



Notice of a meeting of Cabinet

Tuesday, 15 February 2022
6.00 pm
Council Chamber - Municipal Offices

Membership	
Councillors:	Rowena Hay, Peter Jeffries, Victoria Atherstone, Flo Clucas, Mike Collins, Iain Dobie, Martin Horwood, Andrew McKinlay and Max Wilkinson

Agenda

		SECTION 1 : PROCEDURAL MATTERS	
1.		APOLOGIES	
2.		DECLARATIONS OF INTEREST	
3.		MINUTES OF THE LAST MEETING Minutes of the meeting held on 21 st December.	(Pages 3 - 10)
4.		PUBLIC AND MEMBER QUESTIONS AND PETITIONS These must be received no later than 12 noon on the fifth working day before the date of the meeting	
		SECTION 2 :THE COUNCIL <i>There are no matters referred to the Cabinet by the Council on this occasion</i>	
		SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE <i>There are no matters referred to the Cabinet by the Overview and Scrutiny Committee on this occasion</i>	
		SECTION 4 : OTHER COMMITTEES <i>There are no matters referred to the Cabinet by other Committees on this occasion</i>	
		SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS	
5.		ROUGH SLEEPER INITIATIVE GRANT FUNDING BID Report of the Cabinet Member Housing	(Pages 11 - 24)

6.		ASSET MANAGEMENT STRATEGY 2022/23 - 2026/27 Report of the Cabinet Member Finance and Assets	(Pages 25 - 46)
7.		BUDGET MONITORING REPORT 2021/22 - POSITION AS AT 31 DECEMBER 2021 Report of the Cabinet Member Finance and Assets	(Pages 47 - 62)
8.		FINAL HOUSING REVENUE ACCOUNT (HRA) 2023 - REVISED BUDGET 2022 Report of the Cabinet Member Finance and Assets to follow	
9.		FINAL GENERAL FUND REVENUE AND CAPITAL BUDGET PROPOSALS 2023 Report of the Cabinet Member Finance and Assets to follow	
		SECTION 6 : BRIEFING SESSION • Leader and Cabinet Members	
10.		BRIEFING FROM CABINET MEMBERS	
		SECTION 7 : DECISIONS OF CABINET MEMBERS Member decisions taken since the last Cabinet meeting	
		SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION	

Contact Officer: Harry Mayo, Democracy Officer, 01242 264211
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Cabinet

Tuesday, 21st December, 2021
6.00 - 7.05 pm

Attendees	
Councillors:	Rowena Hay (Leader of the Council), Peter Jeffries (Deputy Leader and Cabinet Member Finance & Assets), Victoria Atherstone (Cabinet Member Culture, Wellbeing & Business), Flo Clucas (Cabinet Member Safety & Communities), Mike Collins (Cabinet Member Housing), Iain Dobie (Cabinet Member Waste & Recycling & Street Services), Martin Horwood (Cabinet Member Customer & Regulatory Services), Andrew McKinlay (Cabinet Member Cyber & Strategic Transport) and Max Wilkinson (Cabinet Member Climate Emergency)
Also in attendance:	Paul Jones, Harry Mayo and Bev Thomas

Minutes

1. APOLOGIES

There were none.

2. DECLARATIONS OF INTEREST

There were none.

3. MINUTES OF THE LAST MEETING

The minutes of the 30th November meeting were approved and signed as a correct record.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

There were none.

5. FEES AND CHARGES - ENVIRONMENTAL SERVICES

The Cabinet Member Waste, Recycling and Street Services introduced the report, noting that since 2011, the charge for collecting garden waste had increased on only four occasions. It was proposed that from February 2022, the Authority's garden waste collection charge would be increased from £45/year to £47/year per bin, including an inflationary increase of 4.2% rounded up to £2 to reflect the increased cost of running the service such as the cost of fuel, consumables and staffing. There would be no change to the number of collections per household per year.

The Leader moved to the vote, where it was unanimously:

RESOLVED THAT:

1. An increase in the garden waste collection charge from £45/year to £47/year per bin, in line with the current rate of inflation at 4.2%, be approved;
2. The prompt payment discount for households renewing their subscription ahead of their annual renewal date and the spring offer discount be discontinued with effect from 1 February 2022;
3. Authority be delegated to the Managing Director Place and Growth, in consultation with the Cabinet Member for Waste, Recycling and Street Services, to implement the decision.

6. CLARENCE FOUNTAIN

The Cabinet Member Climate Emergency presented the report, noting that residents and visitors had really enjoyed using the Clarence Fountain as a community hub, as well as a spot to enjoy food and drinks and a break while in the town centre. The temporary seating had been well-received but the plastic grass was not, so they were retaining the former and replacing the latter and creating a new pocket park where people could do all the things they were doing before and more. There would be accessible seating for those using wheelchairs, and it would be a green area with trees and shrubs planted to cool the area in the summer and boost biodiversity. They were working towards a spring 2022 launch, meaning it should be ready just as the weather improves.

He cited this as an important piece of the puzzle in the wider context of the work the council was doing in the town centre, and in tackling climate change.

The Cabinet Member Cyber and Strategic Transport noted that the existing facilities had been implemented while he was the responsible Cabinet Member, and that this project would take advantage of the best elements of that. The temporary facilities were originally only supposed to last 9 months but this was extended due to the pandemic. At the time, they did not fully anticipate how well used the area would be, and it had become a real focal point of the town centre. The new design would be more in keeping with the area.

The Leader praised the wheelchair accessibility as a key part of making it a genuinely inclusive space for people with disabilities, as well as people with pushchairs.

The Leader moved to the vote, where it was unanimously:

RESOLVED THAT:

1. The final concept design for Clarence Fountain as described in the report and included in Appendix 2 be approved;
2. CBC contract rules be waived as described in the report, and the appointment of Cotswolds Estate & Gardens Ltd be approved to construct the approved design;
3. Responsibility for agreeing a construction contract with Cotswold Estate & Gardens Ltd be delegated to the Head of Property, Finance and Assets in consultation with the Townscape Manager, Project Manager

and the Borough Solicitor;

4. The allocation of up to £95k to deliver the scheme be approved.

7. **GAMBLING ACT 2005 STATEMENT OF PRINCIPLES**

The Cabinet Member Customer and Regulatory Services introduced the report, noting that it was an update of the previous statement with all the changes highlighted. Cheltenham had a long-running association with gambling and as ever, it was important to enjoy gambling responsibly and be alert to its risks. The key principles were to ensure that it was safe, fair and open, and not connected to crime or disorder, and to protect children from its possible harms. Gambling enforcement mostly related to permits and licenses, and although the council was by no means a complete regulator, there was plenty it could do to regulate the practice and keep people safe. He thanked licensing officers, particularly Louis Krog, for their work on this.

The Cabinet Member Safety and Communities queried whether the Cheltenham Lottery would be affected by any of the changes. The Cabinet Member Customer and Regulatory Services confirmed that it would not.

The Leader moved to the vote, where it was unanimously:

RESOLVED THAT:

1. The proposed changes to the Statement of Principles, highlighted in Appendix 2, be noted;
2. The consultation feedback be noted;
3. The adoption of the Statement of Principles be recommended to full Council on 21st February 2022.

8. **INFRASTRUCTURE FUNDING STATEMENT (IFS) REQUIREMENTS**

The Cabinet Member Customer and Regulatory Services introduced the report, explaining that the funding statement detailed the funds they had raised and spent from two sources: traditional developer contributions and the new Community Infrastructure Levy (CIL). It also included an infrastructure list, which was an informative rather than binding list of potential future projects. The IFS and infrastructure list were part of a route to greater transparency and openness.

He acknowledged that the government's proscribed format was indigestible and very hard to follow, and suggested that in the future he and officers would work on building infographics that displayed the data in a way that would make it easier to understand what had been raised and where it would go. He discussed the different areas that were guaranteed a certain proportion of funding, including some parish councils. It was important to be transparent and accountable, and to align with climate change priorities like modal shift.

The Cabinet Member Safety and Communities suggested that it should be clarified that parish councils received funding because of the money they had brought in, so other parish councils did not feel left out. The Cabinet Member

Customer and Regulatory Services agreed, highlighting that the 15% figure was allocated back to them to mitigate the impact of developments and help parish councils to share in their benefits.

The Cabinet Member Safety and Communities suggested that due to the size of the North West Cheltenham development, it would be worth the Cabinet Member and officers meeting with the parish council to ensure they were fully aware of its implications. The Cabinet Member Customer and Regulatory Services agreed with this.

The Cabinet Member Safety and Communities added that infrastructure took many forms, including schools and medical centres, and that a more diverse infrastructure list was needed to reflect these needs. The Cabinet Member Climate Emergency echoed this, noting that parts 3.2 and 3.4 of the report made clear that the list was under review. He was pleased by the focus on sustainable transport, and hoped that the review would be meaningful and look to reflect the values they had set out as an authority, for example through cycle lanes and pedestrian infrastructure. The Cabinet Member Customer and Regulatory Services agreed with these points.

The Cabinet Member Housing supported the report and welcomed the focus on openness and transparency. It was important that residents could understand its implications and what the future held for their area.

The Leader thanked the Cabinet Member Customer and Regulatory Services for his contributions and members for a constructive debate. There was a great deal of crossover between the CIL and the Joint Core Strategy, and she would continue to work closely with him on it.

The Leader moved to the vote, where it was unanimously:

RESOLVED THAT:

1. The Infrastructure Funding Statement (IFS) relating to the financial year ending 31st March 2021 be approved for publication;
2. It be noted that the Annual CIL Rate Summary Statement will be published alongside it by the 31st December 2021.

9. INTERIM BUDGET PROPOSALS FOR GENERAL FUND

The Cabinet Member Finance and Assets introduced the report, noting that the council and many other authorities had faced unprecedented financial challenges over the last 18 months in providing the resources and support to manage the response to the Covid-19 pandemic. This was in addition to a decade of austerity resulting in year-on-year cuts to the Council's funding. With the emergence of the Omicron variant, the uncertainty continued to impact customer behaviour, with a further financial impact on commercial income and on the town's economy. With that in mind, it was critical that they set a budget that was balanced and targeted to ensure the council could continue to lead the recovery from Covid-19.

The budget proposals aimed to utilise assets, skills and infrastructure to enable inclusive and environmentally sustainable growth across the borough. It

provided an opportunity to reset the baseline position against their corporate priorities and prepare a Medium Term Financial Strategy (MTFS) for 2022/23 and beyond, ensuring financial sustainability whilst continuing to support economic recovery and growth for the town and the council's climate change ambitions. Working with stakeholders would allow the council to fine-tune services based on actual needs and address those which were under-met.

The responsible allocation of finite resources was essential, and they had identified over £1.5m of efficiencies to date through collaboration and additional revenue generation. The budget proposed a modest increase of 2.28% in council tax, which for a Band D property equated to less than 10p a week extra.

He outlined the context behind this increase and acknowledged that the recovery from the pandemic was not yet complete. The recovery strategy was focused on revitalising and reshaping the economy and ensuring that future growth benefitted all communities.

