA Share	(1,784,000)	(1,796,600)	(1,796,600)	0
Total GF Cost	2,218,000	2,145,500	2,094,033	(51,467)
Investment Income	2020/21 Original £	2020/21 Revised £	2020/21 Actual £	Variance (Act v Rev) £
Pooled Funds	320,000	258,900	276,175	(17,275)
Short term/call	116,500	50,200	29,317	20,883
Glos Airport	0	28,200	27,376	824
CBH Loan	0	11,800	11,852	(52)
3 rd Party Loans	265,800	265,600	266,252	(652)
HRA Share	(126,600)	(83,600)	(76,268)	(7,332)
Total GF Income	575,700	531,100	534,704	(3,604)
NET COST (Saving)	1,642,500	1,614,400	1,559,329	(55,071)

6. Compliance Report

6.1 The Council can confirm that it has complied with its Prudential Indicators for 2020/21, which was set in March 2020 as part of the Council's Treasury Management Strategy and Capital Strategy. In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during 2019/20. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

The Prudential Indicators include:

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

Table 6: Debt Limits

	2020/21 Maximum £m	31.3.21 Actual £m	2020/21 Operational	2020/21 Authorised Limit	Complied
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			Boundary £m	£m	
Borrowing	197.951	173.720	310	320	✓

6.2 Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure. Total debt was never above the operational boundary during 2020/21.

7. Treasury Management Indicators

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

7.1 Maturity Structure of Borrowing

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

Table 7 Maturity structure of borrowing

	31.3.21 Actual	Actual Debt Due	Upper Limit	Lower Limit	Complied
Under 12 months	34.45%	£59.846m	50%	0%	✓
12 months and within 24 months	2.73%	£4.743m	50%	0%	✓
24 months and within 5 years	3.75%	£6.515m	100%	0%	✓
5 years and within 10 years	10.82%	£18.796m	100%	0%	✓
10 years and above	48.25%	£83.820m	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. The actual maturity percentages for 31st March 2021 are calculated on the debt outstanding of £173.720m.

11.3 Principal Sums Invested for Periods Longer than 364 days

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

Table 8 Principal invested over 364 days

	2020/21	2021/22	2022/23
Actual principal invested beyond year end	7m	7m	7m
Limit on principal invested beyond year end	10m	10m	10m

Complied	✓	✓	✓
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Appendix 8: GENERAL FUND CAPITAL PROGRAMME OUTTURN 2020/21

Code	Funded by	Directorate / Scheme	Scheme Description	Original Budget 2020/21 £	Revised Budget 2020/21 £	Actual 2020/21	Variance 2020/21	Revised Budget 2021/22 £
CAP519 CAP520 CAP506 CAP700 CAP512 CAP513	PB PB/SGG PB PB GCR PB PB R GCR PF	<u>FINANCE & ASSET MANAGEMENT</u> <u>Property Services</u> Gloucestershire Airport Limited Minster Innovation Exchange Glos Airport - loan for substation Glos Airport - loan for radar Enterprise Way Phase 2 Investment in regeneration and economic recovery West Cheltenham development (Cyber Hub) Smart Working Project Sandford Park toilets Imperial Gardens Railing Restoration	Runway repairs 20,000 sq ft purpose-built commercial space adjacent to the Minster Loan for substation Loan for Radar Industrial units to complete development To investment in projects that will support the recovery of the town post pandemic Infrastructure to support cyber hub Municipal Offices ground and first floor refurbishment Provide for new public toilet provision at Sandford Park. £150k The restoration of the Imperial Gardens Railing to be funded by external resources and project managed by CBC. £100k	-	-	-	-	7,250,000
					500,000	332,094	(167,906)	4,338,906
						90,000	90,000	-
						75,000	75,000	-
				507,732	507,732	366,800	(140,932)	-
				6,232,410	-		-	6,232,410
				4,647,966	-		-	4,647,966
				495,001	95,000	25,208	(69,792)	270,000
				150,000	25,000	-	(25,000)	150,000
				100,000	-	-	-	100,000
				12,133,109	1,127,732	889,102	(238,630)	22,989,282
CAP026 CAP131 CAP135	C/SGG C GCR PB	<u>PEOPLE & CHANGE</u> <u>ICT</u> Carbon Neutral agenda IT Infrastructure One Legal case management system <u>Leisure Trust</u> Commercialisation opportunities within the Cheltenham Trust	Seed funding to deliver the actions needed, as outlined in the report to Full Council in October 2019, to facilitate the Council's ambition to become carbon neutral by 2030. 5 year ICT infrastructure strategy The new Case Management System, when fully implemented, should deliver staffing efficiencies of between 5% - 10% which would free up resource to take on additional third party work as envisaged by the Business Plan and the anticipated increase in third party income would be estimated to exceed, over the three year period, the procurement cost Invest a sum of £1m to pump prime the commercial opportunities identified by The Cheltenham Trust (including investment which both sustains and grows income at the Town Hall);	350,000	432,600	-	(432,600)	732,600
				100,000	50,000	46,234	(3,766)	150,000
				40,000	40,000	-	(40,000)	40,000
				1,000,000	500,000	222,980	(277,020)	777,000
				1,490,000	1,022,600	269,214	(753,386)	1,699,600
CAP601/2/3 CAP606 CAP152 CAP154 CAP607 CAP154 CAP204 CAP201 CAP205/6/7 CAP129 CAP507 CAP221	GCR GCR GCR GCR PF S106 GCR GCR GCR R PF BCF	<u>PLACE & GROWTH</u> In Cab Technology Crematorium Scheme - new chapels Crematorium Scheme - existing chapel Public Realm - Promenade pedestrianised area Public Realm - Creative Hub / St. Mary's Churchyard The Burrows Improvement Project Public Realm - Creative Hub / St. Mary's Churchyard Public Realm - Improvements to Grosvenor terrace car park CCTV Public Realm Improvements - High Street Phase 2 Improvements to off-street car parking (£400k) Changing Places <u>Housing</u> Disabled Facilities Grants	The introduction of an In-Cab system would reduce the mileage required to be completed by Ubico, because it would guide the crew around their collection route and would largely eliminate mistakes. £200k Construction of new chapels Redevelopment of existing chapel Upgrade of Promenade pedestrianised area including remodelling of tree pits, providing seating, re-pointing existing Yorkstone Environmental improvements Forward funding for the Leckhampton playing field works. Public Art Scheme Improving linkages to the High Street, signage and decoration. Additional CCTV in order to improve shopping areas and reduce fear of crime Public Realm in the Strand / Cambray Additional capital funding for investment in infrastructure improvements to the Council's off- street car parks, aligned to the actions proposed in the Car Parking Strategy approved by Cabinet in June 2017. Funded from car parking earmarked reserve. Two changing room accessible toilets in the town centre Mandatory Grant for the provision of building work, equipment or modifying a dwelling to restore or enable independent living, privacy, confidence and dignity for individuals and their families.	200,000	50,000		(50,000)	200,000
				109,716	109,716	38,725	(70,991)	-
				285,000	-	-	-	285,000
				33,609	33,609		(33,609)	33,600
				36,900	36,900		(36,900)	36,900
						30,141	30,141	866,000
				20,000	20,000		(20,000)	20,000
				115,500	-		-	115,500
				149,739	149,739	8,294	(141,445)	141,500
				2,133,672	50,000	8,758	(41,242)	424,914
				369,639	369,639	75,377	(294,262)	294,300
				42,185	42,185		(42,185)	42,185
							-	
				500,000	500,000	292,586	(207,414)	500,000

