



CHELTENHAM

BOROUGH COUNCIL

Notice of a meeting of Council

Monday, 21 February 2022
2.30 pm
Council Chamber - Municipal Offices

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

Agenda

1.	APOLOGIES	
2.	DECLARATIONS OF INTEREST	
3.	MINUTES OF THE LAST MEETING Minutes of the meeting held on 6 December 2021	(Pages 3 - 20)
4.	COMMUNICATIONS BY THE MAYOR	
5.	COMMUNICATIONS BY THE LEADER OF THE COUNCIL	
6.	TO RECEIVE PETITIONS	
7.	PUBLIC QUESTIONS These must be received no later than 12 noon on Monday 14 February 2022	
8.	MEMBER QUESTIONS These must be received no later than 12 noon on Monday 14 February 2022	
9.	ASSET MANAGEMENT STRATEGY 2022/23 - 2026/27 Report of the Cabinet Member Finance	(Pages 21 - 42)

10.	FUTURE PROVISION OF EXTERNAL AUDIT FROM 2023/24 Report of the Cabinet Member Finance	(Pages 43 - 48)
11.	HOUSING REVENUE ACCOUNT - REVISED FORECAST 2021/22 AND BUDGET PROPOSALS 2022/23 Report of the Cabinet Member Finance	(Pages 49 - 86)
12.	FINAL GENERAL FUND REVENUE AND CAPITAL BUDGET PROPOSALS 2023 Report of the Cabinet Member Finance	(Pages 87 - 174)
13.	COUNCIL TAX RESOLUTION 2022-23 Report of the Cabinet Member Finance **Please note the figures are subject to County Council approval on 16 February 2022**	(Pages 175 - 182)
14.	GAMBLING ACT 2005 STATEMENT OF PRINCIPLES Report of the Cabinet Member Customer & Regulatory Services	(Pages 183 - 224)
15.	CLIMATE CHANGE MITIGATION PATHWAY AND STRATEGY Report of the Cabinet Member Climate Emergency	(Pages 225 - 280)
16.	ORDER OF PRECEDENCE Report of the Chief Executive	(Pages 281 - 288)
17.	NOTICES OF MOTION	
18.	ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION	

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

Gareth Edmundson
Chief Executive

Council

Monday, 6th December, 2021

2.30 - 4.20 pm

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

Minutes

1. APOLOGIES

Apologies were received from Councillors Baker, Barnes, Brownsteen, Hegenbarth and McCloskey

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

**3. MINUTES OF THE LAST MEETING
RESOLVED THAT**

The minutes of the meeting held on 18 October be approved and signed as a correct record.

4. COMMUNICATIONS BY THE MAYOR

The Mayor paid tribute to Susie Starling, former Councillor for the Lansdown ward, who had recently passed away.

As important recognition of the Srebrenica genocide he invited Members to take a memorial stone.

He wished to put on record his thanks to Members, officers and volunteers who had prepared Christmas gift bags for children living in poverty in the town as part of the No Child Left Behind (NCLB) initiative. He informed that the NCLB awards would take place in January for which he had been involved in shortlisting.

Finally, he wished to thank all Members and Officers who had assisted him as Chair of Council and Mayor this year. He gave particular thanks in advance to all those who would be working over the Christmas workers as essential workers, or on call.

5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader reported that a CBC and CBH joint venture called Vivid Living had delivered the first thirteen properties for the private sector rental market as part of the councils commitment to invest £180 million in new homes which included the private rented sector market place.

In the context of the declared climate emergency, the Leader informed that the Cabinet has decided to switch its environmental fleet away from traditional oil-based diesel to biodiesel - certified palm oil free hydro treated vegetable oil. Switching to biodiesel should reduce associated CO2 emissions by up to 90%. She added that electric charging points had already been installed at the council's depot for lighter vehicles and two electric vans would replace diesel within the next couple of months. Emerging options for heavier vehicles were under constant review on the journey towards carbon neutrality.

As part of the Town of Sanctuary initiative to support people desperately fleeing Afghanistan it was anticipated that approximately 10 households would be provided with accommodation within the borough.

The Leader referred to the recent concerns expressed by councillor colleagues on behalf of residents relating to the current pressures within the NHS and care sector. She informed that as part of her wider role on the network of South West Councils, District Council's and the LGA she had given her full support to a joint letter from the region setting out collective concerns to the Secretary of State on the pressures within the Health and Care services. In addition, she reported that the Chief Executive had also been engaging with senior civil servants and had relayed the concerns of members of this Council, this includes highlighting the recent Overview and Scrutiny Committee meeting which was attended by Gloucestershire's NHS Trust. She wished to put on record her thanks to the senior representatives of the health service for attending that meeting and for providing members with detailed responses to their questions.

One key message she wished to highlight was the scale of the challenge that our current health and care sector faced as we moved further into what is likely to be an extremely challenging winter.

She referred to a recent study illustrating that the NHS and Care sector was facing over a quarter of a million vacancies at a time when they were needed most.

Recognising that Covid represented an added pressure, the situation was unsustainable and a much more fundamental review of our health and care services was required, including better investment, and pay, if we are to genuinely tackle the problem.

Finally, the Leader expressed her thanks to all CBC staff and our partners, in particular the UBICO teams who will be working over Christmas, and those staff who will be on duty in case of emergencies.

6. TO RECEIVE PETITIONS

There were none.

7. PUBLIC QUESTIONS

There were none.

8. MEMBER QUESTIONS

1.	Question from Councillor John Payne to the Cabinet Member Culture, Wellbeing and Business, Councillor Victoria Atherstone
	The council's decision to fund the provision of the ice rink on Imperial Gardens as part of an initiative to encourage increased footfall over the Christmas period is welcome but with reservations. The ice rink is being powered by one of two very large diesel generators. How does the Cabinet Member justify one of the most polluting sources of energy generation in the centre of a town that has declared a climate emergency?
	Response from Cabinet Member
	<p>Thank you for the question Cllr Payne. The use of a diesel generator as the main power source of the ice rink is an unavoidable consequence of there being an insufficient supply of mains electrical power to Imperial Gardens to maintain the rink. This is not a new scenario however and frequently necessitates the use of ancillary power units/generators in Imperial Gardens for many of the larger events and festivals that take place here (as is also the case in Montpellier Gardens).</p> <p>The need for upgraded infrastructure at these sites– and others in Cheltenham – coupled with new innovations in energy sources and fuel types was identified in the Council's interim Events Strategy (published last year). This is currently being actively explored therefore with potential solutions being identified as part of our climate change agenda and a more sustainable approach to events in the town.</p> <p>Over the 6 weeks of the ice rink's operation, we expect to welcome upwards of 30,000 skaters to enjoy this event in Cheltenham (with the additional spend within the town centre as a consequence). Whilst we cannot suggest of course that each and every one of these would have travelled elsewhere to enjoy the distinctive festive experience of a Christmas ice rink (Gloucester or Malvern being the closest), had Cheltenham's ice rink not gone ahead, it is not unreasonable to assume that a proportion of this number will have made a far longer journey to visit one of these other rinks with the consequent emissions and impact from these journeys.</p>
	Supplementary question
	There does not appear to have been any impact assessment of the generators, which have high diesel consumption. Will this be addressed, and when will the results be available?
	Response from Cabinet Member
	I am working closely with the Cabinet Member Climate Emergency on this, including a meeting last week on the events strategy which highlighted the importance of addressing the impact of generators and seeking suitable alternatives like biofuel. The new events strategy will align with the new culture strategy, which is due in early 2022. I agree that we need to move away from using diesel generators.
2.	Question from Councillor Diggory Seacome to the Cabinet Member Culture, Wellbeing and Business, Councillor Victoria Atherstone
	Can the Cabinet Member justify the generators for the Imperial Square Ice Rink, given that they are run on diesel fuel, and also given that they are producing a permanent hum which is preventing residents in the Square from sleeping?

	<p>Response from Cabinet Member</p> <p>Thank you for the question Cllr Seacome. In line with the earlier response to Cllr Payne, due to their being an insufficient supply of mains electrical power to Imperial Gardens, as with many temporary events that take place in our town centre parks and which are enjoyed by so many all year round, the use of a diesel generator is currently the only way of providing sufficient power to such events on these sites. The use of a generator was set out in the planning application which received unanimous approval at the Planning Committee on 14 October 2021.</p> <p>The low frequency resonance from the generator is the subject of targeted and ongoing mitigation actions in line with advice from a specialist acoustic consultant and our Council Environmental Health colleagues. A number of incremental steps continue to be taken on-site alongside the ice rink operator, with demonstrable improvements to this low frequency issue already having been implemented. Additional measures and testing is underway and all parties are committed to resolving the situation as swiftly and effectively as possible.</p>
	<p>Supplementary question</p> <p>The rink has been up for two and a half weeks now, and the noise pollution is still significant. How is this being addressed?</p>
	<p>Response from Cabinet Member</p> <p>We are looking at 6 different potential measures to reduce the noise and vibrations, some of which have already been implemented, resulting in an 11-decibel reduction. The noise levels were assessed by acoustic engineers before the ice rink was up and they confirmed that these generators would have a relatively low impact. An alternative generator is being looked at, as is potentially relocating one of the generators to reduce its impact.</p>
3.	<p>Question from Councillor Chris Mason to the Cabinet Member Culture, Wellbeing and Business, Councillor Victoria Atherstone</p> <p>At a recent O&S Committee meeting the Head of Planning confirmed that residents were important stakeholders when considering a planning application and that no other stakeholder carried more sway. With regard to the Ice Rink's planning application does the cabinet member agree that the acoustic report was flawed? If so, how could the committee fairly consider the application from the residents' viewpoint?</p>
	<p>Response from Cabinet Member</p> <p>Thank you Councillor Mason, you are correct that residents are important stakeholders in the planning process.</p> <p>The commissioning of an acoustic report was a condition of the Planning Committee's approval. In line with this condition, the report was commissioned and completed prior to the installation of the generator. The consultant's submitted report was formulated in accordance with the relevant BS 4142 (British Standard) with valid data and mitigation measures identified. The report and noise impact assessment concluded that the running of the generator would result in a conclusion of low impact. Upon approval by both Environmental Health and Planning, this condition was therefore discharged.</p> <p>Since operation of the ice rink has commenced, the council has been engaged with</p>

	<p>residents and working closely with the ice rink operator, engineers from the company supplying the generators and the acoustic consultant to find the right solution to address current concerns that relate to the existence of a very low frequency resonance emanating from the generator. A number of mitigations that have been implemented so far have significantly improved the situation and further measures are currently being implemented in line with the acoustic consultant's latest recommendations.</p> <p>Planning Committee had available to them the relevant information to assess the planning application, this included the views of residents and the detail regarding noise, section 6 of the officers report sets this out https://publicaccess.cheltenham.gov.uk/online-applications/files/252327832D282926656E84ABED99A77D/pdf/21_01856_FUL-OFFICER_REPORT-1198775.pdf. The debate at planning committee on 14th October 2021 included review of residents concerns https://democracy.cheltenham.gov.uk/documents/g3299/Printed%20minutes%2014th-Oct-2021%2014.30%20Planning%20Committee.pdf?T=1.</p> <p>We are continuing to work collectively to improve matters further and will continue our dialogue with yourself and Cllr Seacome to share our progress towards an acceptable resolution.</p>
Supplementary question	
	<p>Do you accept that the wrong generators were put in place, and that they are causing harm?</p>
Response from Cabinet Member	
	<p>I don't accept that the wrong ones were used – they were assessed at the time and confirmed to be low impact by British standards. Since then we have learned that the placement of the generator is significant, and going forward we will take this into account in order to mitigate the impact on residents.</p>
4.	Question from Councillor Chris Mason to the Cabinet Member Culture, Wellbeing and Business, Councillor Victoria Atherstone
	<p>Prior to the Ice Rink's planning application a meeting was held with local residents and officers from Cheltenham BID and Marketing Cheltenham. At this meeting the residents were promised quiet generators. Given the number of complaints from residents do you agree that the Council has failed to meet this promise?</p>
Response from Cabinet Member	
	<p>Again, thank you for your question Cllr Mason. As with the earlier response, in line with the planning condition attached to the Planning Committee's approval on 14th October 2021, the Council has sought professional advice from a specialist acoustic consultant on the use of a generator to power the ice rink. The resulting noise impact assessment advised that the generator would result in a conclusion of low impact – which is consistent with the information provided by officers at the meeting with local residents to which you refer.</p> <p>Having undertaken a further assessment following the installation and running of the generator, the presence of a particularly low frequency tonal characteristic was recorded, which has been found to be the primary cause for complaint. The Council is now acting on and implementing the acoustic consultant's recommendations in order to mitigate this issue.</p>