The formal budget consultation on the budget proposals would run until 26th January 2022, and he hoped that the widest possible audience could have a chance to make their voices heard. With this in mind, he had requested a number of formal meetings with interested parties including businesses, the voluntary sector, parish councils and trade unions.

The Cabinet Member Climate Emergency recognised the hard work and professionalism of the finance team in producing the proposals, considering the timing of the local government settlement and the wider situation at the moment. The Cabinet Member Finance and Assets echoed this and thanked Paul Jones, Gemma Bell and the rest of the finance team for ploughing on in turbulent times for the benefit of the town.

The Leader moved to the vote, where it was unanimously:

RESOLVED THAT:

1. The interim budget proposals be approved for consultation, including a proposed council tax for the services provided by Cheltenham Borough Council. The proposed Council tax for 2022/23 represents an increase of 2.28% or £5.00 a year for a Band D property. Note the detailed schedule of target savings at Appendix 3;
2. The proposed capital programme at Appendix 5, as outlined in Section 8, be approved;
3. Authority be delegated to the Executive Director Finance and Assets, in consultation with the Cabinet Member for Finance and Assets, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for public consultation which will include any changes arising from the provisional

settlement;

4. Consultation responses be sought by 26 January 2022.

10. **INTERIM BUDGET PROPOSALS FOR HRA**

The Cabinet Member Finance and Assets introduced the report, noting that the focus of the HRA proposals was to support the economic recovery of Cheltenham and improve the quality of life for their customers and communities. As Cheltenham recovered, they wanted to ensure that the recovery was shared as widely as possible. This could be achieved by continuing the council's significant investment in improving existing homes and supplying much-needed new homes. Low carbon, energy efficient, high-quality homes would be warmer and cost less to run, and improve the health and wellbeing of communities. In addition to this, they would continue to provide high quality landlord and community services whilst ensuring operating costs delivered value for money.

The interim budget proposals for 2022/23, including the focus on sustainable, green investment, would ensure that the council would continue enabling tenants and communities to thrive, improving outcomes for young people, reducing inequality and supporting the economic recovery of Cheltenham.

The Cabinet Member Climate Emergency praised the focus on affordable housing. The target of 1,000 affordable homes target by 2030 would make an enormous difference to 1,000 families. The Cabinet Member Safety and Communities agreed, emphasising the need to support vulnerable people. The Cabinet Member Cyber and Strategic Transport also echoed this, noting that no other council in the country had increased its affordable housing targets by so much. Despite the tough financial situation, they were continuing to make positive decisions to secure the future of the town and support residents.

The Cabinet Member Housing added that the housing team was constantly in consultation with housing providers to deliver the best possible results. It was important to use government funding effectively and keep building for the future while delivering the best possible services.

The Cabinet Member Finance and Assets thanked colleagues for their support and for highlighting a number of key priorities. The council needed to be forward-thinking and inclusive. He thanked CBH and the finance team for their help, both on this report and across the whole pandemic.

The Leader moved to the vote, where it was unanimously:

RESOLVED THAT:

1. The revised HRA forecast for 2021/22 be noted;
2. The interim HRA budget proposals for 2022/23 (shown at Appendix 2) be approved for consultation, including a proposed rent increase of 4.1% and changes to other rents and charges as detailed within the report;
3. The proposed HRA capital programme for 2022/23, as shown at Appendix 3 and Appendix 4, be approved;
4. Authority be delegated to the Executive Director Finance and Assets, in consultation with the Cabinet Member for Finance, to determine and

- approve any additional material that may be needed to support the presentation of the interim budget proposals for consultation;
5. Consultation responses be sought by 26th January 2022.

11. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Cyber and Strategic Transport reported that the county council had opened up its online consultation on potential improvements to Junction 10 and the A4109 on Tewkesbury Road, which would run until 15th February. The public were asked to comment on potential plans for four-way junction and the widening of Tewkesbury Road to become a dual carriageway, along with further possible improvements.

The Cabinet Member Safety and Communities reported that the No Child Left Behind awards ceremony for those who went above and beyond was due to take place on 13th January, but had unfortunately been postponed due to the Covid situation. She hoped that it would take place in March, and added that she was very proud of how the town had come together to support children in the area during such a difficult time.

The Cabinet Member Climate Emergency reported that a consortium of seven authorities including CBC, led by Stroud, had been successful in its bid for funding as part of the government's Sustainable Warmth competition. This aimed to help local authorities install energy saving upgrades and low carbon heating in low-income households. He was excited to see how many homes this would benefit and hoped it could help alleviate fuel poverty. The Cabinet Member Housing echoed this.

The Cabinet Member Waste, Recycling and Street Services reported that St George's Road car park was open again after refurbishments, and was already being well used.

The Cabinet Member Finance and Assets added that he had an urgent matter to report, following on from the Discretionary Additional Restrictions Grant Scheme distributed to businesses during the pandemic. To date, £4m had been allocated across five rounds between November 2020 and July 2021, with £346,000 purposely held back in case of difficulties this winter. A new round of the scheme was due to be made available to businesses after Christmas, but due to the escalating situation with the Omicron variant, it would go live on 22nd December. This would enable businesses that were seeing cancellations and reduced footfall in the hospitality sector as a result of the rise in cases to apply ahead of Christmas. Grants would be available to local pubs, bars and restaurants and travel businesses that had lost trade, in advance of and in addition to the government announcements of one-off grants of up to £6,000. The government had also announced that further Additional Restrictions Grant funding would be made available for discretionary schemes. As soon as we had more details of this, the Business Grants Team would work at speed to make the grants available and update the discretionary scheme so that more businesses received support. A full media release would be published on the 22nd December with a link to this new round of discretionary grant funding.

The Leader praised council staff for their work and emphasised her pride at being part of this administration. She thanked officers and members, and wished everyone a merry Christmas and a happy new year.

There were no decisions to report from Cabinet Members.

Chairman

Cheltenham Borough Council

Cabinet – 15th February 2022

Rough Sleeper Funding Initiative 2022-25 – Funding bid

Accountable member	Councillor Mike Collins, Cabinet Member - Housing
Accountable officer	Martin Stacy, Lead Commissioner – Housing Services
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>In November 2021 the Department for Levelling Up, Housing and Communities (DLUHC) launched its Rough Sleeping Grant Funding Initiative 2022-25 (RSI 2022-25). This initiative gives local authorities the opportunity to apply for grant funding to reduce rough sleeping in their area. Previously, RSI grant funding has been made available by DLUHC on an annual basis. This time, the funding will be available for a 3 year period to March 2025, thereby enabling local authorities to undertake longer term planning to tackle rough sleeping in their area.</p> <p>Our bid will focus on:</p> <ul style="list-style-type: none"> - Preventing rough sleeping; - Supporting those currently sleeping rough to move off the streets; - Supporting those who have slept rough to ensure they do not return to the streets; and - Ensuring that systems and structures are in place to embed change and to monitor progress. <p>This bid for grant funding through RSI has been developed as a county-wide bid involving each of the local housing authorities across Gloucestershire. Gloucester City are the lead partner, and will be submitting the bid on behalf of the housing partners. If successful, it is anticipated that most of the funding will be to support the ongoing, jointly commissioned county-wide services currently available to tackle rough sleeping. In addition, local authorities will have more localised initiatives to further enhance our efforts to tackle rough sleeping.</p>
Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Agrees to the inclusion of Cheltenham Borough Council in the joint bid for RSI grant funding 2022-25, to be submitted by Gloucester City Council. 2. Accepts the grant funding offer (in the event that the grant funding bid is successful) and delegates to Lead Commissioner – Housing to enter into any relevant agreements associated with this bid.

- 3. Delegates to Lead Commissioner – Housing, in consultation with Cabinet Member – Housing and s.151 Officer, to agree to any uplift to Cheltenham Borough Council’s financial commitment in respect of this grant funding application (should this be required prior to the funding bid deadline of 25th February 2022).**
- 4. Agrees to increase our provision of housing-led accommodation from 6 to 12 dwellings, as detailed at section 2.2.5 of this report, provided that our grant funding application for the extension to our Enhanced Housing Support Service is successful.**

<p>Financial implications</p>	<p>The overall value of the bid for RSI funding over the 3 year period is anticipated to be between £2-3m. This will be mainly to support the joint commissioning (including recommissioning) of services to tackle rough sleeping across the county, as detailed at section 2.2 of this report. Gloucester City Council will hold the funding for these jointly commissioned county-wide services, and will administer the commissioning of them on behalf of the partnership.</p> <p>In addition to these county-wide initiatives, Cheltenham Borough Council intends to include a Cheltenham-specific initiative, as detailed in section 2.3 of this report. The anticipated grant required for this initiative will be £96k over a 3 year period to end of March 2025 (£26,250 Year 1; and then £35,000 for both years 2 and 3.) As part of this bid, Cheltenham Borough Council and Cheltenham Borough Homes have committed to match-fund these costs via the Housing Revenue Account (HRA). Provision for this initiative has therefore been included in the HRA budget, to be approved by Council in February 2022. If successful, this element of funding will be distributed to Cheltenham Borough Council to administer directly.</p> <p>There are no other new resource implications arising from this bid as other funding by Cheltenham Borough Council relates to resources already committed under existing contractual arrangements (i.e. the jointly commissioned Assertive Outreach and Enhance Housing Support services). Should, however, additional resource implications be required by Cheltenham Borough Council after Cabinet has approved the recommendations of this report, then the Lead Commissioner – Housing Services will consult with the council's s.151 officer to ensure that Finance has signed-off any potential uplift before a new decision is taken.</p> <p>Contact officer: Paul Jones, Executive Director, Finance & Assets paul.jones@cheltenham.gov.uk, 01242 775154</p>
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Legal implications	<ol style="list-style-type: none"> 1. The Council is party to a participation agreement dated 19th November 2021, along with Gloucestershire County Council and the other district Councils in the county. The agreement appoints Gloucester City Council as lead authority, responsible for procuring and managing the services necessary to “reduce rough sleeping, alleviate and prevent homelessness”. The agreement provides for a co-ordinating group that gives Cheltenham Borough Council and the other parties a say in the effective management in any commissioned services. The commissioning of any additional services using the RSI grant monies would require a variation of the agreement to describe those services and deal with any cost apportionment between the parties. When drafted it was anticipated the agreement would cover additional services in the future and it thus contains a provision permitting variation. 2. As noted in paragraph 1 above Gloucester City Council is responsible for procuring new services, and the participation agreement requires that the City Council to adhere to its own contract procedure rules and the Public Contracts Regulations 2015 when doing so. 3. Any part of the initiative delivered by Cheltenham Borough Homes Limited will require variation of the existing contract between the company and Cheltenham Borough Council. 4. Any grant funding paid directly to Cheltenham Borough Council will require the Council to enter into a grant agreement with the funding body, detailing the amount of grant, purposes for which it can be used, and any repayment provisions. 5. Paragraph 2.1 of the report indicates that the RSI contributes towards the Council’s fulfilment of its statutory duties in preventing and alleviating homelessness. <p>Contact officer: Linden Dunham, One Legal, Linden.dunham@onelegal.org.uk</p>
HR implications (including learning and organisational development)	<p>No impact on CBC as a direct result of this report.</p>
Key risks	<p>The risks are set out in Appendix 1.</p>
Corporate and community plan Implications	<p>Application for this funding bid will support the council’s corporate priority: ‘Increasing the supply of housing and investing to build resilient communities’, as well as the council’s place vision: ‘Cheltenham is a place where people and communities thrive’.</p>

Environmental and climate change implications	None as a direct result of this report.
Property/Asset Implications	None as a direct result of this report.