Code	Funded by	Directorate / Scheme	Scheme Description	Original Budget 2020/21 £	Revised Budget 2020/21 £	Actual 2020/21	Variance 2020/21	Revised Budget 2021/22 £
CAP223	BCF/GCR	H&S, vacant property & renovation grants	Assistance available under the council's Housing Renewal Policy	211,425	211,425	5,000	(206,425)	206,400
CAP224	BCF	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems	18,400	18,400	20,000	1,600	18,400
	PB	Housing Delivery	Enabling the delivery of Private Rented Sector (PRS) Housing through Cheltenham Borough Homes		1,605,000	1,605,000	-	4,500,000
CAP228	S106	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Homes and Communities Agency (HCA)	252,746	252,746		(252,746)	252,746
		Parks and Gardens					-	
CAP101	S106	S.106 Play area refurbishment	Developer Contributions	99,044	99,044		(99,044)	50,000
CAP102	GCR	Play Area Enhancement	Ongoing programme of maintenance and refurbishment of play areas to ensure they improve and meet safety standards	152,109	152,109	5,830	(146,279)	146,300
CAP501	GCR	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infra-structure.	161,402	161,402		(161,402)	161,402
CAP101	PF	Clyde Scooter Skate Park	Construction of a concrete scooter skate park in Clyde Crescent open space.	66,979	66,979	229,516	162,537	
CAP133	GCR	Replacement Parks & Gardens Vehicles		40,838	40,838		(40,838)	40,800
		Waste & Recycling					-	
CAP301	PB	Vehicles and recycling equipment and receptacles	Replacement vehicles and recycling equipment	1,268,974	1,268,974	379,841	(889,133)	1,519,000
				6,267,877	5,238,705	2,699,070	(2,539,635)	9,854,947
		TOTAL CAPITAL PROGRAMME		19,890,986	7,389,037	3,857,386	(3,531,651)	34,543,829

Detail	Contributions	YEAR of receipt	Balance @ 1/4/20 £	Receipts/ Refunds in year £	Amounts Applied to fund Cap expend £	Transferred to Revenue £	Grants & Contributions @ 31/3/21 £
RECEIPTS IN ADVANCE							
SECTION 106 / PARTNERSHIP FUNDING							
Short Term							
DEV002	Berkeley Homes - Thirlestaine Hall	14/15	(252,746.08)			19,500.00	(233,246.08)
B6261 CAPITAL			(252,746.08)	-	-	19,500.00	(233,246.08)
Long Term							
DEV003	205 Leckhampton Rd - Affordable Housing Contrib'n	15/16	(177,500.00)			177,500.00	-
DEV005	High St, Brewery phase 3 - affordable housing	17/18	(47,332.00)				(47,332.00)
DEV008	Newland Homes Prestbury Road - affordable housing	20/21	-	(39,637.20)			(39,637.20)
B7410 CAPITAL			(224,832.00)	(39,637.20)	-	177,500.00	(86,969.20)
DEV403	Cold Pool Lane Grounds Maintenance	11/12	(53,303.83)				(53,303.83)
DEV406	Rosebay Gardens Grounds Maintenance	13/14	(41,835.83)				(41,835.83)
B7420 REVENUE			(95,139.66)	-	-	-	(95,139.66)
TOTAL GRANTS RECEIPTS IN ADVANCE			(572,717.74)	(39,637.20)	-	197,000.00	(415,354.94)
CAPITAL GRANTS UNAPPLIED							
SECTION 106							
Housing Enabling (affordable housing)							
DEV004	Pegasus Life - John Dower House	16/17	(470,550.00)				(470,550.00)
DEV007	Moss Construction - Hatherley Lane and Leckhampton Road	17/18	(882,259.56)			490,253.00	(392,006.56)
			(1,352,809.56)	-	-	490,253.00	(862,556.56)
Public Art							
DEV101	Dunalley St-Public Art	10/11	(4,250.00)				(4,250.00)
DEV102	Rosemullion-Public Art	07/08	(1,340.57)				(1,340.57)
DEV103	75-79 Rowanfield Road-Public Art	08/09	(5,342.50)				(5,342.50)
DEV106	12/13 Hatherley Lane (B&Q) - Public Art	12/13	(32,371.67)				(32,371.67)
DEV107	Devon Avenue - Public Art	12/13	(1,414.96)				(1,414.96)
DEV110	Spirax Sarco St Georges Road	13/14	(6,500.00)				(6,500.00)
DEV111	Public Art - Midwinter site	14/15	(50,000.00)				(50,000.00)
DEV112	Wayfinding - University Pittville Campus	14/15	(25,683.00)				(25,683.00)
DEV113	Taylors Yard, Gloucester Road - Public Art	17/18	(30,000.00)				(30,000.00)
			(156,902.70)	-	-	-	(156,902.70)
PlaySpaces							
DEV201	S106 Playspace-Adult/Youth		(48,413.45)				(48,413.45)
DEV233	S106 Playarea - Beeches	/09+11/12+14/	(475.00)				(475.00)
DEV252	S106 Playarea - Lansdown Crescent	/11+11/12+15/	(269.58)				(269.58)
DEV261	S106 Playarea - Prestbury Playing Field	09/10	(759.67)				(759.67)
DEV262	S106 Playarea - Priors Farm	10/11	(85.50)				(85.50)
DEV263	S106 Playarea - Queen Elizabeth II	11/12	(28.00)				(28.00)
DEV267	S106 Playarea - St. Peters/Chelt Walk	17/18	(10,261.35)				(10,261.35)
DEV277	S106 Playarea - Starve Hall Farm	17/18	(196,493.06)		196,296.45		(196.61)
DEV303	131 Old Bath Road Playspace	19/20	(2,151.94)				(2,151.94)
			(258,937.55)	-	196,296.45	-	(62,641.10)
Other							
DEV302	Former Gas Club flood defence maintenance contribution	18/19	(8,000.00)	-			(8,000.00)
			(8,000.00)	-	-	-	(8,000.00)
Section 106 Totals - Capital Grants Unapplied (BAL101)			(1,776,649.81)	-	196,296.45	490,253.00	(1,090,100.36)
TOTAL Section 106			(2,349,367.55)	(39,637.20)	196,296.45	687,253.00	(1,505,455.30)
COMMUNITY INFRASTRUCTURE LEVY (CIL)							
CIL001	Community Infrastructure Levies		-	(710,916.66)			(710,916.66)
Total Community Infrastructure Levy			-	(710,916.66)	-	-	(710,916.66)
TOTAL SECTION 106 and CIL			(2,349,367.55)	(750,553.86)	196,296.45	687,253.00	(2,216,371.96)

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Appendix 10 - Council Tax and Business Rates Monitoring Collection Rates 2020-21

Appendix

Council Tax 2020/21

Current Year Charges - 2020/21				
Monitoring Period	% Collected at 31/03/2021	2020/21 Original Target	2020/21 Revised Target	Collection targets for 2020/21 were revised due to the impact of the Coronavirus pandemic. The yearend collection rate is above the revised target. However this is below the usual expected collection rate of about 98%. We are continuing to work with council tax payers struggling to pay.
	97.53%	98.20%	97.40%	
Comparison with 2019/20	As at 31/03/2020		% Collected 31/03/2020	
	97.88%		97.88%	

Previous Years Charges Outstanding in 2020/21				
Monitoring Period	Amount outstanding at 31/03/2021	2020/21 Original Yearend Target	2020/21 Revised Yearend Target	The arrears collection target for 2020/21 was revised due to the impact of the Coronavirus pandemic. Although collection improved towards the end of 2020/21 the arrears outstanding at the yearend have not reduced to the revised target. We are continuing to work with any council tax payers struggling to pay
	£1,849,396	£1,680,000	£1,880,000	
Comparison with 2019/20	As at 31/03/2020		Amount o/s 31/03/2020	
	£1,338,263		£1,338,263	

Business Rates 2020/21

Current Year Charges - 2020/21				
Monitoring Period	% Collected at 31/03/2021	2020/21 Original Yearend Target	2020/21 Revised Yearend Target	Collection targets for 2020/21 were revised due to the impact of the Coronavirus pandemic. Although collection improved slightly towards the end of 2020/21 the yearend collection rate is below the revised target. We are working with business rate payers struggling to pay and will continue to monitor this closely
	90.72%	98.80%	91.80%	
Comparison with 2019/20	As at 31/03/2020		% Collected 31/03/2020	
	98.83%		98.83%	