	Supplementary question
	Diesel generators have been a recurring issue for many years, long before the Cabinet Member's time. Residents are uncomfortable with the constant noise, and some are having to buy earplugs. The council needs to address this more proactively as it is causing harm. Will the Cabinet Member apologise to residents of Imperial Square?
	Response from Cabinet Member
	Yes, I apologise to residents of Imperial Square for the issues they are facing. The problems are being addressed and we will ensure that we learn lessons from this when it comes to future events in our parks.
5.	Question from Councillor Tim Harman to the Cabinet Member Waste, Recycling and Street Services, Councillor Iain Dobie
	Recently Councillor Baker arranged a meeting between Park/College Ward Councillors and representatives of Bath Road traders. There was broad agreement that the condition of the Bath Road toilets was poor and that the Council should be asked both to retain the facility and to make significant improvements. Will the Cabinet Member agree to include in the budget for the 202/23 financial provision for improvements?
	Response from Cabinet Member
	The capital programme in the draft budget proposal will be available for consultation from 22 December 2021. There are currently no plans to include the Bath Road toilets in the capital programme for 2022/23. Property Services have been notified of your concerns and will be carrying out a site visit to the toilets before Christmas to determine whether any reactive repairs work is required. There was a review on the provision of public conveniences as Cllr Harman will I am sure recall, this was a paper that was brought forward pre pandemic it is absolutely right that we revisit this paper across all of the facilities and I will keep members informed.
	Supplementary question
	It is a shame that we can't include something in the forthcoming Cabinet program. Can the Cabinet Member let me know the outcome of his upcoming visit, as it is an important asset? The British Toilet Association cites access to clean, hygienic toilets is important to public wellbeing, and this is a busy area. Will he take this into account?
	Response from Cabinet Member
	Yes, I will feed back on the results of my visit. Public toilets are a genuinely important part of my portfolio, and we must maintain and improve upon our current provision. They are not a glamorous subject but matter hugely to the town, especially for people with disabilities.
6.	Question from Councillor Tim Harman to the Cabinet Member Waste, Recycling and Street Services, Councillor Iain Dobie
	On 7 th December last year the Cabinet Member replied to a question from me about plans to install electric vehicle charging points into the Bath Road Car Park and others. As we approach the first anniversary of my question and his reply can he update Council on progress and possibly give target dates for installation

	Response from Cabinet Member
	As Council are aware, our focus over the last 12 months has been to support and manage the response to the COVID-19 pandemic in Cheltenham. As we emerge from the pandemic, focus is now turning to how we can adapt to support the town's longer term economic recovery. As part of our recovery strategy, we are currently considering the installation of off-street EV charging points. In assessing potential locations we need to consider factors such as electricity provision, current car parking capacity, planning restrictions and surrounding facilities. Bath Road car park is one of 14 car parks operated by the Council which will be assessed to determine where would be the most appropriate location.
7.	Question from Councillor Louis Savage to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood
	Could the Cabinet Member please update members on his discussions with Cheltenham's taxi drivers in relation to the implementation of the WAV policy, as discussed at Council in June?
	Response from Cabinet Member
	<p>I thank Councillor Savage for his question and welcome the opportunity it gives me to update council.</p> <p>Several meetings were held with the licensed taxi trade following the Council meeting in June. I met with the Taxi Drivers Association, operators and individual drivers twice in June, in August and most recently in November.</p> <p>Separate meetings were also had with the Cheltenham Access Forum on a number of occasions.</p> <p>During these meetings, it became clear that the deadline of 31 December 2021 for all hackney cab vehicles to become wheelchair accessible was not compatible with our ambition to achieve net zero greenhouse gas emissions by 2030 as it would require many new diesel vehicle purchases.</p> <p>It was also obvious that many drivers were genuinely facing financial difficulty in the wake of the pandemic.</p> <p>Given the imminent decisions to purchase that drivers were having to make on council advice, it then became clear that to maintain the 31 December deadline would not be right, so an urgent decision was taken by the leader and chief executive in September to lift this deadline, while I announced our ambition to move to a new policy that achieved both 100% wheelchair accessibility and net zero by 2030. I am pleased that representatives of both the Access Forum and the Cheltenham Taxi Drivers Association welcomed this announcement.</p> <p>I also want to thank the Taxi Drivers Association and the Cheltenham Access Forum for taking the time to meet with me.</p>
8.	Question from Councillor Louis Savage to the Cabinet Member Cabinet Member Waste, Recycling and Street Services, Councillor Iain Dobie
	Could the Cabinet Member please provide an update on leaf-clearance efforts undertaken by CBC and its partner organisations? Specifically, residents have raised concerns in relation to uncleared pavements and potentially blocked drains in

	<p>Beaufort Road/Oak Avenue, an area which is at risk of flooding. If plans are not in place for urgent leaf clearance in this area, can this please be prioritised?</p>
<p>Response from Cabinet Member</p>	
	<p>Every year Cheltenham's leaf clearance, supporting flood alleviation, commences early autumn across the borough and concludes at the end of winter. Our prioritisation plan focuses on the areas highlighted below before moving into other residential areas. Ubico monitor the Met Office weather warnings and target known flood risk areas when appropriate. I am pleased to say that all these details are available on the Council's website, for both members and the public.</p> <ul style="list-style-type: none"> • Main routes in and out of Cheltenham • Hospital entrances and nearby pathways • Train and bus station entrances and nearby pathways • Outside schools and care homes • High footfall areas i.e. town centre, shop fronts • Areas known as high flood risks <p>I imagine you will all understand that our Ubico crews are in high demand during the Autumn and they will endeavour to clear leaf fall as efficiently as possible. I would urge the public to be patient as leaves are cleared as quickly as possible but please do report higher levels of leaf fall to customer services for prioritisation.</p> <ul style="list-style-type: none"> • I can confirm that Beaufort Road/Oak Avenue were mechanically swept week commencing 8/11/21 where access could be gained. Some parts could not be accessed due to parked cars. Manual leafing crews have been operating in the area since the beginning of October. • A Ubico supervisor checked the area on the morning of 3 December and reported back that cleansing standards were considered good with very little leafing identified and minimal detritus. The only stretch of road which required some remedial works was Charlton Court Road by the garage site (Flood Hotspot), this road channel was then scheduled for clearance on the afternoon of 3 December. • Ubico and GCC Highways have been working more closely together and have developed a more robust cleansing service in known hotspot areas. The locations where these joint deep cleansing works have taken place so far this year are as follows: <ul style="list-style-type: none"> • 12/04/21 – Orrisdale Terrace • 13/04/21 – College Rd (Part) • 14/04/21 – Suffolk Sq • 15/04/21 – Lyefield Rd E

	<ul style="list-style-type: none"> • 200/4/21 – Montpellier Terrace (Part) • 02/06/21 – Roman Road • 09/07/21 – Naunton Lane Cycle Path • 15/07/21 – Pilley Lane & Pilley Crescent • 21/07/21 – Montpellier Spa Road • 12/08/21 – Asquith Rd & Churchill Rd • 16/09/21 – Church Road (Leck) • 19/10/21 – Upper Park St • 19/11/21 – Moorend Pk Rd (Part)
9.	Question from Councillor Louis Savage to the Cabinet Member Culture, Wellbeing and Business, Councillor Victoria Atherstone
	Could the Cabinet Member please confirm that all restrictions imposed on children's parks and play facilities owned/operated by CBC have been lifted? Specifically, can she confirm that all swings/play equipment removed in order to facilitate social distancing requirements have been reinstated?
	Response from Cabinet Member
	Current government guidance (November 22 nd 2021) covering public outdoor spaces and play areas still recommends the encouragement of cleaning and hygiene therefore play area signage previously installed has been left in place to reflect this. Social distancing came to an end of July 19 th 2021, and therefore swing seats that had been removed to facilitate this have been reinstated.
	Supplementary question
	I am pleased that these have been reinstated. This question was originally submitted to the last Council meeting, when they had not, but missed the deadline. I hope that the failure of decision-makers to fully understand the impact of lockdown measures on children is not forgotten. Restricting play areas for children had a disproportionate impact on their physical and mental wellbeing, particularly those from disadvantaged backgrounds.
	Response from Cabinet Member
	Some equipment may be removed for maintenance and safety reasons now and then but to my knowledge, everything is now reopened. I would be happy to investigate further if the member can point to a particular example.
10.	Question from Councillor Richard Pineger to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood
	Noise pollution is a menace and a health problem for our communities. Particularly where we have high density housing like Benhall Gardens, Wasley Road, Monkscroft, beside the A40 and Cowper Road, Australia House, Hobart House and others beside PE way. I know of people in those blocks who are badly affected by the constant sound of thrashing engines, loud exhausts, and, since Cheltenham A&E closed, constant sirens from the emergency services. In addition to this, on the 27-29

	<p>October, for M5 maintenance, a constant stream of trucks with squealing brakes and honking horns ran right through the night, 3, 4, 5 am, denying our roadside residents 3 nights of sleep.</p> <p>Noise divides our communities, what options do we have as a council to work with GCC towards a reduction in road traffic noise and which other groups can we work with to deter the main polluters; motorbikes, trucks and performance-tuned cars?</p>
	<p>Response from Cabinet Member</p>
	<p>I share Cllr Pineger's concerns about noise pollution from vehicles and the health impact which this can have on those communities in closest proximity.</p> <p>We have limited powers as a district authority to deal with noise from routine traffic on existing roads. However, the powers we do have include:</p> <ul style="list-style-type: none"> • Requiring suitable fenestration (windows) through the planning system for new, or amended, residential property affected by traffic noise. • Statutory nuisance powers relating to noise can include action on specific items on the street (such as heavy plant used for road works), but cannot be applied to general road traffic. • The Police can use Section 59 of the Police Reform Act 2002 to seize vehicles being used to cause anti-social behaviour, including through modified noisy exhausts, or loud stereo systems. They can also investigate the use of vehicle horns outside limited hours (you're not supposed to sound your horn on any 'restricted road' between the hours of 11.30pm and 7am). <p>Many of the discussions we are having with GCC, for instance through the JCS process and in relation to our air quality strategy, focus on reducing traffic levels and in particular, the most polluting vehicles, which would have the added benefit of reducing noise pollution as well.</p> <p>There is obviously the potential to add further pressure on GCC, through joint working with many organisations and community groups, including environmental organisations like Vision 21 and Clean Air Cheltenham.</p>
	<p>Supplementary question</p>
	<p>The major source of noise in the town is from road traffic. Is there anything more that CBC can do to put pressure on the highways authority to reduce this noise?</p>
	<p>Response from Cabinet Member</p>
	<p>I agree that traffic is the major source of noise pollution and that we must influence that however we can. We can work with local organisations like Clean Air Cheltenham and exert political pressure where possible. I am working closely with the Cabinet Member Climate Emergency, since reducing air pollution and noise pollution go hand in hand. We will need a different attitude to mass transit from the county council before we will see genuine change.</p>
11.	<p>Question from Councillor Emma Nelson to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood</p>
	<p>How many planning approvals are currently outstanding which are over and above the appropriate statutory limits of 8, 10, 13 or 16 weeks? What local KPIs are in place to ensure these limits are met?</p>

	How does Cheltenham compare to similar LPAs with regards to performance, particularly on application approval times?																																
Response from Cabinet Member																																	
	<p>Councillor Nelson the data as requested is as follows for applications outside the determinations dates:</p> <p>8 weeks – 34 applications 13 weeks – 3 applications 16 weeks – 1 application which is currently subject to a non-determination appeal.</p> <p>The Planning service performance over the most recently published quarter 2021 Q2, benchmarked against neighbouring authorities, is as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Decisions</th> <th>% Granted</th> <th>% Determined in Time</th> </tr> </thead> <tbody> <tr> <td>Cheltenham</td> <td>432</td> <td>97</td> <td>93</td> </tr> <tr> <td>Gloucester</td> <td>199</td> <td>90</td> <td>92</td> </tr> <tr> <td>Tewksbury</td> <td>225</td> <td>92</td> <td>72</td> </tr> <tr> <td>Cotswold</td> <td>476</td> <td>97</td> <td>59</td> </tr> <tr> <td>Stroud</td> <td>457</td> <td>90</td> <td>94</td> </tr> <tr> <td>South West</td> <td>13,705</td> <td>92</td> <td>86</td> </tr> <tr> <td>England</td> <td>111,705</td> <td>89</td> <td>86</td> </tr> </tbody> </table>		Total Decisions	% Granted	% Determined in Time	Cheltenham	432	97	93	Gloucester	199	90	92	Tewksbury	225	92	72	Cotswold	476	97	59	Stroud	457	90	94	South West	13,705	92	86	England	111,705	89	86
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	Presumably, two of the three applications outside the determination date are Newland Homes (22 homes, 4 months overdue) and Miller Homes (350 homes, more than a year overdue). To what extent have these delays, as well as the delay to the third application which I do not have details on, contributed to the drastic decline in the 5 year housing supply from 5.6 years in December 2017 to 3.7 years today? What steps are being taken to ensure we are not taken to appeal by any of these three?																																
Response from Cabinet Member																																	
	Our Planning team achieve an on-time determination rate of 93%, which is the best in Gloucestershire and 20% higher than at Tewkesbury. Some applications do take longer, but these are the ones on which there is extensive pre-engagement, including working with parish councils and county councils. This is an essential part of the process, which for example has led to Miller Homes agreeing to fit a number of electric car charging points, and solar panels on 146 properties. If this had been rushed through, these conditions would not have been applied. We have an outstanding determination rate, but some complex applications naturally take longer. These examples do not affect the housing supply as they are on identified land.																																
12.	Question from Councillor Emma Nelson to the Cabinet Member Customer and Regulatory Services, Councillor Martin Horwood																																
	<p>What is the staff turnover rate for planning officers in the last year and how does this compare to the previous 5 years?</p> <p>How are reasons for staff turnover investigated, for example through exit interviews?</p> <p>What staff retention methods are in place, for example, reward schemes, employee engagement, and health and well-being initiatives?</p>																																

	Response from Cabinet Member
	<p>Thank you Councillor Nelson for your question. There are 16 employees in the planning team, 6 people have left in the last 5 years. There have been two leavers in 2021, which would represent an annual turnover rate of 12.5%. The average employee turnover rate in the UK is around 15%. Any employee leaving the Council will be invited to complete an exit interview questionnaire. A member of the HR team will follow up with a telephone call to discuss and further investigate reasons for leaving. The results are then fed back to the line manager and escalated where necessary.</p> <p>Cheltenham Borough Council conducted a wellbeing survey in April 2021 which attracted an 85% response rate, demonstrating that employees are engaged and interested. 90% of respondents rated their personal wellbeing as okay, good or very good.</p> <p>The Council deliver a range of employee wellbeing initiatives, discounts and engagement opportunities throughout the year alongside the reward package attached to being a Council employee such as a generous holiday entitlement, excellent pension scheme, cycle to work scheme, flexible working environment and employee welfare service.</p>
	Supplementary question
	<p>It is reassuring to hear that the staff turnover rate is below the national average, and of the wellbeing initiatives being offered. Have the two vacancies arising this year been filled, and if not, at what stage in the recruitment process are we?</p>
	Response from Cabinet Member
	<p>I cannot answer this without the information to hand, but I will find out and contact Cllr. Nelson outside of the meeting.</p>

9. COUNCIL TAX SUPPORT SCHEME 2022/23

The Cabinet Member Finance introduced the report and explained that each year since 2013 the council has been required to set its local council tax support scheme for working age residents. Council tax support for pensioners was not localised and continued to be provided for by a national scheme.