1. Background

- 1.1** The Department of Levelling Up, Housing and Communities (DLUHC) has recently launched its latest Rough Sleeping Initiative (RSI) 2022-25. This is a 3 year grant funding initiative which, if successful, will enable local authorities to fund services that will help tackle rough sleeping in their area.
- 1.2** Cheltenham Borough Council (CBC) has a strong history of working collaboratively with our neighbouring authorities across the county on tackling rough sleeping. Over the years, a number of initiatives have been commissioned across the county, using DLUHC's RSI funding. RSI is now in its fifth successive year. Previously, the initiatives have provided funding on an annual basis only. However, as the latest grant funding initiative will cover the period to the end of March 2025, local authorities will have the opportunity to put in plans to tackle rough sleeping with greater funding certainty over the medium term.
- 1.3** The deadline for our RSI 2022-25 grant funding application is 25th February. It is anticipated that authorities will be notified of the outcome during April 2022, with funding being made available from 1st July 2022.

2. Rough Sleeping Initiative (RSI) 2022-25

- 2.1** RSI 2022-25 builds on RSIs from previous years. The main focus of this funding is to enable local authorities to undertake the following:
- Identify at-risk individuals to prevent them from sleeping rough for the first time;
 - Support those currently sleeping rough to move off the streets;
 - Support those who have slept rough to ensure they do not return to the streets; and
 - Ensure that systems and structures are in place to embed change and to monitor progress.
- 2.2** Across the county, a number of initiatives will help support the above. These include:
- 2.2.1 Somewhere Safe to Stay Hubs**

These hubs comprise our immediate off the street offer for rough sleepers, including those who

would otherwise become rough sleepers. One hub is based in Cheltenham, the other Gloucester, and both hubs offer accommodation irrespective of local connection (given that rough sleepers will not necessarily choose to reside solely within the districts where they have a local connection). At present it is anticipated that 100% of the costs of these hubs will continue to come from RSI funding.

2.2.2 Multiple Disadvantage Team/Complex Need Navigators

This will comprise a team of specialist officers with expertise in mental health, drug and alcohol services and Adult Social Care. They'll be tasked with supporting rough sleepers, including ex-rough sleepers residing in either the hubs, our Housing-led accommodation (see section 2.2.5 below), and indeed other forms of temporary accommodation. Their purpose will be to provide professional/clinical support services with a view to promoting tenancy sustainment and independent living, whilst also referring clients into mainstream services where appropriate. The bulk of this funding is expected to be sought through RSI, with potential for some contribution from Gloucestershire County Council commissioners.

2.2.3 Continued extension to our jointly commissioned Assertive Outreach Service

District Authorities across the county currently jointly commission an Assertive Outreach Service to help rough sleepers take up offers of accommodation and to access relevant support services. In previous years districts have been successful in securing additional funding from RSI to bolster the provision of this service. We will therefore look to include a request within the current RSI funding bid to ensure that this additional provision can continue.

2.2.4 An Offending Housing interventions Officer

This will be a new partnership initiative to ensure early interventions are undertaken to reduce the risk of ex-offenders, once released from prison, from becoming rough sleepers. We are also exploring whether this role could be part-funded by the Ministry of Justice.

2.2.5 Expansion of our Enhanced Housing Support Service to support our Housing-led Initiative

Cheltenham has already made available 6 properties from our council-owned stock to be used to support our Housing-led initiative. Essentially, this initiative is about providing self-contained accommodation to rough sleepers with very complex needs, with enhanced housing support attached to help ensure that tenancies are sustained. Enhanced Housing Support services are currently jointly commissioned by the partnership, and we plan to expand this service further with additional funding from RSI. If successful, the partnership will be looking to secure an additional 20 properties from across the county for rough sleepers with very complex needs; 6 of these will be from our council-owned stock, taking Cheltenham's total provision to 12.

2.3 ACE-led trauma-informed post and an Intensive Tenancy Management post

2.3.1 Alongside these county-wide initiatives, Cheltenham is also proposing to include an ACE-led, trauma-informed post (i.e. based upon Adverse Childhood Experience principals), plus an Intensive Tenancy Management post, to complement the above Enhanced Housing Support Service. These posts will be specific to Cheltenham and will be managed by Cheltenham Borough Homes (CBH). They will focus on working with the 6 ex-rough sleepers who have been accommodated within our housing-led properties, and they will then expand their work to include the next 6 rough sleepers as and when suitable properties become available to accommodate them.

2.3.2 The ACE trauma-informed post will be a part-time post, focussing on helping tenants to better understand past traumas. Research has shown that traumas experienced at childhood can impact on behaviours in adulthood. The more traumas experienced, the greater the risk that this will impact on future behaviours. Traumas can range from physical and emotional abuse and neglect, through to types of household dysfunction, such as substance abuse within the family home, etc. This ACE-led, trauma-informed post will be centred upon building trust, and seeking to understand what has happened to the individual, rather than judging current behaviour; and, whilst acknowledging these challenges, focussing on the strengths, assets, dreams and ambitions of the individual. This will be with a view to increasing their resilience, so that they are better able to cope when challenging situations arise. The intention is to guide them into making more

positive life choices; giving them a sense of purpose and meaning that will equip them to lead more fulfilling lives. This could include, for example, helping them into education, training and/or employment.

2.3.3 The Intensive Tenancy Management post will provide additional resource to focus on managing any anti-social behaviour issues, and any other breaches of tenancy conditions that may arise as a result of housing rough sleepers with highly complex needs in our council homes. This will include identifying any potential safeguarding issues and ensuring that harm is prevented both to any individuals concerned and the community more generally. Our learning from implementing our first pilot of 6 housing-led properties is that this dedicated resource is required to ensure that issues are dealt with as swiftly as possible, and that neighbouring communities are supported where needed. Ultimately, our aim is to ensure that rough sleepers with complex needs, and who are accommodated within our housing-led properties, are given every opportunity for their tenancies to succeed.

2.3.4 As detailed in the Financial Implications section of this report, it is proposed that CBH will match-fund the costs of these posts. This will demonstrate buy-in on the part of CBH in respect of the proposal, and will increase the likelihood of this element of our RSI bid being successful.

2.4 Project Management

Finally, as RSI will expect systems and structures to be in place to embed change and to monitor progress, we have included within our bid a request for funding to support a project management resource to help ensure these initiatives are delivered. This resource is currently managed by Gloucester City Council on behalf of the wider housing partnership.

3. Reasons for the decision

3.1 This is the fifth year of RSI funding, and districts within Gloucestershire have been successful in receiving significant funding during each of the previous grant funding rounds, with values of around £1m/year in recent years. RSI 2022-25 is therefore an important funding opportunity, which if successful will help to ensure the continued delivery of services to tackle rough sleeping

across the Borough and the county as a whole, as well as providing opportunities for creating new initiatives to tackle rough sleeping further.

- 3.2** The deadline for submitting our bid is 25th February. We are currently at the very early stages of finalising our bid, and it is important to note that this bid must be co-created with representatives from DLUHC. It is therefore possible that CBC may be asked to increase its financial contribution further. In the event that this happens, it is critical that CBC is sufficiently agile to make amendments to the bid, whilst also ensuring that the necessary checks and balances are in place for us to be confident that any additional funding requirements are financially sound. Delegating authority to the Lead Commissioner – Housing, in consultation with s.151 officer and Cabinet Member – Housing will ensure there is sufficient agility to make any swift amendments to the bid ahead of the submission deadline.

4. Alternative options considered

- 4.1** Not to apply for funding. This option is rejected for the reasons already highlighted in this report, and the risks highlighted in the risk assessment at appendix 1.

5. How this initiative contributes to the corporate plan

- 5.1** This funding bid will support CBC's corporate priority: 'Increasing the supply of housing and investing to build resilient communities', as well as the council's place vision: 'Cheltenham is a place where people and communities thrive' for the reasons specified in section 2 above.

6. Consultation and feedback

- 6.1** Consultation has been undertaken with partners in the statutory and voluntary sectors to help inform the bid. There is overwhelming agreement that services continue to be required, and enhanced, in order to tackle rough sleeping within Cheltenham and across the county.

7. Performance Management – Monitoring and Review

- 7.1** If successful, services to support rough sleepers will be commissioned and monitored via a county-wide Programme Management Group, chaired by CBC.

Report author	Contact officer: Martin Stacy, Martin.stacy@cheltenham.gov.uk, 01242 264216
Appendices	1. Risk Assessment
Background information	N/A

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If we do not support a bid for grant funding for rough sleeping services, then opportunities to reduce rough sleeping in our borough will be significantly reduced.	Martin Stacy	25.1.21	4	5	20	Reduce	Approval is given to submit the bid for grant funding.	15.2.22	Martin Stacy	
	If the Cheltenham-specific element of the bid (at 2.3 of the report) is not successful, then this may reduce our effectiveness in tackling any emerging risks to tenancies within our housing-led dwellings.	Martin Stacy	25.1.21	3	5	15	Reduce	<p>The Enhanced Housing-led Support Service is currently commissioned to provide support services within our existing housing-led properties. This service will continue regardless of RSI funding. The bid will include a request for funding to expand the Enhanced Housing-led Support Service further.</p> <p>The newly proposed multi-disciplinary Navigator team's remit will include ex-rough sleepers living in our housing-led properties, again providing a degree of assurance that specialist support needs could be met without the additional CBH</p>	April 2022	Martin Stacy	

								resources. CBC and CBH will explore whether additional funding could be made available from existing resources. In the event that tenancy management issues cannot be addressed effectively, then tenancy enforcement measures will need to be implemented.			
	If DLUHC recommends that CBC increase its funding contributions in respect of the bid after Cabinet has approved the recommendations of this report, then CBC may be unable to carry out the necessary approvals by the submission deadline.		25.1.22	2	4	8	Reduce	Seek approval from Cabinet to delegate authority to Lead Commissioner – Housing to approve any changes to CBC funding contributions in support of the bid, in consultation with Cabinet Member – Housing and s.151 Officer.	15.2.22		

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Cheltenham Borough Council

Cabinet – 15 February 2022

Asset Management Strategy 2022/23 – 2026/27

Accountable member	Cllr Peter Jeffries – Cabinet Member for Finance & Assets
Accountable officer	Gemma Bell - Head of Property, Finance and Assets (Deputy Section 151 Officer)
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>The Council's Asset Management Strategy outlines the principles and framework that will underpin decisions to make the best use of the assets.</p> <p>Our current Asset Management Strategy was approved in 2015. In the six years since, the net book value of our asset portfolio has increased from £293m to £490m. In line with that Plan and our commercial strategy, the Council and its partners have made significant progress in managing assets for the benefit of the borough. This is no more evident than in the acquisition and continued progress towards delivery of the Golden Valley Development.</p> <p>For many years we have demonstrated our ambition to be one of the leading Local Authorities for development, investment and asset management taking a proactive approach to driving the best from the resources available and in doing so contributing to our place based outcomes.</p> <p>Much has changed since 2015, not least the Councils setting of key priorities in the 2019-2023 Corporate Plan, the declaration of a climate emergency in 2019 and the increased focus on the social value our assets provide to our communities in the town. Using assets to improve the lives of residents of the town is arguably more important today than it was in 2015.</p> <p>This Asset Management Strategy forms part of a suite of documents that comprise the Councils investment and expenditure strategies, and governance and decision making arrangements. It will be underpinned by individual asset plans for each category of asset outlined in the strategy and subject to ongoing monitoring by Officers and Members through existing and new governance structures.</p>
Recommendations	<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1. Recommend to Council the approval of the Asset Management Strategy included in Appendix 2; 2. Delegate to the Head of Property, Finance and Assets (Deputy s151 Officer), in consultation with the Cabinet Member for Finance and Assets and the Asset Management Working Group, responsibility for monitoring the implementation of the Strategy.