Previous Years Charges Outstanding in 2020/21				
Monitoring Period	Amount outstanding at 31/03/2021	2020/21 Original Yearend Target	2020/21 Revised Yearend Target	The arrears collection target for 2020/21 was revised due to the impact of the Coronavirus pandemic. The arrears outstanding at the yearend have reduced to the revised target. However this level of arrears is higher than we would usually expect and we are working with business rate payers struggling to pay
	£714,019	£370,000	£800,000	
Comparison with 2019/20	Amount outstanding at 31/03/2020		Amount outstanding at 31/03/2020	
	£378,415		£378,415	

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Appendix 11 - Cheltenham Borough Council: Sundry aged debt - as at 31/03/2021																	
			No. Outstanding Invoices	Value of Invoices in Payment Plans	Value of Invoices with Halted Recovery *	Value of Invoices with Legal	Value of Invoices awaiting Credit Notes **	Value of Invoices for Write Off ****	Customer Credits ***	Not Due	0-30	1-3 Mths	3-6 Mths	6 mth - 1 Yr	1 - 2 Yrs	2 Yrs+	Total
Dominic Stead	CostC	CostC (T)															
Dominic Stead	ADB103 Total	Cheltenham Depot	2	£ -	£ -	£ -	£ -	£ -	£ -	£ 43,630.00	£ -	£ -	£ -	£ -	£ -	£ -	£ 43,630.00
Dominic Stead	ADB104 Total	Miscellaneous Operational Properties	42	£ 3,226.29	£ -	£ -	£ -	£ -	-£ 480.00	£ 7,255.38	£ 10,487.26	£ 1,319.62	£ 3,422.84	£ 2,142.15	£ -	£ -	£ 27,373.54
Paul Jones	AIR101 Total	Gloucestershire Airport	1	£ -	£ -	£ -	£ -	£ -	£ -	£ 30,680.00	£ -	£ -	£ -	£ -	£ -	£ -	£ 30,680.00
Paul Jones	BAL100 Total	General Fund Balance Sheet	17	£ -	£ -	£ 3,271.00	£ -	£ -	-£ 10,960.63	£ 1,904.91	£ -	£ -	£ -	£ -	£ -	£ -	-£ 5,784.72
Ian Smith	BUC001 Total	Building Control - Fee Earning Work	4	£ -	£ 702.00	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 288.00	£ 190.00	£ 120.00	£ -	£ 1,300.00
Benjamin Jenkins	CCM001 Total	Cemetery, Crematorium and Churchyards	183	£ -	£ 190.83	£ -	£ -	£ -	£ -	£ 80,220.00	£ 83,572.00	£ 11,992.00	£ 7,111.03	£ -	£ -	£ -	£ 183,085.86
Richard Gibson	COM101 Total	Oakley Resource Centre	7	£ 110.00	£ 550.00	£ -	£ -	£ -	£ -	£ 1,722.00	£ 1,750.00	£ -	£ -	£ -	£ -	£ -	£ 4,022.00
Richard Gibson	COM103 Total	St. Margaret's Hall	1	£ -	£ -	£ -	£ -	£ -	£ -	£ 202.50	£ -	£ -	£ -	£ -	£ -	£ -	£ 202.50
Adam Reynolds	ESR001 Total	Highways Agency Verges & Trees	1	£ -	£ -	£ -	£ -	£ -	£ -	£ 66,298.55	£ -	£ -	£ -	£ -	£ -	£ -	£ 66,298.55
		Income and Expenditure on Investment															
Dominic Stead	FIE040 Total	Properties and Changes in Their Fair Value	21	£ 10,778.40	£ 201,423.97	£ 360.00	£ -	£ -	£ -	£ 2,872.23	£ 1,055.56	£ -	£ 8,402.77	£ 18,605.54	£ 120.00	£ -	£ 243,258.47
Richard Gibson	GBD001 Total	Community Welfare Grants	3	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 50,000.00	£ -	£ -	£ 600.00	£ -	£ 50,600.00
Jayne Gilpin	HBP001 Total	Rent Allowances	1	£ 185.36	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 185.36
Paul Jones	HLD110 Total	Prestbury Parish Council Salaries	1	£ -	£ -	£ -	£ -	£ -	£ -	£ 12,622.83	£ -	£ -	£ -	£ -	£ -	£ -	£ 12,622.83
Jayne Gilpin	HLD165 Total	COVID Grants	1	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 1,334.00	£ -	£ -	£ -	£ -	£ 1,334.00
Jon Whitlock	HLD170 Total	Cheltenham Trust Intercompany Account	5	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 12,030.36	£ 4,392.38	£ 16,313.21	£ -	£ -	£ 32,735.95
Mark Nelson	HOS004 Total	Housing Standards	10	£ -	£ 1,240.20	£ 1,252.80	£ -	£ -	£ -	£ 12,000.00	£ 422.56	£ -	£ -	£ -	£ -	£ -	£ 14,915.56
Jayne Gilpin	LTC001 Total	Council Tax Collection	1	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 2,632.80	£ -	£ -	£ -	£ -	£ -	£ 2,632.80
Jayne Gilpin	LTC011 Total	NNDR Collection	2	£ -	£ 30,000.00	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 30,000.00
Jayne Gilpin	LTC111 Total	Business Improvement District Administration	1	£ -	£ 263.20	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 263.20
Dominic Stead	NDC001 Total	Non Distributed Costs	4	£ 523.33	£ -	£ -	£ -	£ -	£ -	£ 1,975.00	£ 1,500.00	£ -	£ -	£ -	£ -	£ -	£ 3,998.33
Adam Reynolds	OPS001 Total	Parks & Gardens Operations	13	£ 14,156.70	£ 1,504.70	£ -	£ -	£ -	£ -	£ 36,539.99	£ -	£ -	£ 10,332.84	£ 337.60	£ -	£ -	£ 62,871.83
Adam Reynolds	OPS002 Total	Sports & Open Spaces Operations	13	£ 589.00	£ -	£ -	£ -	£ -	£ -	£ 3,826.18	£ 4,750.00	£ 1,653.85	£ 750.00	£ 551.59	£ -	£ -	£ 12,120.62
Adam Reynolds	OPS004 Total	Allotments	67	£ 424.27	£ 371.39	£ -	£ 47.47	£ -	£ -	£ -	£ 58.51	£ 2,901.51	£ -	£ -	£ 147.02	£ -	£ 3,950.17
Tim Atkins	PLP105 Total	Cyber Business Park	1	£ -	£ -	£ -	£ -	£ -	£ -	£ 6,000.00	£ -	£ -	£ -	£ -	£ -	£ -	£ 6,000.00
Mike Redman	PUT101 Total	Royal Well Bus Node	1	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 4,671.36	£ -	£ 4,671.36
Sarah Clark	REG001 Total	Environmental Health General	6	£ 2,875.00	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 226.00	£ 777.60	£ -	£ -	£ 3,878.60
Louis Krog	REG002 Total	Licensing	117	£ -	£ 180.00	£ -	£ -	£ -	£ -	£ 4,754.97	£ 4,661.44	£ 2,593.72	£ 9,600.00	£ 4,672.90	£ 1,256.08	£ -	£ 27,719.11
Mark Nelson	REG003 Total	Animal Control	1	£ -	£ 100.57	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 100.57
Sarah Clark	REG012 Total	Air Quality	1	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 100.80	£ -	£ -	£ -	£ -	£ -	£ 100.80
Mark Nelson	REG018 Total	Pest Control	8	£ -	£ -	£ -	£ -	£ -	£ -	£ 360.00	£ 3,450.00	£ -	£ 33.33	£ 640.00	£ -	£ -	£ 4,483.33
Karen Watson-Mckinlay	RYC004 Total	Recycling Centres	1	£ -	£ -	£ -	£ -	£ -	£ -	£ 313.92	£ -	£ -	£ -	£ -	£ -	£ -	£ 313.92
		Waste & Recycling - Marketing & Management															
Karen Watson-Mckinlay	RYC007 Total	Management	3	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 9,137.64	£ -	£ -	£ -	£ -	£ 9,137.64
Karen Watson-Mckinlay	RYC008 Total	Bulking Facility	15	£ -	£ -	£ -	£ -	£ -	£ -	£ 169,138.76	£ 126,934.30	£ 115,825.25	£ 75,770.61	£ -	£ -	£ -	£ 487,668.92
Chris Morrall	SPP002 Total	Community Alarms	884	£ 145,378.82	£ 217.95	£ -	£ 988.04	£ -	-£ 116.24	£ 1,091.57	£ 120.00	£ 85.63	£ -	£ 648.13	£ -	£ -	£ 148,239.54
Mark Nelson	STC011 Total	Abandoned Vehicles	4	£ -	£ -	£ 932.00	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 932.00
Darren Knight	SUP005 Total	ICT	2	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 103,069.13	£ -	£ 2,522.80	£ -	£ -	£ 105,591.93
Dominic Stead	SUP025 Total	Property Services	3	£ -	£ -	£ -	£ -	£ -	£ -	£ 6,396.00	£ -	£ -	£ 6,396.00	£ 6,396.00	£ -	£ -	£ 19,188.00
Paul Jones	TGI040 Total	Capital Grants and Contributions Receivable	2	£ -	£ -	£ -	£ -	£ -	£ -	£ 25,042.93	£ -	£ 250,000.00	£ -	£ -	£ -	£ -	£ 275,042.93
David Jackson	TOU002 Total	Tourist/Visitor Information Centre	21	£ 360.00	£ -	£ -	£ -	£ -	£ -	£ 9,838.85	£ 420.00	£ 4,992.00	£ 654.00	£ -	£ -	£ -	£ 16,264.85
Karen Watson-Mckinlay	TRW001 Total	Trade Waste	565	£ 64,933.18	£ 52,869.36	£ -	£ 1,368.90	£ -	-£ 7,796.70	£ 26,623.35	£ -	£ 3,916.75	£ 3,111.84	£ 4,146.45	£ 721.10	£ -	£ 149,267.63
	General Total		2036	£ 243,540.35	£ 289,614.17	£ 5,815.80	£ 2,404.41	£ -	-£ 19,353.57	£ 551,309.92	£ 241,915.23	£ 570,851.46	£ 130,491.64	£ 57,943.97	£ 7,635.56	£ -	£ 2,080,897.98
	Prior Month Total		1109	£ 50,162.15	£ 285,684.16	£ 5,955.80	£ 1,763.85	£ 4,784.16	-£ 65,142.89	£ 503,564.38	£ 641,305.63	£ 545,293.05	£ 61,303.05	£ 55,009.06	£ 45,209.97	£ -	£ 2,134,590.53