The cost of the scheme is funded by this council and the precepting authorities in proportion to the share of council tax. Funding for the scheme was initially cut by 10% in 2013/4 then was rolled into revenue support grant and subject to annual cuts. As this Council no longer receives revenue support grant it must fund its share of the cost of the scheme.

Despite the reduction in funding this council continued to provide the same level of support to working age residents that was available under the former council tax benefit scheme. By 2018/19 CBC was one of only 36 councils that hadn't made changes to their scheme to reduce the cost.

In 2019/20 a new scheme was approved. One of the main aims was to ensure that the most vulnerable and those with the lowest incomes continued to receive 100% support. The scheme is based on 5 income bands with the highest band

providing support at 100% of the council tax liability, then reducing to 80%, 60%, 40% and 20% as household income increases.

In the first year of the scheme the overall costs reduced and the most vulnerable and those with the lowest incomes were protected. Due to the impact of Covid the caseload for working age people increased significantly in 2020/21 and was up by 25% in April 2021. The Cabinet outlined the following :

1st March 2020

3,984 recipients cost £3.3million

1st April 2021

4,988 recipients cost £4.7million

31 October 2021

4,839 recipients cost £4.5million (Later point than figures in the report)

Despite the increase in the number of working age residents who require assistance, the council continued to provide 100% support to the most vulnerable and those with the lowest incomes. During 2021/22 the income bands were increased so that residents benefitting from the £20 Universal Credit uplift would not be penalised because of this additional income. For 2022/23 the income bands are being maintained and will remain at the higher level. This will benefit residents if they choose to take on extra work as a result of losing the £20 uplift.

The Cabinet Member explained that although the number of working age residents receiving council tax support was now reducing it was anticipated that it will continue to reduce slowly. The caseload in 2022/23 is expected to remain higher than at pre-pandemic levels. Many people are still recovering financially from the effects of the pandemic and the scheme will provide the vital help they need during 2022/23.

He wished to put on record his thanks to all the officers in the revenue and benefits teams for what has been an extraordinary amount of work during the last 12 months supporting residents in the town.

The following responses were given to Member questions :

- The total amount of council tax support was not currently fluctuating to any great degree despite changes as claimants moved back into work for example
- The council has discretion on what council tax support is provided
- The Cabinet Member Finance undertook to respond at a later date on the financial impact on the council of the universal credit uplift due to the detail required to work out the margin.

In the debate that followed a Member welcomed the fact that the council provided this discretionary support, expressing disappointment that this was not funded nationally to ensure people were treated equally. There was significant poverty in working-age families not just in Cheltenham but nationwide and this

should be considered from a communities point of view, rather than just financially.

RESOLVED (unanimously) that

- 1) the council tax support scheme for 2022/23 for working age customers in Appendix 2 and summarised in Appendix 3 be approved.**
- 2) authority be delegated to the Executive Director for Finance and Assets in consultation with the Cabinet Member Finance and Assets to uprate income levels in line with any increase in Welfare Benefits by 21 February 2022, if required**

10. TREASURY MID-TERM REPORT 2021/22

The Cabinet Member Finance introduced the report which formed part of the council's annual financial monitoring. The report has been reviewed and scrutinised by the Treasury Management Panel which recommends to Council that the comments are noted.

He reflected that following 10 years of austerity and a commitment to fund discretionary services such as leisure and culture, the Council had looked to commercialise its operations wherever possible. With the cost of services at £22m and income from taxation and grants equalling £14m, the void of £8m had to be filled through trading and investment income.

The Cabinet Member highlighted that it was critical to get the right balance between social, environmental, and financial factors and to not lose sight of the fact that the treasury portfolio was diversified to maximise the return to ensure that the £7m costs associated with discretionary services such as leisure and culture could be maintained.

He brought Members' attention to the fact that exposure to gas and oil investments currently stood at £280k. This was part of the Schroder Income Fund and made up 4% of the £7m invested in Pooled Funds. Given the council's current climate priorities he assured Council that steps were being taken to ensure our investments are contributing to our goals and the council's climate commitment. He explained that this investment was part of a £2m pooled fund taken out in 2018 before the climate emergency was declared in Cheltenham. On advice from our treasury advisors, the investment was made for 5-7 years which should provide a long-term return with annual dividend income to support the general fund. He also noted that it was also an equity pooled fund which are very sensitive to changes in the money markets. When there is a significant downturn in the market, for example in the first lockdown, the investment can lose value. The capital value of this fund fell at this time but has recovered some of its lost value and at the end of October it was valued just over £1.5m.

The Cabinet Member expressed the council's commitment longer term to reduce investment in oil and gas but this needed to be balanced with ensuring we are making the right financial decisions to safeguard our residents,

businesses, and communities. The performance of this fund would continue to be closely monitored and when it is financially prudent to do so, the climate implications of how we invest this money in the future would be considered.

Finally, the Cabinet Member Finance explained that treasury management activity continued to perform well, and he wished to thank Officers and Members of the Treasury Management Panel for their work and support in this area.

In response to Member questions the following responses were given :

- The Treasury Management Panel was always looking at the route towards a policy of divestment from particular investments and work was currently ongoing on a broader treasury management policy into which TMP would input.
- Investments in fossil fuels were made prior to the council's commitments, but they should not happen in the future.

In the debate that followed the Cabinet Member was thanked for this impressive work within the national context; a stable budget and the debt situation was a real achievement.

RESOLVED THAT

the contents of the summary report of the treasury management activity during the first six months of 2021/22 be noted.

11. PROCESS FOR DETERMINING ANY APPLICATIONS AND APPEALS FOR THE PAYMENT OF DISCRETIONARY AWARDS (UNDER THE LOCAL GOVERNMENT (DISCRETIONARY PAYMENTS) (INJURY ALLOWANCES) REGULATIONS 2011 OR SUBSEQUENT LEGISLATION)

The Chief Executive introduced the report as Head of Paid Service, emphasising the council's commitment to supporting the wellbeing of its employees. There were rare occasions where injury or illness occurred while at work, and this report related to discretionary awards in these cases. There was a statutory requirement to have a policy in place to assist with the determination of these cases when they arise.

The following responses were given to Member questions by the Legal Officer /Chief Executive:

- It was good practice and now a statutory requirement to have a policy in place
- It related to both mental wellbeing and physical injury
- The trade unions had been consulted on the draft policy and had not raised any particular concerns
- The regulations worked independently and if allowances were paid they were on a no fault basis The allowance was limited to employees of the local government pension scheme-Members were excluded

- The report aimed to put a fair process in place, with the priority being the health and wellbeing of employees

RESOLVED (unanimously) THAT

1. **authority be delegated to Directors (in consultation with Human Resources) to determine applications (including any review of the amount payable) under the 1996 Regulations and/or 2011 Regulations (or subsequent regulations) made by those employees on NJC terms and conditions**
2. **authority be delegated to Executive Directors and/or the Head of Paid Service, Monitoring Officer or Section 151 Officer (in consultation with Human Resources) to determine internal appeals under the 2011 Regulations (or subsequent regulations) made by employees on the NJC terms and conditions**
3. **authority be delegated to Executive Directors and/or the Head of Paid Service, Monitoring Officer or Section 151 Officer (in consultation with Human Resources) to determine applications (including any review of the amount payable) under the 1996 Regulations and/or 2011 Regulations (or subsequent regulations) made by employees on JNC terms and conditions**
4. **authority be delegated to Executive Directors and/or the Head of Paid Service, Monitoring Officer or Section 151 Officer (in consultation with Human Resources) to determine internal appeals under the 2011 Regulations (or subsequent regulations) made by employees on the JNC terms and conditions**
5. **In the case of an internal appeal under the 2011 Regulations (or subsequent regulations) where there is no officer who is able to determine an internal appeal, the Appeals Committee determine the internal appeal**
6. **the Policy Statement as set out in Appendix 1 be approved and the Chief Executive, in consultation with the Leader, be authorised to make any minor amendments to the Policy Statement**

12. COUNCIL MOTION UPDATE REPORT

The Chair of Overview & Scrutiny introduced the report. He explained that the recent meeting with senior representatives of the health service had been both engaging and productive and he wished to thank them for attending to talk about the pressures they were facing. He emphasised the main messages of how Members could assist and support which was principally by encouraging residents to access care in the appropriate way. Communication was key.

The Chair was thanked by the Leader and Members for chairing the meeting and the manner in which valid questions were posed and responded to by the NHS

Members recognised the Leader's efforts in joining with South West Councils, the LGA and the District Councils network to put effective pressure on government to address the issues raised.

Members thanked all staff in the health and social care systems, recognising the significant pressures they were under.

RESOLVED (unanimously) THAT

the update report be noted.

13. NOTICES OF MOTION

There were none.

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

None.

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

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

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

**16. EXEMPT MINUTES
RESOLVED THAT**

The exempt minutes of the meeting held on 18 October be approved and signed as a correct record.

Steve Harvey
Chairman

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Cheltenham Borough Council

Council – 21 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 Council:</p> <ol style="list-style-type: none"> 1. Approve 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	As detailed in the report and appendices. Contact Officer: Gemma Bell – Head of Property, Finance and Assets (Deputy Section 151 Officer) Email: gemma.bell@cheltenham.gov.uk
Legal implications	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. Reference to such Strategy may be made in the event that a decision by the Authority is challenged. Contact: One Legal Legalservices@onelegal.org.uk , 01684 272691
HR implications (including learning and organisational development)	There are no HR implications. Contact officer: Julie McCarthy HR manager julie.mccarthy@publicagroup.uk Tel 01242 264355
Key risks	See Appendix 1.
Corporate and community plan Implications	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.
Environmental and climate change implications	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. 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.
Property/Asset Implications	As detailed in the report and appendices. Contact Officer: Gemma Bell – Head of Property, Finance and Assets (Deputy Section 151 Officer) Email: gemma.bell@cheltenham.gov.uk

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	<ol style="list-style-type: none"> 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	
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>												

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Asset Management Strategy 2022/23 to 2026/27



CHELTENHAM
BOROUGH COUNCIL

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1. Introduction Page 29

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 ^{Page 30} 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.