Financial implications	<p>As detailed in the report and appendices.</p> <p>Contact Officer: Gemma Bell – Head of Property, Finance and Assets (Deputy Section 151 Officer)</p> <p>Email: gemma.bell@cheltenham.gov.uk</p>
Legal implications	<p>It is prudent to have a clear and robust Asset Management Strategy in place, firstly in order to steer the Council's asset portfolio, and secondly for decision makers to have regard to such strategy when exercising decision making powers to ensure that decisions are focussed upon the Council's aims and objectives.</p> <p>Reference to such Strategy may be made in the event that a decision by the Authority is challenged.</p> <p>Contact: One Legal, Legalservices@onelegal.org.uk, 01684 272691</p>
HR implications (including learning and organisational development)	<p>There are no HR implications.</p> <p>Contact officer: Julie McCarthy, HR Manager, julie.mccarthy@publicagroup.uk, 01242 264355</p>
Key risks	See Appendix 1.
Corporate and community plan Implications	<p>The asset challenge process outlined in Section five of the Strategy in Appendix 2 outlines how our portfolio will be assessed against the Council's Corporate Priorities, including the priority for the Council and the borough to be carbon net zero by 2030.</p> <p>The strategic alignment and performance of each asset will be monitored through individual asset management plans for each category of asset, including a specific category for community assets. The community plan will be considered as part of this assessment.</p> <p>The monitoring of the performance of our assets will include non-financial indicators which include environmental and climate change factors. These are outlined in Stage 2 of the asset challenge process outlined in the strategy document.</p>
Environmental and climate change implications	
Property/Asset Implications	<p>As detailed in the report and appendices.</p> <p>Contact Officer: Gemma Bell – Head of Property, Finance and Assets (Deputy Section 151 Officer)</p> <p>Email: gemma.bell@cheltenham.gov.uk</p>

1. Introduction

- 1.1.** The Council's Asset Management Strategy outlines the principles and framework that will underpin decisions to make the best use of the assets.
- 1.2.** Our current Asset Management Strategy was approved in 2015. Since that time, and in line with that Plan and our commercial strategy, the Council and its partners have made significant progress in managing assets for the benefit of the borough. This is no more evident than in the acquisition and continued progress towards delivery of the Golden Valley Development.
- 1.3.** For many years we have demonstrated our ambition to be one of the leading Local Authorities for development, investment and asset management taking a proactive approach to driving the best from the resources available and in doing so contributing to our place based outcomes.
- 1.4.** Much has changed since 2015, not least the Councils setting of key priorities in the 2019-2023 Corporate Plan, the declaration of a climate emergency in 2019 and the increased focus on the social value our assets provide to our communities in the town. Using assets to improve the lives of residents of the town is arguably more important today than it was in 2015.
- 1.5.** This Asset Management Strategy forms part of a suite of documents that comprise the Councils investment and expenditure strategies, and governance and decision making arrangements. It will be underpinned by individual asset plans for each category of asset outlined in the strategy and subject to ongoing monitoring by Officers and Members through existing and new governance structures.

2. Consultation and Feedback

- 2.1** In the six years since the previous Asset Management Strategy was approved, the net book value of our asset portfolio has increased from £293m to £490m. The market or fair value of our portfolio is significantly more than £490m as the majority of our operational assets are valued at existing use and our residential housing at social value for accounting purposes.
- 2.2** Since the introduction of our Commercial Strategy, investment property and potential development opportunities have added complexity to the management of our assets. This new strategy will provide a framework which can be used by Officers to make informed recommendations to Members and enable safe and transparent decisions to be made regarding our assets.
- 2.3** In developing this strategy, feedback and consultation has been sought from external advisors, from the Cabinet, from the Asset Management Working Group and from the Executive Leadership team. From these discussions it was made very clear that stakeholders want an agile framework that can be adapted as priorities change. This would allow the Council to react and adapt as the long term impacts of the pandemic and the effect on the local economy is better understood.
- 2.4** The implementation of the strategy also needed to clearly link from the key Corporate Priorities of the Council to the asset decisions being made and provide a "golden thread" through all the key strategies and published plans. In particular, it was requested that the strategy make very clear how the Council are using our assets to support sustainable and inclusive growth for all our communities.
- 2.5** This feedback from incorporated into the development of the Asset Challenge Process which is included in Section five of the strategy in Appendix 2. Stage one will allow the strategic fit of an asset to be assessed and then stage two will determine the both the extent of the financial and non-financial contribution the asset is making in relation to its strategic purpose.
- 2.6** These performance reviews will be used to populate more detailed asset management plans for each of the six categories of asset. From these plans, the overall performance of an asset category can be determined and assets which may present other opportunities for investment or alternative use can be identified and appropriately appraised.

- 2.7** In order to prioritise the asset challenge process for our portfolio, asset categories will be initially reviewed in tranches during 2022/23 and assets will be assessed in order of Net Book Value.

Asset Category	Review Period
Investment	By 31 March 2022
Other	By 31 March 2022
Operational	By 30 September 2022
Community	By 30 September 2022

- 2.8** For the category of Surplus/Development assets, the challenge process will run concurrently with the above. We will continue to progress those assets already identified for development, assess the opportunities to redevelop assets/parts of assets that come to the fore through the asset challenge process and pursue opportunities for new asset acquisition that are strategically aligned to our Corporate Priorities.
- 2.9** Residential Housing will be considered in more detail in the Housing Investment Plan which will be presented separately for approval.

3. Monitoring and Governance

- 3.1** The Asset Management Working Group will provide oversight of the asset challenge process with relevant decisions referred on to Cabinet/Council.
- 3.2** A detailed asset management plan will be produced for each asset category which reports purpose and performance against the considerations set out in Section four of this document. This will also contain specific actions to monitor the assessment of new opportunities and improvements identified through each annual review.
- 3.3** It is proposed that an additional officer scrutiny panel is established to monitor the annual review of our assets and provide advice and oversight when additional opportunities are identified for an asset. This will include representatives from across the Council and be Chaired by the Head of Property, Finance and Assets.

Report author	Contact Officer: Gemma Bell – Head of Property, Finance and Assets (Deputy Section 151 Officer) Email: gemma.bell@cheltenham.gov.uk
Appendices	1. Risk Assessment 2. Asset Management Strategy 2022/23 – 2026/27

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	Insufficient monitoring of the performance of our assets may result in resources being directed at activity not aligned to corporate priorities.	Head of Property	December 2021	3	3	9	Asset Management Plans	See 2.6 – 2.9 above.	As part of strategy implementation.	Head of Property	Yes
2	Not considering other options for the use of our assets may result in the Council not maximising the contribution to the general fund or capital financing available.	Head of Property	December 2021	3	2	6	Asset Management Plans	See 2.6 – 2.9 above.		Head of Property	Yes
3	A lack of coherent planning on the use of assets may result in the Council missing opportunities to support place vision objectives and the economic recovery of the town post pandemic.	Head of Property	December 2021	3	3	9	Asset Management Plans/Officer Scrutiny Panel	See 2.6 – 3.3 above.		Head of Property	Yes
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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Asset Management Strategy 2022/23 to 2026/27



CHELTENHAM
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1. Introduction Page 33

The Council's Asset Management Strategy outlines the principles and framework that will underpin our decisions to make the best use of the assets.

This is the first Council Asset Management Plan since 2016. Since that time, and in line with that Plan the Council and its partners have made significant progress in managing assets for the benefit of the borough, not least through the acquisition and continued progress towards delivery of the Golden Valley Development.

For many years we have demonstrated our ambition to be one of the leading Local Authorities for development, investment and asset management taking a proactive approach to driving the best from the resources available and in doing so contributing to our place based outcomes.

That said, much has changed since 2016, not least the Councils setting of key priorities in the 2019-2023 Corporate Plan and the declaration of a climate emergency in 2019 and the increased focus on the social value our assets provide to communities in the town. Using assets to improve the lives of residents of the town is arguably more important today than it was in 2016.

The Asset Management Plan forms part of a suite of documents that comprise the Councils investment and expenditure strategies, and governance and decision making arrangements. The overall context is best illustrated in Figure 1. In particular, the decision making process for acquiring or investing in land or property are underpinned by both this strategy and the Investment Strategy which is presented annually to Full Council for review.

Figure 1: Cheltenham Borough Council investment and expenditure strategies, governance and decision making

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

2. *Our Vision and ambitions for recovery*

Covid-19 has tested Cheltenham's communities and economy over the last twelve months. As a Council, we have recognised in our Covid-19 Recovery Strategy and Medium Term Financial Plan that rebuilding the strength of our town will require innovation, ambition and a bold vision.

Our vision is grounded in the belief that Cheltenham should be a place in which everyone can thrive. In order that we can lead the economic recovery of our town, we will continue to use our assets for the benefit of our residents, businesses, staff and communities, stimulating a positive environment for inward investment in our place and people.

We recognise that in order to do this we need to work closely with our partners across the town as well as engaging with the One Public Estate programme which supports locally led partnerships of public sector bodies to collaborate around estate needs. The programme helps support the re-purpose of surplus public estate for housing, regeneration and other local uses.

Our Corporate Plan sets out five clear Corporate Priorities:

- 1. Making Cheltenham the Cyber Capital of the UK**
- 2. Revitalisation and improvement of the Town Centre and Public Spaces**
- 3. For the Council and the borough to be carbon net zero by 2030**
- 4. Increasing the supply of housing and investing to build resilient communities**
- 5. Delivering services to meet the needs of our residents and communities**

The Council's Covid-19 Recovery Plan re-emphasised and highlighted the importance of these key objectives. This Strategy takes a refreshed approach to future asset management decisions and the management of our portfolio which balances social value, sustainability, regeneration, commercial and housing needs at a strategic level to ensure a positive direction of travel to economic recovery continues.