			No. Outstanding Invoices	Value of Invoices in Payment Plans	Value of Invoices with Halted Recovery *	Value of Invoices with Legal	Value of Invoices awaiting Credit Notes **	Value of Invoices for Write Off ****	Customer Credits ***	Not Due	0-30	1-3 Mths	3-6 Mths	6 mth - 1 Yr	1 - 2 Yrs	2 Yrs+	Total
Cost Centre Manager	CostC	CostC (T)															
Bob Dagger	HRA100 Total	Repairs and Maintenance	38	£ 15,596.16	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 8.00	£ 10.00	£ 100.00	£ 15,714.16
Dominic Stead	HRA210 Total	Non-dwelling Rents	31	£ 1,457.50	£ -	£ -	£ -	£ -	£ -	£ 13,026.94	£ 31,255.35	£ 1,361.00	£ 5,976.58	£ 9,580.00	£ 2,875.00	£ -	£ 65,532.37
Bob Dagger	HRA221 Total	Service Charges to Leaseholders	28	£ 13,239.17	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ -	£ 402.03	£ 13,641.20
	HRA Total		97	£ 30,292.83	£ -	£ -	£ -	£ -	£ -	£ 13,026.94	£ 31,255.35	£ 1,361.00	£ 5,976.58	£ 9,588.00	£ 2,885.00	£ 502.03	£ 94,887.73
	Prior Month Total		103	£ 35,729.81	£ -	£ -	£ -	£ -	£ -	£ 875.00	£ 4,003.50	£ 7,007.18	£ 8,142.50	£ 9,508.00	£ -	£ -	£ 65,265.99

	Grand Total		2133	£ 273,833.18	£ 289,614.17	£ 5,815.80	£ 2,404.41	£ -	-£ 19,353.57	£ 564,336.86	£ 273,170.58	£ 572,212.46	£ 136,468.22	£ 67,531.97	£ 10,520.56	£ 502.03	£ 2,175,785.71
	Prior Report Grand Total		1212	£ 85,891.96	£ 285,684.16	£ 5,955.80	£ 1,763.85	£ 4,784.16	-£ 65,142.89	£ 504,439.38	£ 645,309.13	£ 552,300.23	£ 69,445.55	£ 64,517.06	£ 45,209.97	£ -	£ 2,199,856.52

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	2020/21	
	Forecast	Actual
	£	£
EXPENDITURE		
General & Special Management	2,581,700	2,616,110
ALMO Management Fee	5,503,000	5,503,000
Rents, Rates, Taxes and Other Charges	69,600	88,977
Repairs & Maintenance	3,718,400	3,815,682
Provision for Bad Debts	260,000	69,481
Interest Payable	1,814,200	1,796,600
Depreciation & Impairment of Dwellings	4,790,800	4,790,800
Depreciation of Other Assets	328,200	335,050
Debt Management Expenses	88,200	86,000
Covid Costs	60,000	51,978
TOTAL	19,214,100	19,153,679
INCOME		
Dwelling Rents	18,974,000	18,960,530
Non Dwelling Rents	474,700	476,671
Charges for Services and Facilities	897,600	824,579
Feed in Tariff from PV Installations	242,000	252,207
TOTAL	20,588,300	20,513,986
NET INCOME FROM SERVICES	1,374,200	1,360,307
Interest Receivable	75,200	76,268
NET OPERATING SURPLUS	1,449,400	1,436,576
Appropriations		
Revenue Contributions to Capital	-7,018,900	-7,006,075
Net Decrease in Reserves	-5,569,500	-5,569,500
Revenue Reserve brought forward	7,069,500	7,069,500
Revenue Reserve carried forward	1,500,000	1,500,000

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Appendix 13 - MAJOR REPAIRS RESERVE

	2020/21	
	Forecast	Actual
	£	£
Balance brought forward	0	0
Depreciation of Dwellings	4,790,800	4,790,800
Depreciation of Other Assets	328,200	335,050
	5,119,000	5,125,850
Utilised to fund Capital Programme	-5,119,000	-5,125,850
Balance carried forward	0	0

HRA CAPITAL PROGRAMME

	2020/21	
	Forecast	Actual
	£	£
EXPENDITURE		
EXISTING STOCK		
Property Improvements & Major Repairs	7,687,500	6,205,922
Adaptions for the Disabled	400,000	339,011
Environmental Works (Tenant Selection)	10,000	
Repurchase of Shared Ownership Dwellings	50,000	
	8,147,500	6,544,933
NEW BUILD & ACQUISITIONS	10,746,800	10,591,466
TOTAL	18,894,300	17,136,399
FINANCING		
Capital Receipts	1,614,000	1,695,814
HRA Revenue Contribution	7,018,900	7,006,075
Leaseholder & Other Contributions	300,000	255,052
Major Repairs Reserve	5,119,000	5,125,850
Grants & Shared Ownership Sales	2,037,600	2,037,626
Borrowing	2,804,800	1,015,982
TOTAL	18,894,300	17,136,399