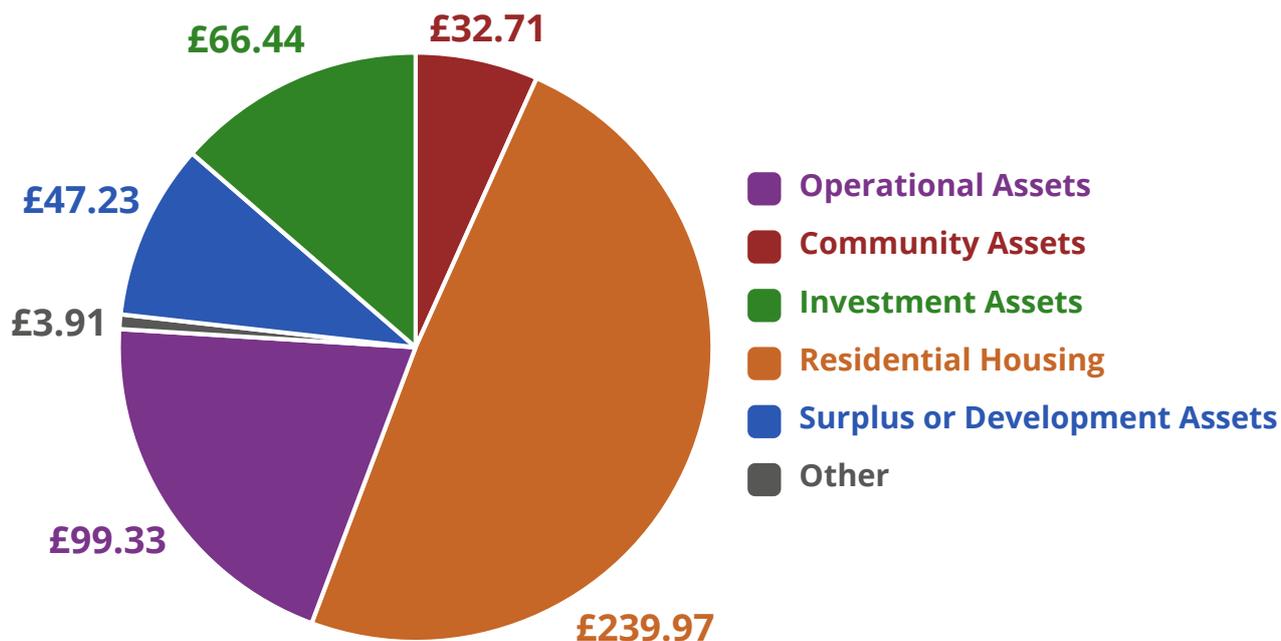
The purpose of this strategy is to:

- 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 31

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



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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 additional 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 34} *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 Page 35

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 t...et

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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 38}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 39} and Monitoring

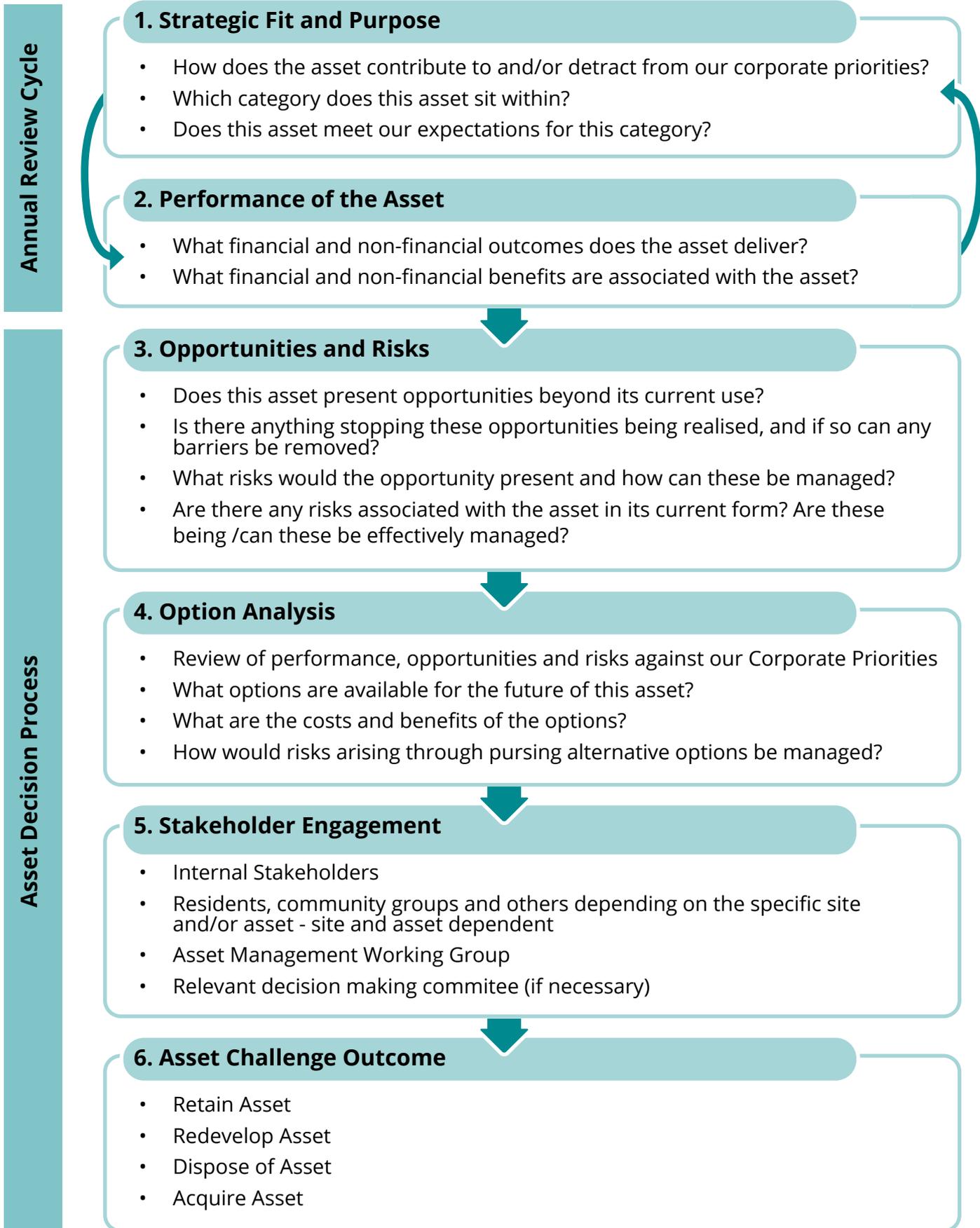
The Asset Management Working Group will provide oversight of the asset challenge process with relevant decisions referred on to Cabinet/Council.

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 Page 40





CHEL TENHAM
BOROUGH COUNCIL

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Cheltenham Borough Council

Council – 21 February 2022

Future Provision of External Audit from 2023/24

Accountable member	Councillor Peter Jeffries, Cabinet Member for Finance and Assets
Accountable officer	Gemma Bell, Head of Property, Finance and Assets (Deputy s151 Officer)
Ward(s) affected	None directly
Significant Decision	No
Executive summary	<p>In July 2016, the Secretary of State specified PSAA as an appointing person for principal local government and police bodies for audits from 2018/19, under the provisions of the Local Audit and Accountability Act 2014 (the Act) and the Local Audit (Appointing Person) Regulations 2015 (the Regulations). Acting in accordance with this role, PSAA is responsible for appointing an auditor and setting scales of fees for relevant principal authorities that have chosen to opt into its national scheme, overseeing issues of auditor independence and monitoring compliance by the auditor with the contracts we enter into with the audit firms.</p> <p>One of PSAA’s most important obligations is to make an appropriate auditor appointment to each and every opted-in body. In 2017, this Council opted in to the appointing arrangements made by PSAA for the period starting 2018/19. Grant Thornton were appointed as our external auditor through this arrangement for the Statement of Accounts from 2018/19 and 2021/22 will be the final Statement of Accounts audited under this contract.</p> <p>Prior to making appointments for the second appointing period, commencing on 1 April 2023, a major procurement will be undertaken by PSAA to enable suppliers to enter into new auditing contracts.</p> <p>Local Authorities are required to take a decision as to whether they want to opt in or opt out of the national scheme before the 11 March 2022. A decision was made on 12 January 2022 at the Audit, Compliance and Governance Committee to recommend that this Council opts in to the PSAA arrangements for the contract period beginning 1 April 2023.</p>
Recommendations	It is recommended that this Council opts in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors from 1 April 2023.

<p>Financial implications</p>	<p>If PSAA is not used some additional resource may be needed to establish an auditor panel and conduct our own procurement. Until either procurement exercise is completed it is not possible to state what additional resource may be required for audit fees from 2023/24, although it is anticipated that any increase will be minimised through using PSAA.</p> <p>Contact officer: Gemma Bell, Head of Property, Finance and Assets (Deputy s151 Officer)</p> <p>Gemma.bell@cheltenham.gov.uk, 01242 264124</p>
<p>Legal implications</p>	<p>The process as set out in the report and the recommendation will ensure compliance with the Local Audit and Accountability Act 2014.</p> <p>Contact officer: Sarah Farooqi, Legalservices@onelegal.org.uk</p>
<p>HR implications (including learning and organisational development)</p>	<p>There are no direct HR implications for this Council.</p> <p>Contact officer: Julie McCarthy , julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
<p>Key risks</p>	<p>As set out in the report, use of PSAA minimises the risks inherent in undertaking our own procurement.</p>
<p>Corporate and community plan Implications</p>	<p>None.</p>
<p>Environmental and climate change implications</p>	<p>None.</p>

1. Background

- 1.1 The Local Audit and Accountability Act 2014 (the Act) established new arrangements for the audit and accountability of relevant authorities, including local authorities.
- 1.2 These new arrangements include the ability of such bodies to appoint their own local public auditors via an auditor panel. This may be carried out individually or jointly with one or more other authorities.

2. Reasons for Recommendations

- 2.1 It is likely that a sector wide procurement conducted by PSAA will produce better outcomes for the Council than any procurement we undertook by ourselves or with a limited number of partners. Use of the PSAA will also be less resource intensive than establishing an auditor panel and conducting our own procurement.
- 2.2 Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt in must be made by Full Council (authority meeting as a whole). To comply with this regulation the Audit Committee makes the recommendation above to Full Council.
- 2.3 The PSAA procurement strategy for the contract is attached at Appendix 2 to aid Members in their decision-making.

3. Process and advantages

- 3.1 As part of closing the Audit Commission the Government novated external audit contracts to PSAA on 1st April 2015. PSAA was originally established to operate the transitional arrangements following the closure of the Audit Commission and is a company owned by the Local Government Association's Improvement and Development Agency (IDeA).
- 3.2 It remains the view of the Society of District Council Treasurers (and of the other Treasurers' Societies) that the sector-led procurement by the PSAA is likely to be less resource intensive and likely to produce better outcomes. The PSAA has recently contacted Cheltenham Borough Council to establish whether the Council was interested in opting in to the PSAA national scheme for external audit appointments from 1 April 2023 onwards.
- 3.3 The deadline for opting in to the PSAA scheme is Friday 11 March 2022. It is therefore important that this issue is considered by Full Council at its next meeting.
- 3.4 The main advantages of using PSAA are set out in its prospectus and are copied below; these can also be viewed as the disadvantages if the Council was to decide to undertake its own procurement.
 - Assure timely auditor appointments
 - Manage independence of auditors
 - Secure highly competitive prices
 - Save on procurement costs
 - Save time and effort needed on auditor panels
 - Focus on audit quality
 - Operate on a not for profit basis and distribute any surplus funds to scheme members.

4. Alternative options

- 4.1** An alternative option would be to establish an auditor panel and conduct a procurement exercise either alone or with other authorities. This is not recommended as it will be a far more resource intensive process and, without the bulk buying power of the sector led procurement, would be likely to result in a more costly service.

Report author	Contact officer: Gemma Bell, Head of Property, Finance and Assets (Deputy s151 Officer) Gemma.bell@cheltenham.gov.uk, 01242 264124
Appendices	Appendix 1 – Risk Assessment

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the Council decides not to opt in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors, then it would have to establish an auditor panel and conduct its own procurement exercise which could be more expensive, time consuming and lead to a lack of alignment with the other local authorities in respect of an approach to audit planning.	CBC Section 151 officer	December 2016	2	2	4	Accept	Opt in to the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.	11/3/2022	CFO	

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Cheltenham Borough Council

Cabinet – 15th February 2022

Council – 21st February 2022

**Housing Revenue Account - Revised Forecast 2021/22 and Budget Proposals
2022/23**

Accountable member	Cabinet Member for Finance, Councillor Peter Jeffries
Accountable officer	Executive Director Finance and Assets (Section 151 Officer), Paul Jones
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>This report summarises the Housing Revenue Account (HRA) revised forecast for 2021/22 and the Cabinet’s budget proposals for 2022/23.</p> <p>These budget proposals have been designed to support the economic recovery of Cheltenham and improve the quality of life for our tenants and communities. Our approach to housing services, in partnership with Cheltenham Borough Homes (CBH) and in line with the Social Housing White Paper, is to deliver these through genuine engagement with our tenants.</p> <p>The pandemic has had and continues to have a very significant impact on individuals and communities. Whilst the economy is recovering and unemployment falling, uncertainty over the future and financial challenges remain.</p> <p>The Cabinet’s response is to continue the Council’s significant investment in homes and services for the benefit of customers and communities. We have ambitious plans for housing over the medium to long-term including improving existing homes, supplying much needed new homes and aspiring to make Cheltenham a net zero carbon council and borough by 2030.</p> <p>A ‘fabric-first’ approach is being taken by CBH on existing homes by improving insulation before low carbon heating technology is installed. The Council and CBH have already been successful in a bid to the Government’s Social Housing Decarbonisation Fund for a deep retrofit pilot scheme with a further bid to Government for 50-60 homes in 2022/23 awaiting decision and plans to increase the pace of delivery in future years.</p> <p>In addition, a significant proportion of the new homes within these budget plans will be built as net zero carbon buildings on sites controlled by the Council such as 320 Swindon Road which recently gained planning permission. Low carbon, energy efficient, high-quality homes will be warmer and cost less to run and improve the health and wellbeing of our communities.</p>

Budget projections for the next 3 years include £67m for additional affordable homes as part of the Council's £180m housing investment programme in partnership with CBH. The pipeline is set to deliver 450 additional homes over 5 years based on the current pipeline of schemes.

The 2022/23 capital programme includes proposals to invest over £10m in existing homes and then to continue at this level for the following 2 years. This demonstrates a significant commitment to improving existing homes for customers to ensure they remain safe and secure places to live.