The Council's assets and the way in which they are managed have the potential to both contribute to and detract from elements of these ambitions.

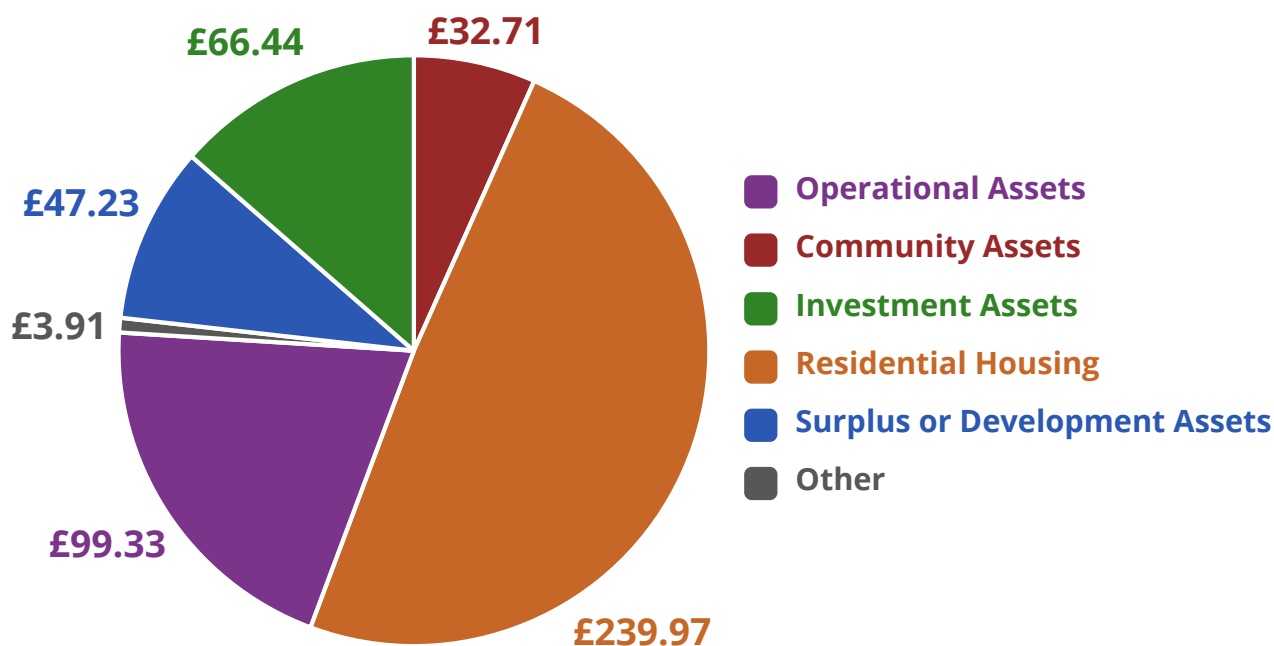
The purpose of this strategy is to:

- set out the approach we will take to review the strategic purpose of our asset portfolio and ensure we are allocating available resources to land and property which best help support our Corporate Plan and the wider vision and ambition for Cheltenham;
- establish a framework to monitor the continuous performance of our asset portfolio against our priorities test whether it remains fit for purpose and better plan for a future that looks through a broader sustainable lens; and
- outline the governance arrangements on which asset rationalisation, development, investment and construction decisions can be consistently based.

3. Our Land and Property Page 35

The Council's land and property portfolio was valued at £489.6m in the 2020/21 Statement of Accounts. The majority of the valuations were calculated on an existing use basis rather than the market value of the asset. The balance includes investment property but excludes infrastructure assets and vehicles, plant and equipment which is not considered as part of this Strategy. The assets held in our portfolio can be segmented into the following categories:

Figure 2: Cheltenham Borough Council asset portfolio 2020/21 (£m)



For the purposes of this Strategy, the categories have been defined as follows:

Operational Assets

We have defined operational assets as those owned by the Council to ensure we are able to deliver our services. Assets included are:

- The Municipal Offices;
- The Depot;
- The culture and leisure buildings operated by the Cheltenham Trust;
- Public conveniences and car parks.

£99.3m



Community Assets

We have defined community assets as those owned by the Council, which are mainly in use for the well-being and social interests of our local communities. This is different to the categorisation of community assets in our Statement of Accounts. For the purposes of our strategic review and assessment, the category of community assets include:

- Pavilions;
- Scout Huts and Community Centres;
- Allotments;

As a Council we are proud of how we engage with our communities and this will be crucial in ensuring Cheltenham becomes the cyber capital of the UK which provides benefit for everyone and that the Council plays its role in supporting a network of community based facilities and services. This is front of mind in the management of our community assets and we will continue to use the resources at our disposal to support Cheltenham become a place where everyone can thrive.

£32.71m

Investment Assets

We have defined investment assets as those owned by the Council to generate income used to support our net budget requirement. The majority of these assets were acquired as part of the Commercial Strategy adopted by the Council in 2015. Since the change to the Public Works Loan Board ("PWLB") guidance in August 2020, we are no longer permitted to use these funds to invest purely for yield. This is a key consideration in how we manage this category of properties as part of this strategy.

Our investment property portfolio includes retail premises, office space and small local shops located within the borough of Cheltenham.

£66.44m



Residential Housing



This category includes only residential property held within the Housing Revenue Account ("HRA") and housing projects which are currently under construction.

The council owns approximately 4,500 residential properties through the Housing Revenue Account, representing approximately 10% of the housing stock in the borough. These homes are both social and affordable rental properties, and are managed on the Council's behalf by Cheltenham Borough Homes ("CBH"). CBH has its own Asset Management Strategy, approved in 2018 and running until 2023. A core role of CBH is to manage those assets appropriately, as set out in their Asset Management Plan. The plans and strategies will be refreshed as part of the Council's Housing Investment Plan which will outline how the £100m Housing Investment Fund will be invested 500 new homes in Cheltenham.

£239.97m

Surplus or Development Assets

The Council has set an ambitious vision that involves a considerable development agenda which is why the accumulated value of this asset category is £47.23m. Housing delivery also forms a core component of the Council's development agenda. The Housing, Homelessness & Rough Sleeping Strategy 2018-23 was approved by CBC Cabinet in July 2018. This strategy sets out a range of objectives aimed at tackling housing inequality in Cheltenham. In late 2018, the Cabinet and Council unanimously agreed to commit £100m to provide a step change in housing delivery in the borough.

This is an extremely diverse category of assets; including land holdings for the West Cheltenham development, sites allocated for housing in the Local Plan and sites currently being developed for commercial use.

It is likely that a number of assets that currently fall under other categories of assets could in future fall into this category of asset. Similarly, an assessment of an opportunity under the framework outlined in this document may result in a decision to acquire addition land or property to support the development agenda the wider housing strategy and our key employment sectors.

£47.23m

Other

£3.91m

The assets categorised as other are those Assets owned by the Council that do not meet any of the definitions above. These include properties from which other public services operate, former nursing homes and small industrial sites.

4. ^{Page 38}*The Management of our Land and Property*

Roles and Responsibilities

The Cabinet Member for Finance & Assets is the portfolio holder for Property and the Executive Director for Finance & Assets is accountable for asset management at the Council. This direct involvement at Councillor and Executive Management level reflects the importance and recognition of making the best use of our physical resources.

The Head of Property, Finance and Assets is responsible for Asset Management with a professional, ambitious and dynamic property team, working in partnership with our communities, businesses, building occupiers, landowners, suppliers and partners to optimise asset performance and income in the delivery of our property services and solutions.

Our Corporate Landlord Approach

We operate a Corporate Landlord Approach where the ownership of an asset and the responsibility for its management and maintenance is transferred from service areas into the corporate centre. The service area then becomes a corporate tenant and their priority is to plan and deliver their service to the best of their ability. Our property team are responsible for the Corporate Landlord function to ensure all services are adequately accommodated and the associated land and property assets are managed and maintained.

The Corporate Landlord's responsibility extends further to the acquisition, development and disposal of land and buildings. The Corporate Landlord is responsible for asset planning, review, feasibility and options appraisal accounting for the needs of all service areas, but most importantly, making decisions based on overall corporate priorities.

Management and Maintenance

Our land and property are managed and maintained to ensure they are Statutory and Industry (RICS) Complaint, adopting RICS best practice guidelines. Our experienced in-house specialist teams with support from external suppliers where necessary, always strive to ensure our property portfolio is effective, sustainable and energy efficient.

The property team are responsible for a comprehensive compliance regime to ensure our assets remain safe and secure, a prioritised planned maintenance programme for asset enhancement and in-house resource to manage our facilities and reactive repairs to our properties. Decisions relating to the improvement or maintenance of our assets also consider their contribution to our Corporate Priorities, in particular the reduction of the carbon emissions from our buildings.

Our management and maintenance of our properties, as well as the customer service provided through the Corporate Landlord approach means we are able to drive efficiency through proactive asset management of our land and property and ensure they provide the right space, in the right place and on the best terms.

5. The Asset Challenge Process

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It is appropriate that the Council regularly reviews the assets within its portfolio to ensure they remain fit for purpose and aligned to our corporate priorities and objectives. In order to do this we have developed an asset challenge process which is set out in Appendix 1.

The asset challenge process is divided into two phases; an annual review of the purpose and performance of an asset and then the process for evaluating any decisions relating to an asset.

The implementation of this process will enable an asset owner to make informed choices about the future of assets in a structured and objective fashion. The process can be applied to all relevant assets in the Councils portfolio using the guidance set out over the next few pages.

Stage 1: Strategic Fit and Purpose

In order to assist asset holders in this analysis, the table in Figure 3 outlines the expectations of how each category of asset should contribute and support our Corporate Priorities outlined in the Corporate Plan. This is by no means a comprehensive analysis but should be used as a guide to assist judgements in the challenge process.

Figure 3: Mapping of Asset Categories against Corporate Priorities 2020 - 2023

Asset Category	Corporate Priority				
	1 – Cyber Capital of the UK	2 – Town and public space improvements	3 – Carbon net zero by 2030	4 – Building housing and communities	5 – Delivery of services
Operational		X	X	X	X
Community				X	X
Investment	X	X		X	
Residential Housing			X	X	X
Surplus/Development	X	X		X	
Other	X	X	X	X	

In making the assessment, the following should be considered when assessing the alignment of the asset purpose against our Corporate Priorities. Whether the asset:

- facilitates economic growth and recovery;
- helps to meet our housing needs, including contributing to our housing strategy;
- creates commercial space that supports our key employment sectors;
- stimulates a positive climate for inward investment into Cheltenham;
- delivers sustainable and future proofed infrastructure;
- responds to market failure;
- improves and drives quality and innovation of our public realm; and
- delivers on our climate and environmental commitments and approach to social value outcome

Stage 2: Performance of the Asset

The financial and non-financial performance of an asset will vary depending on the category and strategic purpose of the asset. When considering an asset assessment, the key performance areas outlined below in Figure 4 should be considered as a minimum.