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Cheltenham Borough Council

Council – 19th July 2021

Minster Exchange (MX) – additional funding request

Accountable member	Rowena Hay, Leader
Accountable officer	Paul Jones, Executive Director – Finance and Assets.
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>On 8th October 2019, Cabinet approved the recommendation to support the creation of the Workshop Cheltenham development, including a tier 2 Growth Hub, by Workshop Cheltenham Limited (WSC) on Chester Walk car park following a land swap with GCC for part of St George's Road car park.</p> <p>A revision to the original planning approval in June 2019, incorporating a change from remodelled shipping containers to modular construction, was approved by the Planning Committee on 20th August 2020.</p> <p>On 3rd March 2020, Cabinet approved (exempt item) investment up to £1.7m in WSC to facilitate delivery of the facility and Council endorsed the lending as part of its Treasury Management Strategy on 23rd March 2020. The Cabinet delegated authority to agree final terms of the investment and to set up the most appropriate vehicle for investment in Workshop Cheltenham. Independent legal advisors considered a number of options and recommended setting up a Limited Liability Partnership (LLP) with WSC to manage the building.</p> <p>In July 2020, the Government announced a £900m 'Getting Building Fund - GBF' to support economic recovery following the Covid-19 pandemic outbreak, co-ordinated by the Gloucestershire First LEP (LEP) under the banner of Local Infrastructure Stimulus Fund (LISF). The Council made an application for funding an enhanced scheme rebadged as 'Minster Innovation Exchange (MX)' and received a grant award of £3.114m.</p> <p>On 10th November 2020, Cabinet approved: the acceptance of the GBF grant; acceptance of the award of the LEP Tier 2 Growth Hub residual grant of £433,638 and taking over the role of promoter of the Growth Hub from WSC; entering into a joint venture (including the incorporation of the new limited liability partnership (LLP)) with WSC to manage MX; entering into a contract with WSC for WSC to deliver the design and build of the MX and the public realm masterplan for the Minster grounds for consultation.</p> <p>On 16th November, Council approved the gross capital budget for MX of £4,671,000, taking into account the GBF and growth hub grants, to be incorporated into the Council's budget and capital programme for 2020/21.</p> <p>Following a re-branding exercise in the spring of 2021, the building has been renamed Minster Exchange, abbreviated as MX.</p>

This report provides an update on the project and outlines the requirement for additional funding of £995k to deliver the MX scheme.

Recommendations

It is recommended that Council approve:

- 1. Additional borrowing of £995k and upper borrowing requirement limit of £1.995m to deliver the Minster Exchange project.**
- 2. A revised gross capital budget for Minster Exchange of £5.666m to be incorporated into the Council's budget and capital programme for 2021/22.**
- 3. That the Investment and Treasury strategy for 2021/22 be revised to include the revised borrowing limit for Minster Exchange of £1.995m.**

<p>Financial implications</p>	<p>Following work to firm up the construction phase of MX, additional projected costs of £995k had been identified to deliver MX, increasing the total budget to £5.666m. A detailed analysis of the key budget variances are attached at Appendix 2 (exempt).</p> <p>The financial projections for the revised investment proposal for the delivery of MX based on the Council commissioning the construction of the MX and the creation of the joint venture limited liability partnership (LLP) between the Council and WSC, taking into account the revised proposed budget are included at Appendix 3 (exempt).</p> <p>The Council's involvement in the joint venture is designed to be on commercial terms so that the council is acting as a market economy operator.</p> <p>An indicative revised capital budget for the MX scheme is shown in a table at Paragraph 5.2 and at Appendix 4 (exempt).</p> <p>The revised upper limit of borrowing required of £1.995m (net of the government GBF grant), is £295k above the upper limit of £1.7m included within the November 2020 Cabinet report. The Treasury Management Strategy for 2021/22 will need to be revised to reflect the increased borrowing limit of £1.995m.</p> <p>Detailed financial implications are set out in section 5 of the report.</p> <p>Contact officer: Andy Taylor</p> <p>Andrew.taylor@cheltenham.go.uk, Tel: 01242 264186</p>
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<p>Legal implications</p>	<p>The Council is being advised by Anthony Collins Solicitors LLP (ACS) in relation to the MX project. ACS has previously provided detailed advice to support the Council's decision making.</p> <p>The Council has the ability to act in respect of the MX project through its General Power of Competence under the Localism Act 2011. In utilising the General Power, it is considered that, notwithstanding the need for the Council's involvement to be financially viable and that the LLP will be a commercial entity, the Council is acting for a dominant regeneration and economic development purpose and not a dominant commercial purpose. This is noted above in this report and in the March 2020 Cabinet report discussing the drivers for the Council to act here.</p> <p>The LLP has been incorporated and the agreement relating to its governance has been entered into by the Council, WSC and the LLP. The Council and the LLP have also entered into an agreement for lease for MX.</p> <p>In utilising its General Power of Competence in respect of the decisions (and their implementation) set out in this report, the Council must also comply with its power to borrow, HM Treasury's requirements for borrowing from the Public Works Loan Board and the Council's Investment and Treasury strategy. The decisions set out in this report facilitate the Council's compliance with these obligations.</p> <p>In implementing the MX project, the council is only providing a proportion of funding directly to the LLP as an unsecured (albeit controlled in accordance with the LLP governance) capital contribution. The remainder of the budget (including the revised amounts referred to in this report) is being expended directly by the Council including through a design and build agreement with WSC.</p> <p>The council must comply with the Public Contracts Regulations 2015 and the Constitution when entering into and managing contracts for works, supplies and services. The original decision to proceed with the design and build agreement with WSC was taken on the basis that the valuation was under the relevant threshold set out in the Regulations. The scope and rationale for the design and build agreement remains the same. The revision to the budget outlined in this report was not envisioned at the time of that decision. The legal advice is that the Council remains compliant with the Public Contracts Regulations 2015 and the constitutional authority to enter into the design and build agreement.</p> <p>The subsidy control regime in the United Kingdom applies to the receipt of funding by the Council and the expenditure of funding by the Council. It is considered that the continued implementation of the MX project remains in line with those rules and, in particular, the arrangements with WSC and the LLP are on commercial terms.</p> <p>Anthony Collins Solicitors LLP</p>
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HR implications (including learning and organisational development)	<p>Since April 2021, the Council has been delivering a virtual Growth Hub service in partnership with WSC ahead of opening the MX building. The LEP 2 FTE staffing requirement for growth hub business navigator roles is being delivered through a combination of a seconded part time member of staff from the Council, a seconded part time member of staff from WSC plus a newly recruited initially part time navigator post directly employed by WSC.</p> <p>Once the MX building is open, the 2 permanent FTE navigator roles will be delivered directly by WSC under a contract to manage MX, replacing the council FTE contribution.</p> <p>Contact officer: Julie McCarthy HR Manager julie.mccarthy@publicagroup.uk Tel 01242 264355</p>
Key risks	See Appendix 1
Corporate and community plan Implications	<p>The MX project is a key initiative which helps delivery of the Council's Place strategy by supporting the aspirations for thriving business, cultural and creative communities and is also a key strand of the Council's covid recovery plan.</p> <p>Research by Nesta and Creative England shows Cheltenham's 1,027 creative businesses constitute 11% of the total but employ only 4.5% of its workforce and contribute just 6% of its Gross Value Added (GVA). Cheltenham's creative sector is significantly under-performing and there is a compelling case to do more to stimulate the contribution it makes to the local economy.</p> <p>The provision of easily accessed start-up spaces, principally for young creative entrepreneurs and cyber tech individuals and organisations will support a cyber eco system ahead of the Golden Valley development. MX is a key part of the Council's post covid-19 recovery strategy.</p> <p>The enhanced development of MX and Minster Gardens will be a significant regeneration project in the vicinity of the Minster and the Wilson and support the Council's aspiration to create a thriving cultural quarter in this location.</p> <p>The use of Chester Walk car park to locate MX will introduce activity into the area adjacent to St Mary's churchyard. This is expected to have many positive benefits, including a likely reduction in the level of antisocial behaviour that currently takes place within the churchyard and will repurpose an underused public asset.</p> <p>Additional footfall in this area is likely to have a positive effect on the Wilson, including its café.</p>