Investing appropriately in core landlord services and community services remains a key priority whilst ensuring operating costs are being controlled to deliver value for money. These services continue to be delivered collaboratively with other partners to increase the scope and impact for customers and communities.

The budget proposals for 2022/23, including the focus on sustainable, green investment, ensure the Council and CBH will continue to be able to support tenants and communities to thrive, help improve outcomes for young people, reduce inequality and support the economic recovery of Cheltenham through this challenging period.

Recommendations

- 1. Note the revised HRA forecast for 2021/22.**
- 2. Approve the HRA budget proposals for 2022/23 (shown at Appendix 2) including a proposed rent increase of 4.1% and changes to other rents and charges as detailed within the report.**
- 3. Approve the proposed HRA capital programme for 2022/23 as shown at Appendix 3 and Appendix 4.**

Financial implications	As contained in the report and appendices. Contact officer: Paul Jones. E-mail: paul.jones@cheltenham.gov.uk Tel no: 01242 264365
Legal implications	By approving the budgets for repairs and maintenance and the capital programme, Cabinet is making key decisions as to the use of the budget. Consequently, the acceptance of tenders in excess of £100,000 by the lead member (or officers if authorised under the constitution) for contracts required to deliver works, services and supplies under the approved budget headings, will not be key decisions. Contact: One Legal E-mail: legal.services@onelegal.org.uk Tel no: 01684 272017
HR implications (including learning and organisational development)	There are no direct HR implications for Cheltenham Borough Council arising from the report Contact officer: Julie McCarthy E-mail: julie.mccarthy@publicagroup.uk Tel no: 01242 264355
Key risks	As outlined in Appendix 1
Corporate and community plan Implications	The aim of the budget proposals is to direct resources towards the key priorities identified in the Council's Corporate Business Plan.
Environmental and climate change implications	The budget contains proposals for improving the local environment particularly in addressing the issue of energy reduction in Council owned dwellings and moving towards a net zero carbon housing portfolio by 2030.

1. Background

1.1 The following amendments have been made to the interim budget proposals approved by Cabinet on 21st December 2021: -

- The capital forecast for 2021/22 has been updated to reflect latest information as at 31st December 2021 with expenditure on some schemes being delayed into 2022/23.
- Allocated budget to support the completion of the development agreement for the affordable homes element on the Golden Valley Development (£150,000) and expansion of the Council's Housing First initiative from 6 homes to 12 homes over three years with expected match grant funding (£26,000).

2. Current Operating Environment

2.1 The pandemic has had a significant effect on the Council and many sectors of the economy including housing and construction. The economy is recovering and expected to reach pre-crisis levels at the beginning of 2022. Unemployment is expected to continue to decline. Inflation is expected to keep increasing due to higher energy and commodity prices and continuing supply shortages before reducing later in 2022.

2.2 The construction and housing industry continues to face a number of challenges as the economy recovers putting pressure on the availability and price of materials and skilled labour. The impact on the HRA is reflected in higher levels of demand from tenants, increasing costs and needing to reschedule planned programmes for repairs and maintenance activities and the development of new homes. The impact is also being felt by tenants individually leading to greater support needs as Cheltenham communities recover from the pandemic.

2.3 *Social Housing White Paper*

2.3.1 The Social Housing White Paper seeks to provide transformational change, establishing a new Charter for social housing residents. The new Tenants Charter sets out what every social housing resident should be able to expect through seven key commitments. Cheltenham has always had a tradition of putting customers first, treating them well and making a positive difference to residents' lives. This focus on the customer, the continual drive to provide safe and secure homes and create strong and supportive neighbourhoods, as reflected in the investment plans proposed in this report, echo what the Social Housing White Paper sets out to achieve.

2.3.2 Details on the implementation of the Tenants Charter, consultation and related timescales will become evident from Government in due course. Proactive and positive work is already well underway in partnership with Cheltenham Borough Homes (CBH) on responding to the challenges in the Paper, changes in safety regulations, having mechanisms for tenants to shape and scrutinise services and being transparent on compliance and performance of housing services.

2.3.3 The budget proposals for 2022/23 include the transition of electrical safety checks for homes from every 10 years to every 5 years, developing a new tenant engagement strategy comprising the overarching messages from the Paper, consulting with tenants around home and building safety and reporting on tenant satisfaction measures and landlord performance measures.

2.4 Universal Credit (UC)

- 2.4.1** The £20 Universal Credit (UC) uplift ended on the 6 October 2021 despite significant concerns being raised. Homelessness charity Crisis warned that it would place 100,000 renting households at risk of eviction (this is number of households in England on UC who were in 2 or more months of arrears during Nov-Dec 2020). To support those in work the UC “taper” has been cut from 63% to 55%, so that instead of losing 63p of benefit for every £1 earned above the work allowance, the amount is reduced to 55p. Changes were also announced to the UC Work Allowance, which is the amount that people who are responsible for a child or have a limited capability for work, can claim before their UC payment is affected.
- 2.4.2** CBH’s benefit and money advice team works closely with customers, usually in critical and/or vulnerable situations to provide advice about benefits available and financial help. The proposed budget will enable this team to continue to support tenants in claiming additional benefits and help them stay in their homes and improve their quality of life. The service also supports customers with advice on UC and works closely with other partners such as the DWP.

2.5 Government Policy

- 2.5.1** Current Government rent policy is to permit rents to increase by a maximum of CPI (as at previous September) + 1% per annum for the next three years before a further review. The CPI for September 2021 was 3.1% thus allowing a maximum rent increase for 2022/23 of 4.1% which has been included in this budget.
- 2.5.2** From April 2022 the rate of Employers’ National Insurance contributions will increase for one year in advance of a new health and social care levy. The amount will increase by 1.25% which has been factored into the budget proposals for 2022/23.
- 2.5.3** The Government has confirmed that Local Housing Allowance levels will be frozen for 2022/23 which could impact levels of affordable rent on current and future development schemes.
- 2.5.4** The Government has implemented changes to RTB policy in 2021 which supports the reinvestment of these receipts into the supply of additional social housing in Cheltenham. The deadline to use RTB receipts has been extended from three years to five years and these receipts can fund 40% of each new home instead of 30%. The use of RTB receipts continues to be closely monitored by CBH to ensure they are retained for reinvestment in Cheltenham.

2.6 Proposed Government Planning Reforms

- 2.6.1** In Summer 2020 Government published the Planning White Paper ‘Planning for the Future’ which proposed to overhaul the current suite of planning policies, with the overarching aim of reinvigorating home ownership, supporting the Government’s target to deliver 300,000 homes per annum and boost development’s contribution to the economy and infrastructure as a response to COVID-19. The reforms were aimed at reducing bureaucracy and aligning with government’s ‘build, build, build’ agenda. When Michael Gove was appointed as Secretary of State for Levelling Up, Housing and Communities in September 2021, he swiftly announced that the planning reforms would be put on hold, with no definitive timetable released. He has however since indicated that he sees planning reform as just one part of a much-bigger piece of work to review housing policy. The impacts of any changes will be reviewed when details are available.

3. Investing in Cheltenham

3.1 The Council's response to the current environment and recovery from the pandemic is to continue its significant investment in homes and services for the benefit of the people of Cheltenham. The Council has ambitious plans for housing over the medium to long-term including improving existing homes, supplying new homes and investing to make Cheltenham net zero carbon by 2030. Further detail on these investment plans is set out below.

3.2 *Making Cheltenham Net Zero Carbon by 2030*

3.2.1 The Council is working towards its challenging target of becoming a net zero carbon borough by 2030, and a key element of this is a programme of carbon reduction for existing HRA homes. The work to decarbonise existing homes is complex and challenging however it has more positive outcomes than simply cutting carbon emissions - energy efficient homes will be warmer and cost less to run and improve the health and wellbeing of our communities.

3.2.2 A 'fabric-first' approach is being taken with the existing homes managed by CBH which includes the Council housing stock of around 5,000 dwellings, many of which are heated by greenhouse gas emitting gas boilers, ensuring that the homes are as energy efficient as possible by improving the insulation before low carbon heating is reviewed and considered. The Council and CBH have already been successful in a bid to the Social Housing Decarbonisation Fund for a deep retrofit pilot scheme. This will demonstrate the potential to make our existing homes low carbon through fabric improvements and low carbon heating.

3.2.3 Further to this pilot scheme Government has made £160m of funding available through 'Wave 1' of the Social Housing Decarbonisation Fund (SHDF). In partnership with CBH the Council has bid for part of this funding which would enable up to two thirds of the total cost of an initial project aimed at 'fabric first' measures such as improved insulation to reduce energy demand for eligible homes and improve the homes to at least Standard Energy Procedure (SAP) C. The total budget covering this bid is approximately £1.26m and will cover improvements for 50 to 60 HRA homes. The grant needed to fund this project is estimated to be around £780k, with the HRA funding the remainder of around £480k.

3.2.4 Further grant bids, in partnership with other local authorities where beneficial, will be made as funding becomes available from Government. An estimate for works and funding under 'Wave 2' has been included in the projections for 2023/24 and 2024/25 to increase the pace of delivery of these retrofit works on existing homes.

3.2.5 In addition, the Council is investing in new net zero carbon homes. Planning has recently been granted at 320 Swindon Road for 24 highly energy efficient new homes with other schemes controlled by the Council coming forward for development in 2022/23 and beyond also meeting this aspiration and achieving a cleaner, greener sustainable environment.

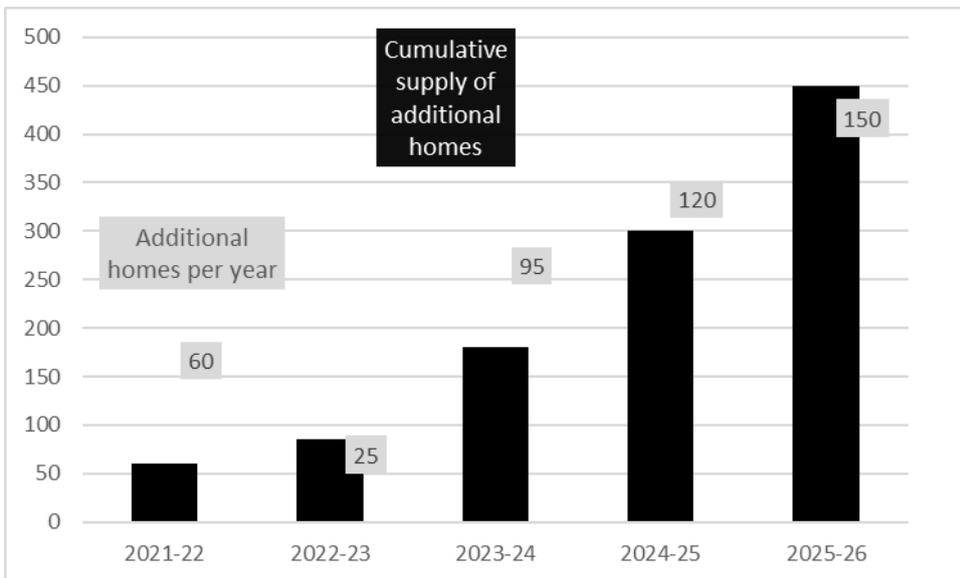
3.2.6 This investment is being managed by CBH and working in partnership the Council will seek to influence the energy sustainability standard of other developer led schemes which will deliver future homes for the HRA and support other green initiatives for the benefit of HRA tenants.

3.3 Investing in new affordable homes

3.3.1 The Council continues to successfully deliver new affordable homes through its £180m housing investment programme in partnership with CBH. As part of this programme the Council has already spent approximately £34m and is allocating £17m for 2022/23 and projecting further investment of £50m over the following 2 years.

3.3.2 In the current year 60 additional affordable homes are expected to be delivered; 27 new homes already delivered and let on the Monkscroft Villas site, 10 new homes in Brockhampton and Prestbury Road and 20-25 newly acquired properties. These include a mix of apartments, 2 bed and 3 bed houses across multiple tenures.

3.3.3 The last 18 months has given the housing sector a number of challenges that have temporarily impacted bringing forward new sites for development. This will reduce the number of new homes that can be delivered next year however the step change in supply of new affordable homes after this will continue with a range of affordable tenures provided including social rent, affordable rent and shared ownership. The current pipeline is set to deliver 450 additional homes in the current and following 4 years, as shown below, with a number of other opportunities currently being explored and negotiated.



3.3.4 An element of the supply of new homes from 2024/25 onwards is the contribution from the Golden Valley development spearheaded by the Council. When combined with other opportunities such as 320 Swindon Road and the former Monkscroft Primary School site this could result in over 1,000 additional affordable homes being delivered by 2030.

3.4 Investing in existing homes

Each year thousands of responsive repairs and planned works are carried out to ensure existing homes remain secure and safe places to live. The HRA’s asset management strategy includes investment programmes to help bridge the quality gap between existing and new homes. These programmes of work maintain statutory compliance, increase energy performance and improve the quality of homes in ways that assist customers and contribute to their quality of life.

3.4.1 This programme of investment will continue in 2022/23 with £1.56m allocated to ‘fabric first’

and other energy sustainability measures, £1.7m for new windows, £1.8m for external works including roofs, chimneys and rainwater goods, £0.7m for new kitchens, bathrooms, showers and rewiring, and £0.6m for a new warden call system. In addition, £0.6m has been allocated for neighbourhood improvement works to deliver external scheme improvements in collaboration with customers.