Figure 4: Examples of key measures of asset performance

Asset Category	Financial Performance Considerations	Non- Financial Performance Considerations
All	<ul style="list-style-type: none">• The annual net revenue cost of operating or holding the asset.• The cost of the planned maintenance programme for the asset.	<ul style="list-style-type: none">• The compliance of the asset with health and safety requirements.• The utilisation of the asset by visitors, residents, community groups and staff.• The operational or strategic value of the asset to our partner organisations.• The carbon footprint of the asset.
Additional indicators to consider by asset category:		
Operational		<ul style="list-style-type: none">• The use of the asset to support statutory functions.
Community	<ul style="list-style-type: none">• The value of any rent subsidy provided for the asset.	<ul style="list-style-type: none">• The utilisation of the asset by local groups.• The terms and conditions of any leases or licences for the asset.
Investment	<ul style="list-style-type: none">• The net yield of the asset.• The financial return on the asset compared to comparable in the existing market.• Any rent arrears on the asset.	<ul style="list-style-type: none">• The implementation of terms and conditions of the leases with tenants.• The volume of vacant space in the asset.
Surplus/ Development	<ul style="list-style-type: none">• The current existing use and market value of the asset.	<ul style="list-style-type: none">• Any categorisation of the asset in the Local Plan and Joint Core Strategy.
Other		

No threshold criteria has been set for whether an asset is performing strongly or otherwise. The parameters for a strongly performing asset will differ depending on its category, use and condition. Stage one and two should be used to determine whether there is scope in an asset category to identify whether there are opportunities for improvement and/or to do something different.

Stage 3 – 6: Preparing a Case for Change

Stage one and two of the asset challenge process should be undertaken annually. The purpose of assessing the strategic fit and performance of an asset is to determine whether there is an opportunity to change how the asset is used by the Council. This may lead to a decision being put to Members.

Stage three to six of the process should be undertaken when, following assessment of strategic purpose and performance, assets in a category are no longer providing a benefit for the Council.

In order to produce a full and comprehensive business case for change, officers should consider the risks and opportunities of the options to ensure all possible options are presented in a fair and transparent manner.

Further information relating to the roles of key stakeholders and the governance and monitoring of the asset management strategy is included in Section 7.

Note: All proposals for new investments, developments and acquisitions should follow the full process from Stage one to six.

6. ^{Page 42}Implementation of the Asset Challenge process

In order to prioritise the asset challenge process for our portfolio, asset categories will be initially reviewed in tranches during 2022/23 and assets will be assessed in order of Net Book Value.

Asset Category	Review Period
Investment	By 31 March 2022
Other	By 31 March 2022
Operational	By 30 September 2022
Community	By 30 September 2022

This exercise will provide a baseline for the purpose and performance of our portfolio to take forward into 2023/24 and beyond. It is also likely to result in a number of assets being brought forward through stage three to six of the challenge process.

For the category of Surplus/Development assets, the challenge process will run concurrently with the above. We will continue to progress those assets already identified for development, assess the opportunities to redevelop assets/parts of assets that come to the fore through the asset challenge process and pursue opportunities for new asset acquisition that are strategically aligned to our Corporate Priorities.

Residential Housing will be considered in more detail in the Housing Investment Plan which will be presented separately for approval.

On the completion of each category review, a performance dashboard and asset action plan will be produced and reported to Members. The roles, responsibilities and monitoring of the asset challenge process and subsequent decisions are outlined in Section 7.

7. Governance ^{Page 43} and Monitoring

The Asset Management Working Group will provide oversight of the asset challenge process with relevant decisions referred on to Cabinet/Council.

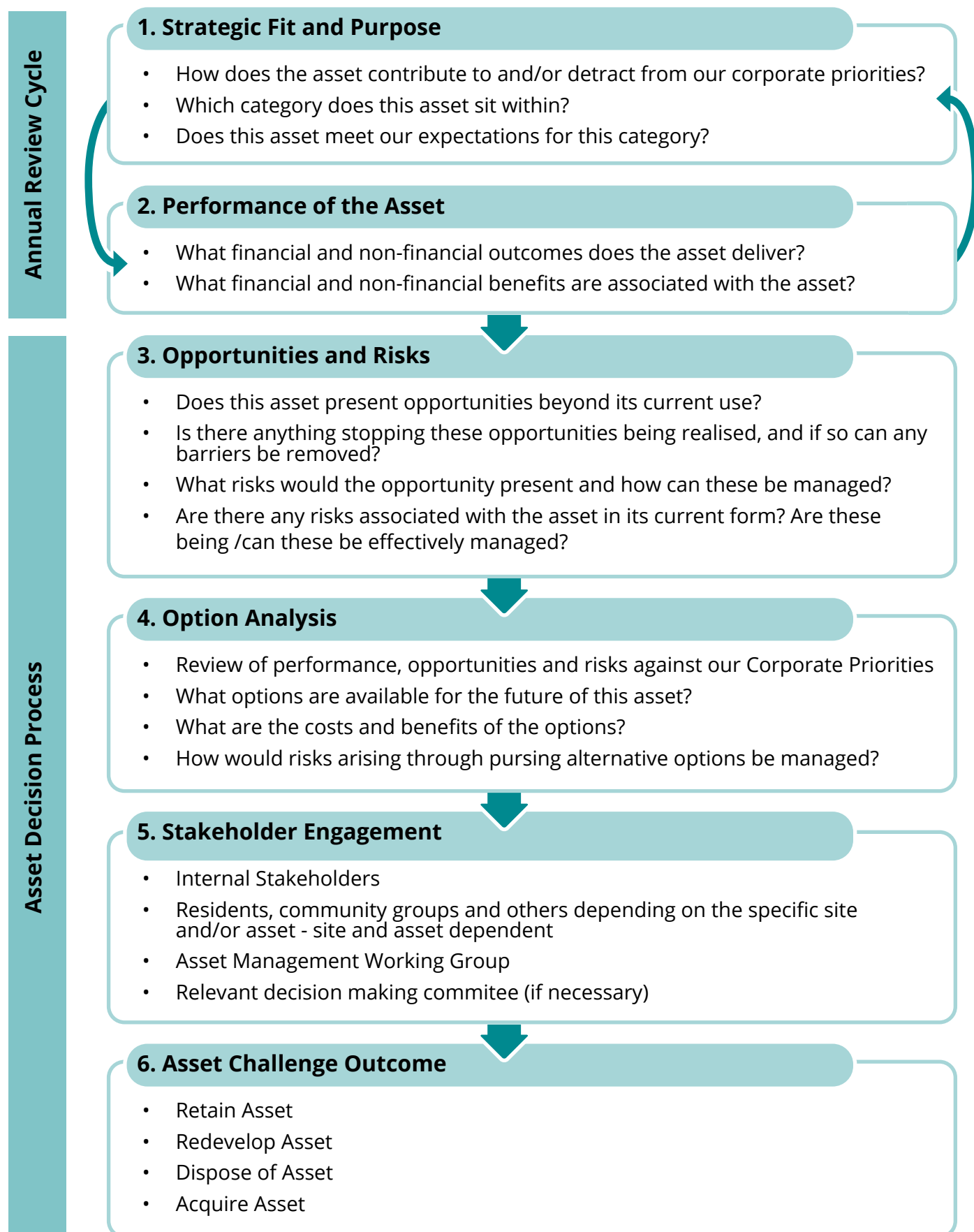
A detailed asset management plan will be produced for each asset category which reports purpose and performance against the considerations set out in Section four of this document. This will also contain specific actions to monitor the assessment of new opportunities and improvements identified through each annual review.

It is proposed that an additional officer scrutiny panel is established to monitor the annual review of our assets and provide advice and oversight when additional opportunities are identified for an asset. This will include representatives from across the Council and be Chaired by the Head of Property, Finance and Assets.



Appendix 1: Asset Challenge Process Map

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Cheltenham Borough Council

Cabinet – 15 February 2022

Budget Monitoring Report 2021/22 – position as at 31 December 2021

Accountable member	Councillor Peter Jeffries, Cabinet Member Finance and Assets
Accountable officer	Gemma Bell, Head of Property, Finance and Assets (Deputy s151 Officer)
Accountable scrutiny committee	All
Ward(s) affected	All
Key Decision	Yes
Executive summary	To update Members on the Council's current financial position for 2021/22 based on the monitoring exercise at the end of December 2021. The report covers the Council's revenue and capital position. The report identifies any known significant variations (minimum £50,000) to the 2021/22 budget which was approved by Council on 22 February 2021.
Recommendations	<ol style="list-style-type: none"> 1. Cabinet note the contents of this report including the key projected variances to the 2021/22 budget approved by Council on 22 February 2021 and the expected delivery of services within budget. 2. Cabinet note that these variances have been incorporated into the final budget for 2022/23 for approval by Full Council on 21 February 2022.

Financial implications	As detailed throughout this report. Contact officer: Gemma Bell, gemma.bell@cheltenham.gov.uk , 01242 264124
Legal implications	None specific directly arising from the recommendations. Contact officer: Sarah Farooqi, sarah.farooqi@tewkesbury.gov.uk , 01684 272012
HR implications (including learning and organisational development)	The Council continues to monitor vacancies and recruitment. All recruitment activity decisions are based on a business case outlining the impact on the service delivery and/or loss of income generation if the post were to remain unoccupied. In addition, the Council also continues to monitor its capacity to deliver on key projects. Contact officer: Julie McCarthy, julie.mccarthy@cheltenham.gov.uk , 01242 264355
Key risks	As outlined in Appendix 1.
Corporate and community plan Implications	Key elements of the budget are aimed at delivering the corporate objectives within the Corporate Business Plan, including the goal to be a net carbon zero organisation by 2030.
Environmental and climate change implications	

1. Background

- 1.1. This report provides the monitoring position statement for the financial year 2021/22 against the budget approved by Council on 22 February 2021. The purpose of this report is to notify members of any known significant variations to the revised budgets for 2021/22 and highlight any key issues.
- 1.2. Regular budget monitoring exercises for services are carried out in liaison with Directors and cost centre managers. This identifies any major variations from the current approved budget that are anticipated to occur in the financial year. Any variations of more than £50,000 to revenue budgets are outlined in this report.

2. Net revenue position

- 2.1. The previous budget monitoring report was presented to Cabinet in October 2021 and reported the general fund revenue position against the approved budget for 2021/22 at 31 August 2021. At this stage, the economy had only just fully opened and there was significant uncertainty about the long term impacts on the town and on the ways in which we generate income to support the delivery of services.
- 2.2. The monitoring report forecast that the approved budget would have a net overspend of £1,044k in 2021/22 and this set the tone for the re-setting and re-alignment of the budget for 2022/23 and beyond

which is presented in the final budget proposal paper for Full Council on 21 February 2022.