<p>Environmental and climate change implications</p>	<p>Following the change in construction approach, MX will be a modular building which will reduce its carbon footprint during construction. The enhanced scheme will include PV panels, external thermal cladding and triple glazing with the aim of delivering a building which is operationally carbon neutral.</p> <p>Part of the additional budget will fund a Building Management System (BMS) which will ensure the optimum energy efficiency of the building.</p> <p>The project team are working with Gloucestershire Local Nature Partnership to ensure that MX and public realm works deliver both carbon efficient outcomes and a positive contribution to biodiversity.</p> <p>The location is also well placed in the town centre, reducing the need to travel to it by car.</p>
<p>Property/Asset Implications</p>	<p>In order to facilitate the delivery of MX, the Council undertook a land swap with GCC, exchanging Chester Walk car park for 61% of St George's Road car park. The decision to approve the land swap was taken by Cabinet on 8th November 2019.</p> <p>The Council will lease the MX to the LLP for best consideration. It is proposed that the LLP will pay a commercial rent for the land to CBC, based on 5.5% of turnover, capped at £75k per annum after a rent free period. An agreement for lease has been entered into.</p> <p>As per the original Cabinet decision, the Growth Hub will continue to occupy part of the development. Although the LLP is intended to operate as a commercial entity the Council has sought, and will continue to ensure, that delivery of the Council's obligations back to the LEP are secured.</p> <p>The LLP will operate MX subject to the terms of the lease and in accordance with its commercially adopted business plan.</p> <p>Following negotiations, Cheltenham Festivals will relocate to the development and contract directly with the LLP.</p> <p>The investment in MX on Chester Walk car park will likely increase the value of the site.</p> <p>The freehold of the MX will be in the ownership of the Council albeit subject to the LLP lease for its term.</p> <p>Contact officer: Simon Hodges</p> <p>simon.hodges@cheltenham.gov.uk , 07775 418664</p>

1. Background

- 1.1** On 8th October 2019, Cabinet approved the recommendation to support the creation of Workshop Cheltenham by Workshop Cheltenham Limited (WSC) on Chester Walk car park which had been owned by Gloucestershire County Council (GCC). The decision included a land swap with GCC for part of St George's Road car park and, following the land swap, the provision for a lease from CBC to WSC to access Chester Walk car park to construct the Workshop Development.
- 1.2** During the autumn of 2019, WSC attempted to attract external financing to deliver the Workshop Cheltenham but as WSC would not have had a freehold interest in the land it was unable to secure external funding. As a result, WSC approached the Council to consider an investment in WSC to facilitate the delivery of the project.
- 1.3** On 3rd March 2020, Cabinet approved (exempt item) investment of up to £1.7m investment into Workshop Cheltenham Limited (WSC) at a commercial rate to enable the delivery of the facility, taking a share of the net profit from running the facility, subject to obtaining independent advice to establish the most appropriate investment delivery vehicle. The Council endorsed the borrowing as part of its Treasury Management Strategy at a meeting of Council on 23rd March 2020.
- 1.4** In July 2020, the Government announced a £900m 'Getting Building Fund' to support economic recovery following the Covid-19 pandemic outbreak, co-ordinated by the Gloucestershire First Local Enterprise Partnership (LEP) under the banner of Local Infrastructure Stimulus Fund (LISF). The Council made a funding application, assisted by WSC, for an enhanced Workshop Cheltenham scheme rebadged as 'Minster Innovation Exchange' (MX) and was awarded £3.114m to fund an enhanced scheme including a modular build and public realm improvements. In November 2020 Cabinet and Council resolved that the gross capital budget for the Minster Exchange of £4.671m, be incorporated into the Council's budget and capital programme for 2020/21. As part of this resolution the Council's investment in this enhanced scheme was reduced to £1m.
- 1.5** On 10th November 2020, Cabinet approved: the acceptance of the GBF grant; acceptance of the award of the LEP Tier 2 Growth Hub residual grant of £433,638 and taking over the role of promoter of the Growth Hub from WSC; entering into a joint venture (including the incorporation of the new limited liability partnership (LLP)) with WSC to manage MX; entering into a contract with WSC for WSC to deliver the design and build of the MX and the public realm masterplan for the Minster grounds for consultation.
- 1.6** On 16th November 2020, Council approved the gross capital budget for MX of £4.671m to be incorporated into the council's budget and capital programme for 2020/21.
- 1.7** Following a re-branding exercise in the spring of 2021, the building has been renamed Minster Exchange, abbreviated as MX.
- 1.8** This report provides an update on the project and outlines the requirement for additional funding of £995k to deliver the MX scheme.

2. Update of project delivery

- 2.1** Both Council Officers and the Directors at Workshop Cheltenham (WSC) have continued to make considerable progress in moving forward this complex project in the challenging environment resulting from impact of events outside the control of the project team including covid and Brexit.
- 2.2** Since the Cabinet and Council decisions in November 2020, the project team, working with WSC have delivered the following:
 - Completed the land swap with GCC for exchange of Chester Walk car park with part of St

George's road car park.

- Contracted with GCC for work segregating St George's road car park including resurfacing and relining; landscaping; installing new lighting and pay machines.
- Incorporated the Limited Liability Partnership (LLP) between CBC and WSC and entered into the LLP member agreement.
- Contracted with GCC, on behalf of the LEP, for the Getting Building Fund Grant towards construction of MX.
- Contracted with the LEP for the growth hub grant and to fulfil the role of Cheltenham Growth Hub promoter.
- Agreed draft Design & Build contract with WSC for delivery of the MX building.
- Agreed the draft contract with the main contractor for the construction of the modular MX building.
- Drafted the operational contract for the management of the MX building with WSC.
- Created an operational virtual growth hub service in partnership with WSC.
- Consulted with the diocese on the Minster public realm master plan.
- Established monthly monitoring on behalf of funding body (LEP).
- Completed a re-branding exercise for the building and identified a preferred graphic designer to develop a log / graphics reflecting the branding.
- Engaged external consultants to support the development of ideas for the Minster gardens and consulted with local stakeholder including the Diocese and business affected on the initial ideas.

3. Growth Hub

- 3.1** Following the Cabinet decision in November 2020, the Council took over the 'promotor' role for the Growth Hub from WSC.
- 3.2** The Growth Hub is a model adopted in other districts within the county and provides invaluable support to businesses by offering (a) free, impartial diagnostic and brokerage to businesses and individuals in Cheltenham Borough and Gloucestershire via the Business Navigator service; (b) tailored support depending on size and growth; (c) access to online business support, networking events and use of Growth Hub space.
- 3.3** The LEP requested that the Council consider the delivery of a virtual Growth Hub, ahead of the completion of MX. The Council and WSC considered this request and, since April 2021, the Council has been delivering a virtual Growth Hub service in partnership with WSC. The LEP's 2 FTE staffing requirement for growth hub business navigator roles is being delivered through a combination of a seconded part time member of staff from the council, a seconded part time member of staff from WSC plus a newly recruited initially part time navigator post directly employed by WSC. Once the MX building is open, the 2 permanent FTE navigator roles will be delivered directly by WSC under a contract to manage MX, replacing the council FTE contribution. The 'one off' cost of the Council's navigator post is £25k which forms part of the additional funding request.

- 3.4** Once the MX building is open, the 2 FTE navigator roles will be delivered directly by WSC through the recruitment of a further navigator role, under the operating management agreement to manage MX.
- 3.5** The virtual growth hub has been providing invaluable support to business during the covid pandemic since April 2021. To date, with two full time Business Navigators it has provided free and impartial advice to over 30 local business that specified Cheltenham as their preferred growth hub. The range of businesses handled is wide ranging from one-person sole traders to multimillion pound SME's with 20+ employees and global ambitions.

4. Additional Funding Request

- 4.1** Since November 2020, WSC have been finalising contracts for the construction of the MX building with numerous contractors. The modular construction method is non-conventional and has presented challenges in estimating construction costs.
- 4.2** WSC have undergone considerable value engineering of the MX building with the manufacturer of the modular units. The Council is keen to ensure that MX is as sustainable as possible and does not consider it acceptable to remove any elements of the building e.g. insulation, PV panels etc. which support the delivery of the Council's carbon agenda. This would mean that carbon benefits would be lost. In addition, reducing carbon initiatives would not deliver against the LEP funding criteria and therefore risk the GBF grant funding.
- 4.3** Whilst work to firm up costs continues, the current position is that the overall cost of construction of MX is higher than estimated and budgeted for in November 2020. The projection is for an additional budget of £995k above the budget of £4.671m approved by the Council in November 2020. The following outlines the broad areas of cost increase.