- 3.4.2** Investment in compliance remains a high priority for the 2022/23 budget, ensuring new requirements are met and customers continue to feel safe in their homes. In accordance with changed regulations domestic property electrical tests now need to be completed every 5 years rather than 10 years meaning additional electrician and administration support has been included in the budget proposals to deliver this revised regulatory requirement.
- 3.4.3** For gas safety, performance remains strong and whilst 'out of date' figures increased due to the COVID-19 lockdowns this has been managed back to pre-lockdown performance (99.9% in date) and will be maintained in 2022/23. CBH take a robust approach to ensure access through legal means where this is necessary, whilst a more measured approach is taken when the situation demands this, for example working closely with other local agencies to support tenants who are resistant to volunteering access due to mental health issues.
- 3.4.4** All Fire Risk Assessments for communal areas will have been updated during the current year under more rigorous guidelines and the recommendations from these assessments will be included in the planned improvements programme starting in 2022/23.
- 3.4.5** In total the budget for 2022/23 proposes an investment of over £10m in existing homes and the projections are to continue to invest at this level for the following 2 years. This demonstrates a significant commitment to improving existing homes for customers to ensure they remain safe and secure places to live.

3.5 *Investing in communities*

- 3.5.1** CBH's community investment programmes focus on four strategic themes: health and wellbeing, education training and skills, community safety and enabling community involvement and engagement. These priorities were informed by community consultation and partner engagement and align with the wider aims of the Council. Outcomes and community impact are measured through HACT's Social Value model.
- 3.5.2** Examples of this work include the successful Monkscroft Community Action Group which is helping to support a vibrant and inclusive community in that neighbourhood. This model is being replicated with partners and residents in other neighbourhoods to establish new residents' groups. Over school holidays CBH has also worked closely with the Council and other partners to deliver a range of fun and healthy activities as part of the No Child Left Behind Campaign.
- 3.5.3** CBH's ASB team support our partners, including the Police, in tackling issues of drug use and other anti-social behaviour issues. The team will continue out of hours working to support and reassure local residents and work proactively through supporting people dealing with trauma related vulnerabilities.
- 3.5.4** CBH's pilot ACE's programme (Adverse Childhood Experiences) has been developed with the goal of supporting families along a pathway to resilience to overcome their ACEs. This approach is based upon a "what has happened to you" approach, centred around trust building, kindness and compassion. The outcomes of the pilot prove the value of taking an

ACEs approach and supports the extension of this programme including progressing opportunities for obtaining external funding to expand the programme.

3.5.5 CBH's Employment and Training team deliver a range of activities with the aim of supporting 150 customers into new jobs or training each year. Existing programmes for young people such as Thrive, which is designed to help young people stay in education and then transition to apprenticeships where possible, will continue under the budget proposals. Newly developed programmes such as working in partnership with GEM (Going the Extra Mile) to support 18-24 year olds in gaining Employability Skills Development Certificates, work placements and careers advice will also be possible.

3.5.6 The budget proposals for 2022/23 ensure the Council and CBH will continue to be able to support tenants and communities to thrive and help improve outcomes for young people and reduce inequality.

3.6 *Maintaining high quality landlord services*

3.6.1 Despite the challenging operating environment, with the support of the Council, CBH continues to prioritise the provision of high quality, core landlord services to tenants, delivering top quartile performance when compared to other housing providers in the sector. These core services include repairs, anti-social behaviour management (ASB), tenancy management, rent arrears management, lettings and resident involvement. Appropriate investment in these core landlord services from the HRA ensures high performance and customer satisfaction levels.

3.6.2 Repairs and maintenance performance is a key driver of satisfaction and important to sustain quality housing stock and therefore extra capacity has been included in the draft budget to respond to increases in demand and recognise the current cost pressures and shortages in materials and skilled labour in the sector. As part of this extra capacity, provision has been made for an additional apprenticeship role.

3.6.3 As part of the proposed budget CBH will continue to focus on listening and acting on customer feedback in order to improve satisfaction levels, expand digital services whilst identifying efficiencies in core management costs through mobile working and automation of processes.

4. *Delivering through strong partnership working*

4.1 Delivery of the Council's housing ambitions and investment plans set out above is only possible through strong partnership working. The partnership with CBH continues to be strengthened with joint working to implement opportunities and efficiencies proposed within the recent strategic housing review and collaborate further on our jointly held strategic goals and measures of success.

4.2 One of the CBH owned outcomes of the Stronger Working Partnership Programme is to deliver annual savings for the Council of £487k over three years to 2023/24. The driver for these savings is to support the long-term sustainability of the HRA during the current period of greater financial uncertainty and significant investment challenges for the HRA over the medium term including new homes, existing homes and net zero carbon whilst maintaining high quality services for customers.

4.3 A targeted savings profile is shown below along with the current forecast position.

	2021/22 £000	2022/23 £000	2023/24 £000	Total Annual Savings £000
Indicative annual savings to be identified and delivered by CBH for the Council	70	200	217	487
Current forecast based on progress to date	109	200	178	487
Savings delivered or in progress	✓	✓	tbc	309

4.4 Year 1 savings have been delivered by CBH through efficiencies reflected in a flat ALMO management fee for 2021-22. Year 2 savings relate to the lease surrender of Cheltenham House during the current year. This lease surrender was negotiated by CBH 5 years in advance of the lease termination date and without incurring any penalties or dilapidation charges. CBH will continue to work over the coming 12-18 months to identify and deliver the remaining £178k of savings for 2023/24.

4.5 Through CBH, partnership working extends a lot further, working with multiple partners to deliver projects, activities and funding including:

- a large number of successful community events during school holidays supporting the Council's No Child Left Behind Campaign and the holiday activity and food programme Cheltenham's Summer of Play 2022
- a hub based service focusing on wellbeing to support older people to access services and social opportunities close to home, supporting independent living and reducing social isolation
- a Housing First pathway to permanently house rough sleepers in tenancies with support (with a proposal of expanding this initiative over the next three years if grant funding is successfully received)
- projects to combat Anti Social Behaviour
- outcomes for families and young people impacted by Adverse Childhood Experiences
- employment and training outcomes
- a programme of detached youth work
- support for Cheltenham's Heads up campaign to raise awareness of mental health and positive lifestyle choices
- support for Cheltenham' Inspiring Families programme, working with partners to provide community based family support

5. 2021/22 HRA Revised Forecast (Appendix 2)

5.1 The most recent revenue forecast for the current year shows a reduction in the net operating

surplus of £210,500 compared to the original budget. Significant variations (greater than £50,000) have been identified in budget monitoring reports and are shown below:

Budget Heading	Additional Cost (-) / Income (+) £
Repairs and Maintenance - increased expenditure due to the lifting of COVID restrictions and the need to clear the repairs backlog. The current demand from customers is higher than the previous 'normal' level of activity which is being monitored closely. There are also increasing cost pressures, on materials, labour and sub-contract works, as well as supply issues with certain material products.	-257,900
Interest Payable – reduction in borrowing due to COVID-19 delays to the capital programme and availability of other resources	156,900
Depreciation of Dwellings – reflects higher stock numbers and inflation on components and property valuations	-158,300
Depreciation of Other Assets – decreased due to the reduction in other capital additions (e.g. garages)	52,100
Other net variations (lower than £50,000)	-3,300
Decrease in Operating Surplus (compared to Original Budget)	-210,500

5.2 The most recent forecast of the HRA Capital Programme shows a reduction of £8,583,200 compared to the original budget. Significant variations (greater than £250,000) have been identified in budget monitoring reports and are shown below:

Budget Heading	Additional Capital (+) / Reduction (1) £
Windows & Doors - manufacturing and fitting interruptions are being experienced by the contractor due to labour supply shortages	-518,000
Paths, Fences & Walls – the level of works deliverable in the current year has been re-assessed due to the current challenging operating environment	-568,000
Warden call – procurement delays and extended lead in period due to current shortages in the market resulting in works running into 2022/23	-400,000
HRA New Build and Acquisitions - although forecast completions of new build and acquisitions remain on target for the year there have been additional challenges in progressing new schemes due to planning, material and labour supply shortages and financial viability issues. These challenges are being faced by a number of different contractors on s106 schemes and developer led schemes. The overall pipeline of new properties remains strong however the timings within the programme will change.	-7,000,000
Other net variations (less than £250,000)	-97,200
Decrease in HRA Capital Programme (compared to Original Budget)	-£8,583,200

6. 2022/23 HRA Budget Proposals (Appendix 2)

- 6.1** The detailed budget proposals for the HRA Operating Account are set out in Appendix 2. These highlight an increasing net operating surplus from the increase in rent from new homes whilst controlling costs. These net operating surpluses will be reinvested back into the HRA to support future service delivery and investment in new homes and improvements to existing homes.
- 6.2** All rents are proposed to increase by 4.1% in April 2022 following the announcement of the CPI for September 2021 at 3.1% (current Government rent policy limits annual rent increases to CPI + 1%).
- 6.3** Every pound of additional rent will be reinvested back into the HRA in order to deliver enhanced services which help improve the quality of life for HRA tenants, maintain and improve existing homes and provide more high-quality, net zero carbon affordable homes which are needed in Cheltenham. Working with CBH the Council will continue to demonstrate excellent customer services and high performance at the right cost delivering value for money and achieving positive change and outcomes for its communities.
- 6.4** The rent estimates assume a 1% void rate and 20 RTB sales annually and also reflect additional income from newly built homes and acquired homes.
- 6.5** Estimates of service charge income currently assume:
- Increase of 4% for cleaning services supplied by CBH reflecting pay inflation and additional costs of waste disposal
 - Increases for heating to communal schemes of 7.5% spreading current fuel price inflation over more than one year
 - Increase of 3% for HRA grounds maintenance work undertaken by Ubico
- 6.6** Garage rents are to be increased by 4.1% from April 2022 in line with the proposed increase in housing rents.
- 6.7** Expenditure budgets reflect: -
- A pay award in 2022/23 of 2% with a 1% contingency provision
 - Employers' National Insurance increasing by 1.25% next year prior to a new health and social care levy in the following years
 - An increase in the ALMO management fee of 1.5% which reflects provision for a pay award, increase in National Insurance and inflation on other non-staff costs, offset by savings under the CBC/CBH Stronger Working Partnership Programme
 - Inflationary increases of 3% on non-staff pay costs with higher inflationary increases on building and maintenance costs reflecting current price pressures in the construction sector and the impact of the increase in National Insurance on subcontractors and other suppliers
 - Shared service cost increases at 3% per annum
 - Interest rates on new borrowing at 2% per annum

- Assumption that Homes England funding continues at existing levels and shared ownership costs do not change substantially

6.8 Significant changes to the HRA operating account (greater than £50,000) in 2022/23 as compared to the revised forecast for 2021/22 are itemised in the table below. There is an increase of £56,600 in the operating surplus for the year when compared with the 2021/22 forecast.

Budget Heading	Additional Cost (-) / Income (+)
	£
General and Special Management – increase due to pay award and NI increases and inflation on non-staff costs in particular fuel charges. Also includes additional contribution to the Golden Valley Development (£150,000) and the Housing First initiative (£26,000 net of grant)	-340,300
ALMO Management Fee – increase due to pay award and NI increases, additional office space in Municipal Office partly offset by savings identified through the CBC/CBH Stronger Working Partnership	-88,000
Increase in Repairs & Maintenance – the forecast noted above already takes into account demand, price and supply pressures. The limited additional budget provision for 2022/23 reflects reduced reliance on sub-contractors and new fire risk assessments being undertaken in 2021/22 and not needing renewal for a further 5 years	-69,900
Interest Payable – arising from additional borrowing to finance the capital programme	-242,300
Depreciation of Dwellings – reflects the increase in stock numbers	-201,800
Rent Income – rent increase (4.1%) and supply of new homes	964,900
Other net variations (lower than £50,000)	34,000
Increase in Operating Surplus (compared to 2021/22 forecast)	56,600

7. HRA Capital Programme 2022/23 (Appendices 3 & 4)

7.1 The capital programme for 2022/23 continues to show significant investment in both existing homes and the acquisition and development of additional homes. Total spend is forecast to increase to £28.3m.

7.2 The proposed funding of this ambitious programme is set out at Appendix 3 and includes a combination of borrowing, Homes England grant, shared ownership sales, capital receipts and leaseholder and revenue contributions. The balance of funding sources may vary, dependent on availability and prevailing interest rates.

8. Funding and Financial Viability

8.1 The significant level of capital investment proposed within this report will be financed by a combination of borrowing, grant funding, shared ownership sales and capital receipts. Careful management and monitoring of this investment and related financing will be maintained to ensure that the HRA remains financially viable for the long term. To this end the assumptions and plans identified in the 2022/23 budget proposals and the projections for the following 2

years have been included in the updated 30-year HRA Financial Model.