- 2.3.** This report presents an updated position to Cabinet at 31 December 2021. This is informed by activity in the Autumn and Winter of 2021 which has provided better evidence to underpin the assumptions made about the impact of the pandemic on our commercial income streams in the longer term and more certainty over costs which are sensitive to customer activity levels.
- 2.4.** The forecast for the 2021/22 budget at 31 December 2021 is now an overspend of £615k. Although this is encouraging, our budgets continue to be impacted by increases in inflation. When these numbers were collated in December 2021 inflation sat at 4.2% but at the date of Cabinet this has now increased even further to 5.4%. This significant impacts the cost of energy, wages and fuel and further increase the pressures on our budget.
- 2.5.** The table below summarises the net impact of the variances identified at this stage in the financial year, projecting the position to the end of the financial year for all budget variances in excess of £50,000, details of which are provided in paragraphs 2.6 to 3.1 below. These variances have been reflected in the final budget proposals for 2022/23 in addition to the expected new pressures which will impact our budget moving forward.

Significant budget variances	Overspend / (Underspend) £	Para. Ref.
Finance and Assets		
Housing Benefit Rent Allowances	142,953	2.6
Place & Growth Directorate		
Waste and Recycling – contract cost pressures	131,000	2.7
Waste and Recycling – waste disposal saving	(73,000)	2.8
Waste & Recycling – Ubico contract underspend	(222,580)	2.9
People & Change Directorate		
Legal Services	60,000	2.10
HMO Licences – income transferred to equalisation reserve	58,667	2.11
Homelessness Prevention Grant	(173,000)	2.12
Impact of COVID-19		
Net irrecoverable losses due to COVID-19	743,052	2.13
Cross Council Variances		
MTFS Savings Target – Modernisation Programme	150,000	2.14

Savings Target – Waste and Recycling	100,000	2.15
Net Impact of other variances less than £50,000	(301,127)	
Total projected overspend for the year	615,965	

- 2.6. Housing Benefit Rent Allowances** – Local housing allowance is a housing benefit scheme for people who rent their homes from a private landlord, who are on a low income and need help to pay their rent. The Council have an expenditure budget to pay out the allowance and an income budget for the subsidy received from the Government to cover some, but often not all, the payments made to residents. The base budget includes income for local housing allowance subsidy at a much higher level than has been received for a number of years. As more and more benefit claimants move onto Universal Credit, fewer are eligible to claim local housing allowance as their benefits are assessed as a whole under the new system. In addition, residents are often housed in private accommodation with higher rents. This means that often the subsidy we receive is less than the expenditure incurred to pay the benefit creating a budget pressure. We have reduced the income budget line and increased the expenditure budget line to be aligned with current activity levels. This has resulted in a pressure of £142k in 2021/22 which has also been reflected in the 2022/23 final budget proposal.
- 2.7. Waste and Recycling Contract Cost Pressures** - The waste and recycling expenditure budgets are forecast to be overspent by £131,000 this year. Of this total, £115k of additional expenditure relates to the increase in demand for recycling receptacles which is consistent with the trends we have noted in residents recycling larger volumes of waste. Additionally, there is an additional £16k inflationary cost increase in the contract to dispose of sharps and needles.
- 2.8. Waste and Recycling Waste Disposal Savings** – in September 2021 the Ubico contract was changed to remove the disposal of trade waste which is now undertaken directly by the Council. The £73k saving is a result of a combination of the change in service delivery reducing costs of disposal but also a lower level of trade waste activity in year which has reduced the demand for the service.
- 2.9. Waste and Recycling Ubico Contract Underspend** – the most recent financial forecast received from Ubico for 2021/22 reports a £222k underspend against the core contract cost. Of this total, £142k relates to asset charges where vehicles have not been replaced at the rate that was budgeted, this has also meant spend on vehicle insurance is lower than budgeted. Other underspends relate to staffing vacancies which have not been filled.
- 2.10. Legal Services** – the budget monitor for One Legal received in January 2022 forecasts an overspend of £178k against the approved budget. This is predominantly due to lower than forecast income being generated from third parties which was expected to provide a contribution and reduce the total net spend funded by the three Councils. To balance the budget, an additional contribution of £60k may be required from CBC.
- 2.11. Housing of Multiple Occupancy (HMO) Licencing Income** – as part of the monitoring of income from fees and charges over 2020/21 and 2021/22 it has been identified that HMO licences cover a three year period. Over that three year period we expect to generate £350k from our HMO landlords but with a large spike in one year and then lower levels of licence renewal in year two and three. The current annual income target is set at £144k which leads to significant fluctuations in over and under achievement of this target in each three year cycle.

In order to stabilise this budget, an equalisation reserve has been set up following approval from the Deputy S151 Officer. This flatlines the budget down to £117k per year, equal to a third of the £350k expected over each three year cycle. Any surplus income above this target will be transferred to the reserve at year end and used to fund any shortfall in future years, rather than being transferred into

general balances. Based on current income generated in 2021/22, £58,667 will be transferred to the reserve at the end of the year and then £29,333 will be released annually for the next two years to deliver the flatline budget. The reserve creates a pressure in year but the re-alignment of the income target in year two and three will prevent artificial budget pressures being reported in future years.

- 2.12. Homelessness Prevention Grant – funding is received from DLUHC to support work on homelessness prevention. The variability of this funding means it is usually committed the year following its receipt (for example, monies received in 2021/22 would be carried forward and spent in 2022/23) to ensure there is sufficient amounts available to support the strategic nature of the work undertaken. Correspondance has been received from DLUHC which confirms that the £438k of funding received in 2021/22 needs to be fully utilised in this year and any residual monies repaid to the Government. In order to maximise the benefit of the money, additional work has been commissioned to support homelessness prevention using the monies but it is estimated that £173k of the grant will still be unspent at year end and will need to be repaid. We have subsequently clarified that the grant can be used to fund other statutory services and the remaining £173k will instead be used to fund the housing options contract sums for 2021/22 which will create an underspend on the existing base budget.
- 2.13. MTFS Saving – Modernisation Programme – In the Medium Term Financial Strategy 2021/22 there is a total of £400,000 of savings targets required in order to balance the budget. At present, £250,000 of this has been either delivered or is in progress. The remaining £150,000 relates to a Modernisation Programme with the objective of streamlining processes and service delivery pathways. This has been delayed due to long reopening period after the most recent national lockdown which has resulted in staff and customer behaviour changing and meant initiatives in the pipeline to deliver the saving have needed to be reviewed and realigned to reflect this.
- 2.14. Savings Target – Waste and Recycling – as part of the delivery of waste and recycling services a savings target of £100k had been agreed for 2021/22. The services provided by the Council and through Ubico have faced increasing pressures due to social distancing requirements and increased collections as households are spending more time at home and generating more waste. As part of the 2022/23 budget setting process, the budgets for waste and recycling will be reviewed and re-aligned to reflect these changes in behaviour.

Impact of COVID-19 – Income Losses

- 2.15. The lifting of the most recent national lockdown began on 12 March 2021 and the final step four of the Government's lockdown being implemented in England on 19 July 2021. Within this roadmap, non-essential retail was closed until 12 April 2021 and indoor hospitality was closed until 17 May.
- 2.16. The length of the re-opening obviously had a huge impact on our key income streams which support our base budget. The restrictions meant less demand for off street car parking and trade waste and also limited our ability to provide professional services due to social distancing and self-isolation requirements.
- 2.17. The Government's income compensation grant was available for the period to 30 June 2021 where we were able to reclaim 71p for every £1 of income lost and a claim has been submitted for compensation of £567,000 of irrecoverable losses. However, this clearly doesn't cover all losses and from 1 July 2021 no additional support has been provided by Government.
- 2.18. In the budget monitoring report for the period to 31 August 2021, the irrecoverable income losses for the year were forecast at £817k. Since then, work has been undertaken to understand the longer term impacts of the pandemic and data has been received on a weekly basis to inform the assumptions and income targets for 2022/23 on beyond.
- 2.19. The net income lost in 2021/22 is now forecast to be £743k. This reflects the re-opening of the economy in the autumn with the literary festival being held in person and the events hosted by the town in the run up to Christmas.

- 2.20.** The following table shows the full year projected irrecoverable losses to the end of December 2021 compared to the projection at 31 August 2021. The losses include the proportion of income compensation grant allocated to each individual service. Explanations of movements or balances greater than £50,000 are provided in 2.19 to 2.25 below.

	Projected Irrecoverable (losses)/gains for the year at 31 August 2021	Projected Irrecoverable (losses)/gains for the year at 31 December 2021
	£'000	£'000
Off-street Car Parking	(740)	(725)
Trade Waste	(185)	(122)
Sponsorship and Advertising Income	(176)	(135)
Development Control	(143)	(98)
Regulatory Services	(59)	(23)
Cremation, Cemetery and Mortuary services	(52)	(52)
Other	(28)	-
Recreation and Sport	(2)	(24)
Central services to the public	16	-
Building Control	24	-
Green Waste	54	54
Recycling	474	334
Total cost to the Council from lost SFC in 2021/22	(817)	(743)

- 2.21.** Car parking income – the recent events held in the town in the lead up to Christmas 2021 saw car parking income hit budgeted levels in December. This is the first time the budget has been achieved since March 2020. In the four month period September to December 2021, the average monthly income from car parking fees is £328k which represents 91.9% of budget and is slightly above the estimates we made for recovery in August 2021. These assumptions have also been used to inform the re-setting of the income budgets for 2022/23 and beyond.
- 2.22.** Trade waste – the increase in activity in November and December of this year means trade waste losses are now forecast to be £63k less than in August 2021. More businesses were open and retail and hospitality were prioritised in Government grant funding administered by the Council. Although the weeks prior to Christmas were slightly suppressed due to the increase in prevalence of the Omicron variant, activity was still significantly more increased than had been anticipated.
- 2.23.** Sponsorship and advertising – this includes the irrecoverable losses of £35k from highways sponsorship and £100k of income losses from Marketing Cheltenham. There has been no change in the forecast for highways sponsorship. The forecast for Marketing Cheltenham in August 2021 did not include any potential income from the ice rink event hosted in the winter of 2021 and for the purposes of consistent this has not been included in the comparative in December 2021. Although resource was diverted from the service to deliver the ice rink and associated events, advertising and sponsorship income was still generated and this is expected to continue into the spring as more events return to the town.
- 2.24.** Development control - this income is in the most part generated through fees and charges for planning applications. In August 2021 it was estimated that this income stream would generate 80% of budget for the remainder of the year however for the four months up to December 2021 the budget was fully achieved. This income is often subject to fluctuations throughout the year but based on historical

trends there are no long term implications expected to service income into 2022/23.