GLOBAL EXTERNAL PRESSURES

- 4.4** The construction industry is under tremendous pressure with unprecedented demand for building materials which have led to a significant increase in the cost of materials and labour by an average of 20%. This is due to the impact of the Covid-19 pandemic and Brexit, resulting in a lack of raw materials and cost and delays in importing them in to the UK. As such, many construction projects are experiencing increasing delivery costs.
- 4.5** On the demand side, COVID has increased demand for modular construction particularly in the form of temporary hospital and education facilities. On the supply side, Brexit and issues including the Suez Canal blockage have caused problems with imports and material prices have increased. Lack of labour is also a result of Brexit as employees within the construction industry migrate back to EU countries. The situation has been further exacerbated by the demand for materials and labour due to the healthy state of the construction industry, both commercial and domestic.

INCREASED SPECIFICATION FOR MX

- 4.6** As the project has moved to the detailed design phase, additional important elements have been added to the list of requirements which had added to cost. These include:
- Electricity supply: The initial plan was to connect the MX building to an existing electricity supply. Detailed negotiations with the power supply company revealed that they may now require MX to have its own electricity substation on the MX site, at considerable extra cost. Options are still being pursued including the potential to upgrade an existing substation which may mitigate some of the additional cost. This situation is completely out of the control of the project team and the Council.

- Virtual growth hub: The creation of a virtual growth hub service to support business recovery ahead of the MX building opening was a condition of the contract for the LEP grant. The Council considered this to be an important economic support and stimulus initiative that should be delivered in response to the impact of the covid pandemic which requires 'one off' funding of £25k.
- Building Management System (BMS): The addition of a building energy efficiency management system will help deliver the aspiration for the MX building to be operationally carbon neutral and meet the LEP BREEAM (Building Research Establishment Environmental Assessment Method) best endeavours funding criteria.
- Legal: the complexity of the project and the joint venture has resulted in the need for additional legal work to be commissioned to support the delivery of MX (procurement advice, etc.) and to ensure that the LLP operates appropriately within the Council's constitutional framework.
- Following a branding workshop with Council officers and WSC, the building was rebranded as Minster Exchange (MX). Additional budget is now required to develop a graphical logo in physical and digital format to articulate the brand.

PROJECT MANAGEMENT CAPACITY

- 4.7** Whilst a considerable amount of work has already been undertaken in this short space of time, there is still much work left to do to deliver the MX building and public realm improvements in the Minster gardens to meet the requirements of the GBF and Growth Hub grants. Part of the request for additional funding is to provide additional project support and activity to meet the challenging deadlines. This includes funding the following:

- The Minster Gardens is seen as a key part of the project which will deliver a transformational change in the Minster grounds and vicinity of MX, driving up footfall and creating a revitalised public space where people will want to spend time as well creating improved links between the MX and the Wilson to the High Street. Additional project management to support the delivery of the public realm improvements in the Minster Gardens will support the process of engagement with local business in the vicinity of the MX development and provide Project management support to the Council's Townscape team.

CONTINGENCY

- Given the complex nature of the project, additional borrowing headroom is built into the overall budget to ensure that there is an appropriate level to deliver this complex, non-standard construction project. The contract for the supply of the modular building has been agreed and close to being signed which removes a considerable degree of uncertainty in cost. The effect of this is that the contingency is commensurate with the remaining elements of the contract which have yet to be finalised.
- 4.8** The additional funding will enable the project to be delivered in line with the approved scope. However, WSC along with CBC officers will continue to investigate opportunities for savings and additional grant funding streams.

5. Financial implications

- 5.1** In summary, the Council is now being asked to approve an increase in the Council's investment from £1m (agreed by Council in November 2020) to £1.995m. This is £295k or 15%, above the original investment of £1.7m (agreed by Council in March 2020) for the original, less comprehensive scheme for the building only.

- 5.2** It is also recommend that the Council approve the amendment of the Council's budget and capital programme for 2021/22 to include the MX scheme with an indicative overall gross project budget of £5.666m. A summary of capital spend and funding for MX is included in the tables below and detailed at Appendix 4.

Capital Breakdown	£	£
Preliminaries		152,975
Modular units	3,294,594	
Event space	383,013	
Furniture and fittings	210,000	
Public realm works / landscaping (CBC)	365,600	
Other Costs	497,610	
Total Packages		4,750,817
Professional fees		563,325
Stamp Duty		49,000
Total Scheme Cost		5,516,117
Additional Contingency		149,883
TOTAL COST		5,666,000

Funding Sources:	£
Getting Building fund grant	3,114,000
Public real match funding	57,000
CBC loan (upper limit)	1,995,000
LEP GH grant	500,000
	5,666,000

- 5.3** In summary, the construction of MX will now be financed from £3.114m of Government grant, £500k from the LEP for the Growth Hub and investment of circa £1.995m from the Council (a proportion of the latter will be invested in the LLP as member capital to assist with cash flow and initial marketing activity). The Council has already approved £57k of match funding towards the original GBF bid to the LEP towards the public realm improvements in the Minster Gardens in the 2021/22 capital programme. The Council has also submitted a project change request to ERDF to match fund the works at the Minster Gardens to a value of £200k which would have a significant impact on the scheme being delivered. We are awaiting a decision which is due by end of July. The Council's increased level of investment will be repaid through the LLP profit sharing over a ten year period. Indicative cash flow projections for the LLP showing financing of the Council borrowing of £1.995m by the LLP are indicatively modelled at Appendix 3 (exempt).
- 5.4** The LLP profit sharing and capital return mechanism is designed to repay the Council investment (whether spent by the Council or invested as member capital) on a straight line basis over a 10 year period, based on 1/10th of the investment sum with an effective 5% interest rate payable.
- 5.5** The arrangements within the LLP allow the Council to withdraw a proportion of the capital contribution made to the LLP before profits are then shared in accordance with an agreed mechanism. This includes an initial fixed share of profit to the Council to cover the repayment referred to in paragraph 5.4 before remaining profits are then shared between the Council and WSC.

- 5.6 In addition, following an initial rent free period, the Council will receive site rent based on 5.5% of turnover capped at £75k per annum.
- 5.7 Separately to the commercial return, the Council will also benefit from additional business rates which have yet to be quantified.

6. Alternative options considered

- 6.1 Not progressing was considered and discounted. MX is considered to be a vital regeneration project for the town and is a key strand of the Council's covid recovery plan. The Council has already invested heavily in the project both in terms of officer time and money. The Council has developed a key partnership with WSC and facilitated the delivery of an important regeneration project which will deliver significant economic benefits for the town and support the development of the cyber community and the Golden Valley project. Should the Council not go ahead with the MX project, there would be a significant negative impact on the Council's place strategy aspirations, negative economic impact and reputational damage particularly given the negative economic impact of the Covid-19 pandemic.

7. How this initiative contributes to the corporate plan

- 7.1 The MX project is a key initiative which helps delivery of the Council's Place strategy by supporting the aspirations for thriving business, cultural and creative communities and is also a key strand of the Council's covid recovery plan.

8. Consultation and feedback

- 8.1 The Council and WSC have undertaken considerable engagement with and received support from various stakeholders throughout the project, including local businesses and residents directly adjacent to the project.

9. Performance management – monitoring and review

- 9.1 The outcomes from the MX project will be monitored by both the LEP and the Cabinet. Review and monitoring mechanisms will be built into both the Design and Build contract and the LLP legal documentation. The project has a Programme Board in place to monitor delivery of the project including representation from the LEP and One Legal. There is a robust monitoring and reporting regime with the LEP in place to ensure the delivery of targets agreed in the funding contract.
- 9.2 The returns from the Council's investment will be monitored by the Council's ELT and Cabinet.