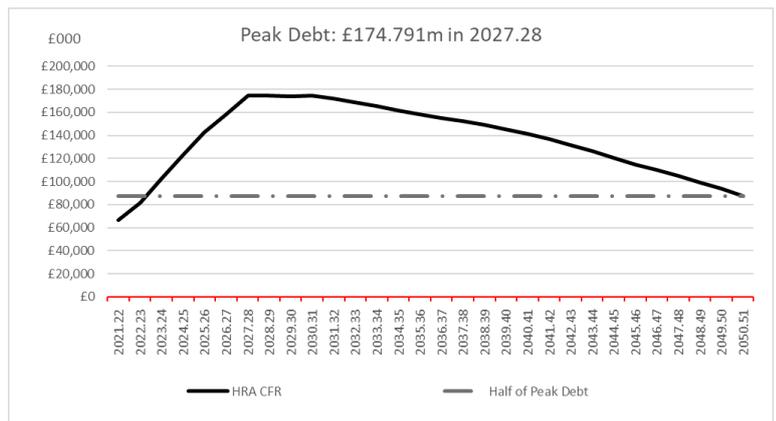
8.2 There remains a number of areas of uncertainty and risk within the longer term projections for the HRA including the level and nature of Government funding for the retrofit programme for existing homes to deliver on carbon reduction aspirations, the pace of delivery of new homes that is possible, inflationary and supply pressures, and Government rent and other policy positions. These will continue to be monitored and modelled as further information becomes available.

8.3 Long term assumptions used in the model include:

- CPI at the Government target rate of 2%
- Rent increases at CPI + 1% per annum to March 2025 then reducing to CPI thereafter (next review of Government rent policy due April 2025)
- Borrowing rates at 3% per annum over the long term
- A refreshed assessment of the 30-year need to spend on repairs and component replacement

8.4 The following parameters are used to ensure financial viability in the longer term:

- the ability to deliver the capital programme on existing homes
- the HRA is able to repay debt – as shown in the graph opposite with debt in year 30 less than half of peak debt
- HRA reserves do not fall below a contingency level
- there is sufficient and growing interest cover



8.5 This 30-year model is maintained and updated annually by CBH to ensure that the HRA retains capacity for further investment in programmes as required including net zero carbon, new homes and the Golden Valley project. Careful monitoring is necessary to ensure that the scale and pace of delivery does not risk long term viability.

9. Consultation process

9.1 The 2022/23 budget proposals have been endorsed by the CBH Board. The proposals were also presented to CBH’s Tenant Service Improvement Panel (TSIP). No other comments have been received.

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<p>Appendices</p>	<ol style="list-style-type: none"> 1. Risk Assessment 2. HRA Operating Account 3. Major Repairs Reserve and HRA Capital Programme (summary) 4. HRA Capital Programme (detail) 5. CBH – who we are, what we do, why we do it
<p>Background information</p>	<ol style="list-style-type: none"> 1. HRA 30-year Financial Plan 2. CBH Budgets and Plans 3. CBC Corporate Strategy

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The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1.01	If the external policy environment remains volatile this may impact the economic operating environment and future funding of the HRA	Tim Atkins	December 2019	4	3	12	R	Policy changes are monitored closely and the impacts understood and mitigated where there is a significant impact on the HRA (such as the four year rent reduction policy). A 30 year financial plan is maintained, updated and stress tested regularly to ensure the HRA is financially viable over the long term	Mar 2023	CBH through management agreement	
1.02	If welfare reforms, including changes to UC rates, have a greater impact on tenants than anticipated and planned for, it may increase the level of arrears for the HRA and impact on vulnerable families	Tim Atkins	December 2012	3	2	6	R	The HRA budget includes specific resources to control rent arrears and support tenants through transition to Universal Credit. This has been successful in mitigating the impact so far.	Mar 2023	CBH through management agreement	
1.03	If void rent loss is higher than estimated it will impact on assumed rent income in the HRA	Tim Atkins	December 2012	3	2	6	R	Demand for social housing remains high and is anticipated to increase in the medium term, with a significant waiting list and short re-let times. Quality of homes needs to be maintained and changes in void levels monitored.	Mar 2023	CBH through management agreement	
1.04	If there are insufficient resources to deliver planned maintenance to existing homes or meet additional compliance	Tim Atkins	December 2019	4	3	12	R	Robust stock condition data and compliance data is maintained informing future capital spend and compliance requirements.	Mar 2023	CBH through management agreement	

	requirements, then homes may become non decent or there may be an increase in void loss							Procurement best practice is followed with continuing contract management. A 30 year financial plan is maintained, updated and stress tested regularly to ensure the HRA is financially viable over the long term			
1.05	If the demand for reactive repairs increases there may be insufficient budget to meet demand	Tim Atkins	December 2012	3	2	6	R	The planned maintenance programme for existing homes is delivered each year. A 30 year financial plan is maintained, updated and stress tested regularly to ensure the HRA is financially viable over the long term. Major peril to the stock is fire which is covered by appropriate insurance.	Mar 2023	CBH through management agreement	
1.06	If the Net Zero Carbon programme is not carefully planned and delivered and not sufficiently funded by Government there may be insufficient resources to deliver existing maintenance programmes and services	Tim Atkins	December 2019	4	3	12	R	Resources have been set aside to conduct pilot and initial retrofit activities. This will be followed by further funding bids and retrofit programmes. The target for new build controlled by the Council is to deliver net zero carbon homes. Progress in the sector and funding proposals by Government will be carefully monitored. A 30 year financial plan is maintained, updated and stress tested regularly to ensure the HRA is financially viable over the long term	Mar 2023	CBC/CBH through partnership working	

1.07	If there are insufficient new supply opportunities (land/acquisitions) or resources (including funding such as grants and borrowing) the ambitious targets for net new supply will not be achieved	Tim Atkins	December 2019	3	2	6	R	Internal resources have been expanded to identify and deliver on new supply opportunities. Close partnership working between and CBC and CBH and also with Homes England is maintained. A 30 year financial plan is maintained, updated and stress tested regularly to ensure the HRA is financially viable over the long term	Mar 2023	CBC/CBH via Strategic Housing Delivery Group, Council Member Working Group, Operational Working Group	
1.08	If the capital receipts held from RTB sales under the retention agreement with DLUHC are not used within 5 years of receipt they are repayable with interest to the Government	Tim Atkins	December 2021	3	1	3	R	The acquisition programme is continuing at a level which is adequate to use receipts before they would be repayable. This position is regularly monitored.	Mar 2023	CBC/CBH via the Operational Working Group	
1.09	If the impact of the COVID 19 pandemic continues in the medium term this may cause further operating and financial restraints	Tim Atkins	December 2020	4	3	12	R	Government advice will be followed and implemented as required. A 30 year financial plan is maintained, updated and stress tested regularly to ensure the HRA is financially viable over the long term.	Mar 2023	CBH through management agreement	
1.10	If material and labour price increases and resource constraints continue in the medium term this may cause further financial restraints	Tim Atkins	December 2021	4	3	12	R	The current volatility in the construction sector will continue to be monitored carefully. Long term supply agreements are in place or will be put in place for new programmes through competitive procurement to reduce the risk of labour and material	Mar 2023	CBH through management agreement	

								shortages. Sufficient internal resource will be maintained to reduce the impact of subcontractor price volatility. A 30 year financial plan is maintained, updated and stress tested regularly to ensure the HRA is financially viable over the long term.			
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	2021/22		2022/23	2023/24	2024/25
	Original £	Forecast £	Estimate £	Projections £	
EXPENDITURE					
General & Special Management	2,253,900	2,283,200	2,623,500	2,630,500	2,598,600
ALMO Management Fee	5,503,000	5,503,000	5,591,000	5,524,800	5,635,300
Rents, Rates, Taxes and Other Charges	69,600	89,600	89,600	89,600	89,600
Repairs & Maintenance	4,481,000	4,738,900	4,808,800	4,963,800	5,123,700
Provision for Bad Debts	292,000	292,000	307,000	321,000	342,000
Interest Payable	2,034,600	1,877,700	2,120,000	2,514,000	2,914,400
Depreciation of Dwellings	4,898,000	5,056,300	5,258,100	5,369,200	5,594,300
Depreciation of Other Assets	328,700	276,600	278,200	308,400	328,700
Debt Management Expenses	89,100	89,100	93,600	95,500	97,400
TOTAL	19,949,900	20,206,400	21,169,800	21,816,800	22,724,000
INCOME					
Dwelling Rents	19,466,800	19,506,200	20,471,100	21,404,600	22,800,800
Non Dwelling Rents	502,000	499,300	508,000	514,300	520,900
Charges for Services and Facilities	908,700	912,400	947,300	975,200	1,004,400
Feed in Tariff from PV Installations	245,600	245,000	255,000	262,700	270,600
TOTAL	21,123,100	21,162,900	22,181,400	23,156,800	24,596,700
NET INCOME FROM SERVICES	1,173,200	956,500	1,011,600	1,340,000	1,872,700
Interest Receivable	23,100	29,300	30,800	30,800	30,800
NET OPERATING SURPLUS	1,196,300	985,800	1,042,400	1,370,800	1,903,500
Appropriations					
Revenue Contributions to Capital	-1,196,300	-985,800	-1,042,400	-1,370,800	-1,903,500
Net Increase/(Decrease) in reserves	-	-	-	-	-
Revenue Reserve brought forward	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Revenue Reserve carried forward	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000

Average Social Rent:-				
Increase 1st April			4.10%	3.00%
48 wk		89.37	93.04	95.83
52 wk		82.50	85.88	88.46
Average stock		4,379	4,367	4,360

Average Affordable Rent:-				
Increase 1st April			4.10%	3.00%
48 wk		141.47	147.27	151.69
52 wk		130.59	135.95	140.02
Average stock		118	144	196

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MAJOR REPAIRS RESERVE

	2021/22		2022/23	2023/24	2024/25
	Original £	Forecast £	Estimate £	Projections £	
Balance brought forward	-	-	-	-	-
Depreciation of Dwellings	4,898,000	5,056,300	5,258,100	5,369,200	5,594,300
Depreciation of Other Assets	328,700	276,600	278,200	308,400	328,700
	<u>5,226,700</u>	<u>5,332,900</u>	<u>5,536,300</u>	<u>5,677,600</u>	<u>5,923,000</u>
Utilised to fund Capital Programme	-5,226,700	-5,332,900	-5,536,300	-5,677,600	-5,923,000
Balance carried forward	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HRA CAPITAL PROGRAMME

	2021/22		2022/23	2023/24	2024/25
	Original £	Forecast £	Estimate £	Projections £	
<u>EXPENDITURE</u>					
EXISTING STOCK					
Property Improvements & Major Repairs	8,846,000	7,180,800	10,767,000	10,017,000	12,126,000
Adaptations for the Disabled	500,000	550,000	500,000	500,000	500,000
Other inc repurchase of S/O Dwellings	60,000	92,000	60,000	60,000	60,000
	<u>9,406,000</u>	<u>7,822,800</u>	<u>11,327,000</u>	<u>10,577,000</u>	<u>12,686,000</u>
NEW BUILD & ACQUISITIONS	15,000,000	8,000,000	17,000,000	25,000,000	25,000,000
TOTAL	<u>24,406,000</u>	<u>15,822,800</u>	<u>28,327,000</u>	<u>35,577,000</u>	<u>37,686,000</u>
<u>FINANCING</u>					
Capital Receipts	1,401,000	1,211,000	1,511,000	1,511,000	1,511,000
HRA Revenue Contribution	1,196,300	985,800	1,042,400	1,370,800	1,903,500
Leaseholder Recharges	300,000	300,000	300,000	300,000	300,000
Major Repairs Reserve	5,226,700	5,332,900	5,536,300	5,677,600	5,923,000
Grants & Shared Ownership Sales	2,687,400	1,320,300	2,187,900	5,823,800	5,957,500
Borrowing	13,594,600	6,672,800	17,749,400	20,893,800	22,091,000
TOTAL	<u>24,406,000</u>	<u>15,822,800</u>	<u>28,327,000</u>	<u>35,577,000</u>	<u>37,686,000</u>

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PROPERTY IMPROVEMENT & MAJOR WORKS				
Description of works	2021/22	2022/23	2023/24	2024/25
EXTERNAL IMPROVEMENTS	1,624,000	1,806,000	1,757,000	1,788,000
INTERNAL IMPROVEMENTS	591,000	679,000	698,000	4,500,000
PATHS, FENCES & WALLS	93,000	427,000	342,000	500,000
NEIGHBOURHOOD WORKS	80,000	600,000	400,000	400,000
ENERGY EFFICIENCY & OTHER SUSTAINABILITY MEASURES	140,000	1,560,000	2,000,000	2,000,000
RENEWAL OF HEATING SYSTEMS	1,059,000	607,000	621,000	363,000
MAJOR REFURBISHMENTS TO VOID PROPERTIES	680,000	880,000	650,000	650,000
WINDOWS & DOORS	953,000	1,726,000	501,000	-
ASBESTOS	275,000	250,000	250,000	250,000
SHELTERED ACCOMMODATION	120,000	135,000	80,000	80,000
DOOR ENTRY SCHEMES	131,800	2,000	2,000	2,000
STRUCTURAL WORKS	42,000	30,000	30,000	30,000
COMMUNAL WORKS	44,000	74,000	362,000	108,000
FIRE PROTECTION	150,000	275,000	150,000	150,000
LIFTS	60,000	237,000	255,000	-
NON TRADITIONAL HOMES (CORNISH UNIT PROPERTIES)	-	20,000	1,060,000	-
GARAGE IMPROVEMENTS	25,000	25,000	25,000	25,000
WARDEN CALL UPGRADE	400,000	600,000	-	-
CONCRETE REPAIRS	-	-	-	445,000
WORKS TO BUILDING FABRIC	-	10,000	10,000	11,000
FEE FOR MANAGING PROGRAMME	713,000	824,000	824,000	824,000
TOTAL BUDGET FOR EXISTING PROPERTIES	7,180,800	10,767,000	10,017,000	12,126,000

NEW BUILD & ACQUISITIONS				
	2021/22	2022/23	2023/24	2024/25
NEW BUILD (APPROVED)	3,240,100	1,724,400	2,725,400	3,300
MARKET PURCHASE	3,097,400	3,036,000	3,036,000	3,036,000
NEW SCHEMES	1,662,500	12,239,600	19,238,600	21,960,700
TOTAL ESTIMATE FOR NEW BUILD & ACQUISITIONS	8,000,000	17,000,000	25,000,000	25,000,000

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CHELTENHAM BOROUGH HOMES

WHO WE ARE

WHAT WE DO

WHY WE DO IT



January 2022
www.cbh.org



Working in partnership with





" Cheltenham Borough Homes is driven by people who have a real passion to make a positive difference to the lives of people living in Cheltenham.