- 2.25. Regulatory Services** – this income is generated through licencing, pest control and pollution control. The events held in the town over the Christmas period have supported a full recovery of street trading and premises licence income and the budget targets for the year have almost been met. The remaining losses relate to animal control and pollution control which have generated very little income in 2021/22. These budgets have been re-based in the 2022/23 draft budget proposal presented to Cabinet in December 2021.
- 2.26. Cremation, Cemetery and Mortuary** - the income generated from the service since September 2021 has recovered to pre-pandemic levels. The restrictions on the number of attendees at services has relaxed and many of the relatives of those who died during the pandemic are choosing to honour them with memorials, plaques and other commemorations. This has meant activity has increased and there are no long term implications expected to service income into 2022/23.
- 2.27. Recycling** – in the August 2021 budget monitor the income generated from recycling was forecast to exceed the budget by £474k. This was largely made up of £300k from the bulking facility and £168k from recycling collections. In the four months to December 2021, income generation slowed but is still forecast to exceed our budgetary target. Lower activity indicates that through the autumn more residents were out of their homes and producing less waste as the vaccination programme moved into the second phase and social mixing became more commonplace.

3. The Capital Programme

- 3.1.** A monitoring exercise has been carried out to ensure that capital programme, approved by Council on 22 February 2021, are being delivered as planned within allocated capital budgets, some of which are timetabled to straddle two or more financial years. The 2021/22 capital programme approved as part of the 2020/21 outturn report totals £34.45m.
- 3.2.** In July 2021 Cabinet, a decision was taken to approve an increase in the budget for the Minister Innovation Exchange project. The revised 2021/22 capital programme is now £35.44m The spend to date against the budget and forecast variances are included in Appendix 3.
- 3.3.** There have been no changes to the forecast since the capital programme was presented to Cabinet in December 2021 as part of the draft budget proposal.
- 3.4.** The full four year capital programme, including the forecast spend in 2021/22 is also presented as part of the final budget proposal for 2022/23 at February Cabinet and Council.

4. Council tax and Business rates collection

- 4.1.** The monitoring report for the collection of council tax and business rates (NNDR) income is shown in Appendix 2. This shows the position at the end of December 2021 and the projected outturn for 2021/22.

5. Conclusion

- 5.1.** The impact on the general fund of the variances reported above is that there is a forecast net overspend against the budget of £616k for 2021/22. These variances, in particular the recovery of our commercial income, will continue to be monitored in quarter four and any overspend will be met from a contribution from General Fund balances at year end.

- 5.2.** The pandemic has had a significant effect on the Council and the full impact of the re-opening of the economy on our longer term financial position is still being understood. Work has been ongoing to review our current budgets to reflect the changes in activity and behaviour and reduce the dependency on income streams which may never fully recover to pre-pandemic levels.
- 5.3.** This is also an opportunity to reset our fiscal position against our Corporate Priorities and prepare a Medium Term Financial Plan for 2022/23 and beyond which ensures we continue to be financially sustainable whilst continuing to support growth and our carbon neutrality ambitions for the town. Additionally, the Climate Change Mitigation Pathway and Strategy due to go before Council in February 2022 will also inform future budget and budget monitoring reports and enable greater investment in projects related to tackling climate change.
- 5.4.** The results of this review and the impact on reducing the in-year overspend are reported to Cabinet and Council in our final budget proposal. This will also include any proposals or recommendations for the application of reserves against any residual overspend, bearing in mind the need to keep the level of reserves robust and the uncertainty surrounding future budget funding gaps, as outlined in the Council's Medium Term Financial Strategy.

6. Consultation

- 6.1.** The work undertaken to produce this report has involved consultation with a wide number of services and cost centre managers.

Report author	Contact officer: Gemma Bell, Head of Property, Finance and Assets, gemma.bell@cheltenham.gov.uk , 01242 264124
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Council Tax and NNDR collection to 31 December 2021 3. Capital Programme Monitor to 31 December 2021
Background information	<ol style="list-style-type: none"> 1. Section 25 Report – Council 22 February 2021 2. Final Budget Proposal for 2021/22 – Council 22 February 2021

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible Officer	Transferred to risk register
CR3	If the Council is unable to come up with long term solutions which close the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision.	Cabinet	01/09/2010	5	3	15	Reduce	The budget strategy projection includes 'targets' for work streams to close the funding gap which aligns with the council's corporate priorities.	Ongoing	ED Finance and Assets	01/09/2010
CR105	If the Budget Strategy (Support) Reserve is not suitably resourced insufficient reserves will be available to cover anticipated future deficits resulting in the use of General Balances which will consequently fall below the minimum required level as recommended by the 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 2020/21 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	01/04/2016

1.02	If income streams from the introduction of the business rates retention scheme in April 2013 are impacted by the loss of major business and the constrained ability to grow the business rates in the town then the MTFs budget gap may increase.	ED Finance and Assets	14/09/12	5	4	20	Accept & Monitor	<p>The Council joined the Gloucestershire pool to share the risk of fluctuations in business rates revenues retained by the Council.</p> <p>The Gloucestershire S151 Officers continue to monitor business rates income projections and the performance and membership of the pool / pilot.</p> <p>Work with members and Gloucestershire LEP to ensure Cheltenham grows its business rate base.</p>	Ongoing	ED Finance and Assets	14/09/12
1.03	If the robustness of the income proposals is not sound then there is a risk that the income identified within the budget will not materialise during the course of the year.	ED Finance and Assets	15/12/10	4	4	16	Reduce	<p>Robust forecasting is applied in preparing budget targets taking into account previous income targets, collection rates and prevailing economic conditions. Professional judgement is used in the setting / delivery of income targets. Greater focus on cost control and income generation will be</p>	Ongoing	ED Finance and Assets	15/12/10

								prioritised to mitigate the risk of income fluctuations.			
1.07	If the assumptions around government support, business rates income, impact of changes to council tax discounts prove to be incorrect, then there is likely to be increased volatility around future funding streams.	ED Finance and Assets	13/12/10	5	3	15	Reduce	Work with Publica and countywide CFO's to monitor changes to local government financing regime including responding to government consultation on changes Business Rates and the Fair Funding review. The assumptions regarding government support have been mitigated to a certain extent by the acceptance of a multi-year settlement agreement.	Ongoing	ED Finance and Assets	13/12/10
New corporate risk	If government support to compensate this 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		5	3	15	Reduce	<p>The Council will continue to lobby for additional resource, as promised by Central Government from the outset of the pandemic.</p> <p>Work programmes are underway to review service provision, capital programmes and rationalisation of assets.</p>	Ongoing	ED Finance and Assets	To be added to the risk register

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Council Tax and Business Rates Collection Rates 2020-21

Appendix

Appendix 2 - Council Tax and NNDR collection to 31 December 2021

Council Tax 2021/22

Current Year Charges - 2021/22				
Monitoring Period	% Collected at 31.12.2021	Target 31.12.2021	2021/22 Target	The collection rate at the end of December is slightly below the target. It has improved compared to the previous year and we continue to work with council tax payers struggling to pay.
Q3	85.23%	85.35%	98.20%	
Comparison with 2020/21	As at 31.12.2020		% Collected 31.03.2021	
	84.74%		97.53%	

Previous Years Charges Outstanding in 2021/22				
Monitoring Period	Amount outstanding at 31.12.2021	Target 31.12.2021	2021/22 Target	The arrears outstanding have reduced to below the target level for the end of December. They are higher than at the same time last year but we are working with council tax payers struggling to pay and will continue to monitor this closely.
Q3	£2,324,524	£2,500,000	£2,300,000	
Comparison with 2020/21	As at 31.12.2020		Amount o/s 31.03.2021	
	£2,079,840		£1,849,396	

Business Rates 2021/22

Current Year Charges - 2021/22				
Monitoring Period	% Collected at 31.12.2021	Target 31.12.2021	2021/22 Target	The collection rate for the end of December is above the target.
Q3	79.80%	77.60%	93.00%	
Comparison with 2020/21	31.12.2020		% Collected 31.03.2021	
	77.58%		90.72%	

Previous Year Arrears Outstanding in 2021/22				
Monitoring Period	Amount outstanding at 31.12.2021	Target 31.12.2021	2021/22 Target	The arrears outstanding have not quite reduced to the target level for the end of December. They are higher than at the same time last year but we are working with business ratepayers that are struggling to pay
Q3	£1,366,808	£1,350,000	£1,000,000	
Comparison with 2020/21	Amount outstanding at 31.12.2020		Amount outstanding at 31.03.2021	
	£1,022,456		£714,019	

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Appendix 3 - The Capital Programme

Directorate / Scheme	Scheme Description	Original Budget 2021/22 £	Revised Budget 2021/22 £	Forecast Outturn 2021/22 £	Forecast Budget 2022/23 £	Forecast Budget 2023/24 £	Forecast Budget 2024/25 £	Forecast Budget 2025/26 £
<u>FINANCE & ASSET MANAGEMENT</u> Property Services								
	Gloucestershire Airport Limited	Runway repairs	7,250,000	7,250,000	3,930,000	3,575,000	-	-
	Minster Innovation Exchange	20,000 sq ft purpose-built commercial space adjacent to the Minster	4,338,906	5,325,445	5,325,445	-	-	-
	Investment in regeneration and economic recovery	To investment in projects that will support the recovery of the town post pandemic	6,232,410	6,232,410	-	-	-	-
	West Cheltenham development (Cyber Hub)	Infrastructure to support cyber hub	4,647,966	4,647,966	-	-	-	-
	Electric Vehicle Charging Points		-	-	-	75,000	-	-
	Smart Working Project	Municipal Offices ground and first floor refurbishment	270,000	270,000	-	-	-	-
	Sandford Park toilets	Provide for new public toilet provision at Sandford Park. £150k	150,000	150,000	-	150,000	-	-
<u>PEOPLE & CHANGE</u> ICT	Clarence Fountain	Refurbishing the Clarence Fountain area in line with Green Economic Recovery and Investment strategy outlined in the 2020/21 outturn report.	-	-	85,000	-	-	-
	Montpellier Toilets	To improve public toilet provision in the town.	-	-	-	100,000	-	-
	Imperial Gardens Railing Restoration	The restoration of the Imperial Gardens Railing to be funded by external resources and project managed by CBC. £100k	100,000	100,000	50,000	50,000.00	-	-
			22,989,282	23,975,821	9,390,445	3,950,000	-	-
<u>PLACE & GROWTH</u>								
<u>Waste & Recycling</u>								
TOTAL CAPITAL PROGRAMME								
Other Revenue Reserves								
Capital Reserve								
General Fund Capital Receipts								
Prudential Borrowing								
Partner Funding								
Capital Grant or Contribution								
Better Care Fund								
s106 Funding								
Other Revenue Reserves								
Total								

Funded by:							
General Fund Capital Receipts	1,808,616	1,808,616	1,115,851	1,684,714	-		
Capital Reserve	500,000	500,000	50,000	250,349	100,000		
Prudential Borrowing	26,151,282	27,137,821	7,292,389	9,509,925	5,800,000	4,500,000	
Partner Funding	1,008,185	1,008,185	634,000	50,000			
Capital Grant or Contribution	3,496,600	3,496,600	3,330,445	465,185			
Better Care Fund	621,600	621,600	518,400	724,800	518,400	518,400	518,400
s106 Funding	302,746	302,746	-	302,746			
Other Revenue Reserves	564,300	564,300					
Total	34,453,329	35,439,868	12,941,085	12,987,719	6,418,400	5,018,400	518,400

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