Report author	Contact officer: Mark Sheldon mark.sheldon@cheltenham.gov.uk 01242 264123
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. MX – additional funding request – reasons for variances 3. Investment proposal - financial projections - £1.995 borrowing (exempt). 4. MX – revised capital budget (exempt)
Background information	<ol style="list-style-type: none"> 1. Cabinet report 8th October 2019 Workshop Cheltenham 2. Cabinet report 3rd March 2020 Workshop Cheltenham – investment proposal 3. Council report 16th November 2020 – Minster Innovation Exchange

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the Council does not invest in MX, then the facility is unlikely to be delivered and the place strategy theme for being a place where 'culture and creativity thrive' will be negatively impacted.	Paul Jones	21/2/19	4	2	8	Reduce	Council to agree the revised upper limit of £1.995m investment..		Mark Sheldon	
	If MX financial projections are not realised then the LLP may not repay the Council's investment in the MX and the commercial terms will not be realised.	Paul Jones	21/2/19	4	3	12	Reduce	Undertake further due diligence work to provide assurance that financial modelling is robust. Modelling has been undertaken which provides assurance that MX breaks even at 50% occupancy levels.		Andy Taylor	
	If the relationship between the Council, LLP and WSC for the MX is not deemed to be on commercial terms, then the Council could be considered to be providing state aid.	Paul Jones	21/2/19	4	3	12	Reduce	Provide evidence to ensure commercial returns and seek external assurance that state aid does not apply.		Andy Taylor	
	If the development does not proceed or is not a success there may be reputational consequences.	Paul Jones	21/2/19	4	2	8	Reduce	Council to approve the additional budget to deliver MX.		Mark Sheldon	
	If the Council does not deliver MX within the timelines required by the	Paul Jones	28/10/20	4	3	12	Reduce	Council to approve the additional budget to deliver MX.		Mark Sheldon	

	LEP then the Growth Hub grant funding may be at risk										
	If CBC in partnership with WSC are unable to deliver to timescales, within budget and to terms of the funding agreements then there is a risk that the programme will fail	Paul Jones	09/02/21	4	3	12	Reduce	<p>Last reviewed 30/06/21</p> <p>LEP involved in programme delay and budget discussions and currently accept progress.</p> <p>Costs increased significantly request will be made at July Council to increase budget.</p> <p>Delivery timescale currently April/May</p>		Mark Sheldon	Y

Explanatory notes

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

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

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

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

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Cheltenham Borough Council**Cabinet – 13 July 2021****Council- 19 July 2021****Nominations to Outside Bodies**

Accountable member	Leader, Councillor Rowena Hay
Accountable officer	Chief Executive, Gareth Edmundson
Ward(s) affected	None directly
Key Decision	No
Executive summary	<p>Following each Selection Council, and at other times when vacancies arise, the Leader/Cabinet takes the opportunity to nominate and, in limited cases, appoint persons to various roles within bodies external to the Council. Also the opportunity is taken to nominate persons to other bodies such as Joint Committees and other bodies/groups.</p> <p>It is proposed that on this occasion the appointments are made for one year, with a return to two yearly appointments in 2022 and in subsequent election years. This is due to changes to the election cycle as a result of the Covid 19 pandemic.</p> <p>Cabinet is due to meet on 13 July 2021 to nominate Members to outside bodies as outlined in the appendices. There is one appointment where consensus has to date not been achieved between the political groups and therefore this is likely to be referred to Council as set out in paragraph 2.2 of the report.</p> <p>Council is asked to make the appointment as set out in the appendix.</p>
Recommendations	<p>Cabinet recommend to Council THAT</p> <ol style="list-style-type: none"> 1. a person be nominated to the observer role on the Everyman Theatre Board

Financial implications	<p>There are no financial implications associated with this report.</p> <p>Contact officer: Gemma Bell, gemma.bell@cheltenham.gov.uk, 01242 264365</p>
Legal implications	<p>See body of the report.</p> <p>Appointments/nominations to outside bodies are made in accordance with the Council Constitution. Guidance for Members appointed to outside bodies can be found at Part 5G of the Constitution.</p> <p>Contact officer: Legal Services, legal.services@teWKesbury.gov.uk</p>
HR implications (including learning and organisational development)	<p>No HR implications arising for the report</p> <p>Contact officer: Julie McCarthy , HR Manager – Operations, julie.mccarthy@publicagroup.uk</p>
Key risks	<p>Members appointed should be aware of their roles and responsibilities.</p>
Corporate and community plan Implications	<p>The nomination of representatives of Cheltenham Borough Council to the identified outside bodies helps develop valuable links between the council and community-based organisations supporting community priorities and community engagement</p> <p>Contact officer: Richard Gibson, Strategy and Engagement Manager, richard.gibson@cheltenham.gov.uk</p>
Environmental and climate change implications	<p>None</p>

1. Background

- 1.1** The external bodies to which nominations/appointments are made comprise a variety of organisations and groups. A traditional distinction can be drawn between incorporated and unincorporated bodies; the former being distinct legal entities such as companies, having a legal personality and a framework imposing obligations upon those who become involved by appointment; the latter being bodies which, albeit without formal legal foundation, play an important role in representing interests within the local community. Involvement in these unincorporated organisations will often carry few or no legal obligations on those appointed.
- 1.2** In the majority of cases the authority decides who to nominate to the outside body concerned and it is then for that body to decide on whether to accept the nomination and make the appointment. There are some limited exceptions to this, such as Cheltenham Borough Homes, Gloucestershire Airport, Publica and the Cheltenham Trust where the Council has the right (by virtue of its interests in those companies) to make the nominations/appointments to the boards of directors.
- 1.3** It is proposed that the appointments are made for one year, with a return to two yearly appointments in 2022 and in subsequent election years. This is due to changes to the election cycle as a result of the Covid 19 pandemic.

2. Legal context

- 2.1** Although nominations/appointments to outside bodies are made on the general basis that the nominee/appointee is the council's representative on the outside body, it is important to note that in many cases the overriding duty is to the outside body. For example, a company director has a primary duty of care towards the company and to act in the best interests of the company as a whole and a trustee must act in accordance with the trust deed and uphold the trust's objectives. In these circumstances members must apply independent judgement in respect of the body to which they are appointed.
- 2.2** The council is able to indemnify members (and officers) in the course of their activities on outside bodies provided they are acting within the scope of their authority as council representatives. Outside bodies, such as companies, that are legal entities in their own right must have their own appropriate insurance arrangements in place. It is important that members (and officers) clarify the position in each particular case.

Under the executive functions set out in Part 3E of the Council's constitution, the Leader has the power to make nominations/appointments to outside bodies where they relate to an executive function or revoke such nominations/appointments provided there is Group Leader agreement. Where there is not group leader agreement the decision is referred to Council.

The Leader has chosen to refer the decisions on appointment to Cabinet. The Leader has however the power in Part 3E of the Constitution to appoint or nominate individuals to outside bodies in respect of Executive Functions and revoke or withdraw such appointment or nomination provided all Group Leaders agree.

3. Nomination/appointment of external persons

- 3.1** Historically the council has nominated/appointed external persons to some outside bodies. On 29th June 2006 Council specifically agreed that 'All nominees are elected

Members of Cheltenham Borough Council unless there are exceptional reasons justifying the appointment of a non Member'. Relevant examples of outside bodies to whom external persons have been appointed are; Gloucestershire Airport, Pate's Grammar School Foundation. The reasons for these appointments have been the specialist knowledge skills and experience that have been brought to the outside body and/or the lack of Member nomination to that body.

- 3.2** External persons are not, of course, subject to the Code of Members' Conduct nor are they under any general obligation to act in the best interests of the council or the broader public interest. Also, they are not covered by the council's insurance. Whilst these factors do not prevent the nomination of external persons they should be borne in mind when considering whether to make such nominations/appointments.

4. Reasons for recommendations

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

5. Alternative options considered

- 5.1** None

6. Consultation and feedback

- 6.1** The appendices were circulated to Group Leaders in May 2021.

Report author	Bev Thomas, Democratic Services Team Leader, 01242 264246, beverly.thomas@cheltenham.gov.uk One Legal, legal.services@tewkesbury.gov.uk
Appendices	1. Risk Assessment 2. Appendix
Background information	1. Constitution Part 5G – Guidance for Councillors appointed to represent the Council on Outside Bodies

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If elected members are not aware of their roles and responsibilities they may compromise their position		June 2021	3	2	6	Control	Ensure members are aware of guidance set out in Constitution Ensure members understand their role on the outside body and have a copy of relevant constitution or terms of reference of the body concerned		Democratic Services Team Leader	
Explanatory notes Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical) Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability) Control - Either: Reduce / Accept / Transfer to 3rd party / Close											

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Appendix 2-Nominations to Outside Bodies

Title	Nomination
Everyman Theatre	Councillor Garth Barnes; Councillor Diggory Seacome

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