At its heart it has a tradition of putting people first, treating them well, and making a positive difference to their lives, by providing safe and secure homes, supporting strong and vibrant communities, and inspiring people to go beyond what is expected and deliver what can be imagined.

There are challenges ahead with the economic recovery post COVID-19 and meeting the challenges in the housing sector driven by the impact of Grenfell and the subsequent recommendations in the government's Social Housing White Paper, but we have a solid foundation to support us through what will be a time of significant change.

Following another year of uncertainty and challenge I am proud to work with colleagues who continue to go the extra mile for our customers and have maintained a great service for some of Cheltenham's most vulnerable people and families.

Working in close partnership with the Council we are delivering on ambitious plans to create a town where everyone thrives. To make this a reality we will continually improve our customer service and ensure we listen to and act upon feedback, look at ways to make customers' homes more energy efficient to support the council's aim to be net carbon zero, and ensure our new and existing homes are a place customers can call home."

Steve Slater

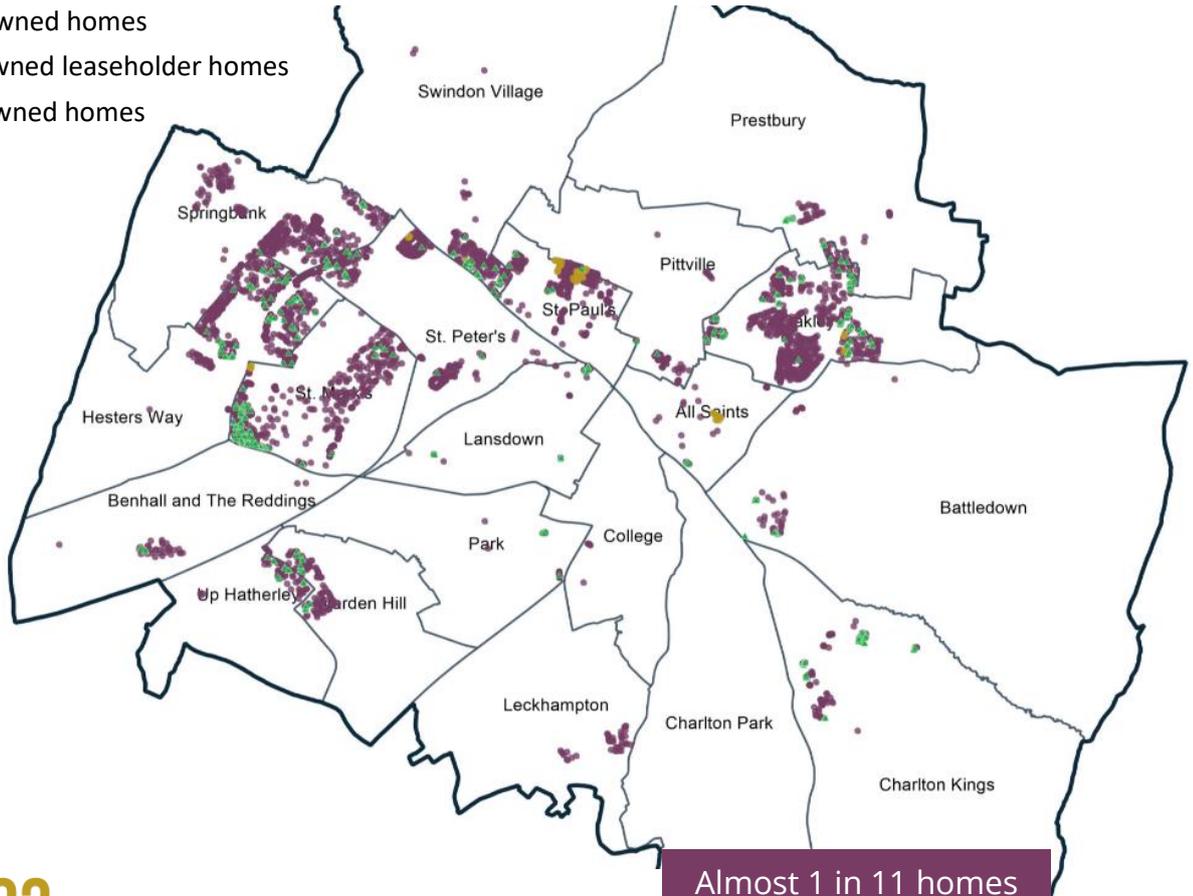
CEO, Cheltenham Borough Homes



Distribution of CBC-owned homes, garages, and leasehold properties

Key:

- CBC-owned homes
- CBC-owned leaseholder homes
- CBH-owned homes



Almost 1 in 11 homes in Cheltenham is managed by CBH

4,033



Investing in Cheltenham

We continue to **support the Council** to deliver its ambitious aims for Cheltenham and the town's **economic recovery** and are supporting achieving the **challenging 2030 net carbon zero target**, through **improving homes, driving increased standards** for new build, and making changes to business operation.

Operating within the most deprived communities across Cheltenham we provide **enhanced services** that make a **positive difference to people's lives**. We see the person not the tenancy, and our neighbourly approach and drive to go the extra mile enables people to thrive and create stronger, sustainable communities.

Alongside **providing and maintaining quality, affordable homes**, on behalf of the Council we provide advice for people dealing with **benefits and money issues**; support people to **find work and training** opportunities; hubs for and delivery of **community activities**; provide **digital inclusion** opportunities; and work closely with **local schools** to help students to remain in mainstream education.

As an effective delivery partner, trusted and valued by the Council, local partners, and our customers we are aware of the challenges our communities face and are perfectly positioned to support customers and their families with the rising costs of living and other issues this can bring.



WHAT WE DO

Helping people into work, training, and education

We deliver a range of virtual and in person support for people trying to find work and training opportunities. CBH's Training and Employment Service (TES) has been supporting the people furthest away from the labour market for over a decade and has developed an approach to support young people at risk of exclusion. For example, during 2020-21 our training and employment experts helped:



43
into work



68
into training



Safety equipment to people starting work in the construction industry



CSCS tests and cards



ASDAN training materials

Pino's story:

CSCS (Construction Skills Certification Scheme)

Pino had an ambition to increase his employment prospects by gaining a CSCS construction card. The team worked closely with Pino to make sure that we were able to provide him with the right support safely and remotely so that he could thrive during the training. The support he received helped him to secure his Construction Skills Certification Scheme CSCS card after passing his test. In Pino's words:

"I was really nervous to start this at first, but I have gained so much confidence being able to practice the tests online with Lorna, visually seeing each question and answers helps me to remember them, especially the symbol questions, and knowing I am passing each time makes me feel ready to take the real test with confidence I can pass"



Tim's story:

Work clubs and one to one sessions

Tim had a long history of working and being self-sufficient, until recently, when he found himself in the unfamiliar situation of being unemployed. In need of advice and guidance, he contacted us to support him through his next steps. Our benefit and money advisors helped him improve his financial situation, so he could focus on gaining employment. He said:

"The help and support I have got from Caroline and Gayna has been amazing, they have been very supportive, and the service I received has been fantastic, thank you both"



Ollie's story:

ASDAN Careers and Experiencing Certificates

Working with two schools the award winning **Thrive programme** gives a real chance for young people to change their future by offering a different way of learning that can influence the rest of their lives. During his time on **Thrive** Ollie successfully secured his ASDAN Careers and Experiencing Certificates and received great feedback during his placements with our responsive repairs team and contractors. After graduating from **Thrive**, he continued to work hard to secure the qualifications he needed and secured a property maintenance apprenticeship with Cheltenham Flooring. In Ollie's words:

"I love doing my apprenticeship. I enjoy working with Cheltenham Flooring and CBH. I get treated very well. I even like going to college, it's going really well. Thank you all very much."



WHAT WE DO

Delivering through strong partnership working

We're passionate about reducing social isolation and increasing resilience within our communities and work closely with local partners to deliver virtual and face to face opportunities for learning and meeting up with others.

“ Vincent has made a huge impact in the last 18 months around his work with ACES in the St Paul's Community. He is kind, caring and has a natural ability to build rapport with children, youth and their families. His enthusiasm is infectious, and he is able to see the best in some extremely challenging situations. He has made a huge impact in the lives of many children and young people as he supports and champions them

Jennifer Fellows - Assistant Pastor, St Paul's Church, Cheltenham

“ Vincent was involved with a young person, who had stopped engaging with professionals and we were stuck with next steps. It was unclear if the behaviour was in a wilful manner or if there were anxiety or confidence issues. He has been working with the young person and helped us understand there are underlying mental health concerns which has helped with a plan of action. This young person is now getting out, engaging in activities, and building confidence which is significant progress. This outcome is because of the direct work Vince is providing partners

Sinead Kirk - Families First Gloucestershire County Council

We are leading a successful pilot project aimed at tackling the impact of Adverse Child Experiences (ACEs). This includes working with partners to provide young people with the help they need to return to education following long periods of time away from school.

Maintaining high quality landlord services

We help people to maintain and stay in their homes and work with them to identify and engage with the right support. Helping the most vulnerable households to secure a long-term home they can sustain. **We provide housing and homelessness services for the whole of Cheltenham:**



£66,000 of arrears cleared

£1.3m of additional benefits we helped customers claimed

Teamed up with Severn Trent, helping us to reduce our customer's bills by up to **£300 per year** and clear historic debt of over

£1000


368

families provided with assistance to remain in their home or find a place to stay to prevent homelessness


£2.3m

in additional benefits we helped families across Cheltenham claim


400

families housed in Cheltenham through homeseekerplus


89

homes secured through the private rented access scheme to help those who are homeless


125

people helped off the streets through the 'Everyone in' scheme to provide them with the support they need

Making Cheltenham Net Carbon Zero by 2030

To support the Council's response to the climate emergency we're developing a Carbon Reduction Strategy which includes plans for the existing social housing portfolio, taking account of associated HRA budget requirements.




Awarded grant funding from The Department for Business, Energy and Industrial Strategy (BEIS) as part of the social housing decarbonisation project to help Cheltenham become a carbon neutral town.

Investing in existing homes

We know the value of home, which is why we have **listened to customer feedback** and are **embracing technology** to help us carry out more repairs each day.

To help tackle **fuel poverty** and **reduce the carbon impact** of our homes we are piloting an innovative scheme to carry out deep retrofitting works and monitor the effectiveness of the measures taken to inform future thinking.



To improve energy efficiency in the home and reduce fuel bills, we carried out the following works:

Last year we spent £6.2m to improve homes.

<p>Fitted</p> <h1>743</h1> <p>new high quality doors to lower tenants' energy costs</p>	<p>Renewed the wiring and lighting to</p> <h1>117</h1> <p>communal blocks to keep people safe and secure in their homes</p>	<p>Improved the energy efficiency of</p> <h1>47</h1> <p>homes to save on tenants' energy bills</p>
<p>We responded to</p> <h1>555</h1> <p>emergency repairs at night or over the weekend</p>	<p>Carried out</p> <h1>544</h1> <p>electric tests to keep tenants safe and secure in their homes</p>	<h1>99.8%</h1> <p>of over 8,000 emergency, urgent and responsive repairs completed on time</p>

Investing in new affordable homes

Working in partnership with the Council we're enabling the investment of **£180m in quality homes and thriving communities** across multiple tenures including affordable and private rent and through multiple opportunities including the Golden Valley Development, and other land-led schemes.

On schemes controlled by the Council, new homes will be designed to be net zero carbon buildings, helping to meet Cheltenham's aspirations to be net zero by 2030, and consider other aspects such as biodiversity and fuel poverty considerations.

This supports the wider housing strategy of the council in meeting future housing needs for Cheltenham.



26 homes we acquired on the open market, making good use of the money received from the properties sold under the right to buy scheme



Awarded
£2.7m
From Homes England



25 homes freed up for families as part of our downsizing programme



3 homes completed via section 106 agreement for families

We built



35 new affordable homes providing more opportunities for families to find their home through social rent or shared ownership



WHY WE DO IT

Social Housing White Paper - People come first

At the heart of CBH are our customers and we are always looking ahead to make sure we are providing excellent services. We offer a variety of ways customers can get involved to share their thoughts and have their say in person and digitally. Carrying out surveys and feedback groups to help scrutinise and challenge us is a huge part of our tenant engagement strategy. During 2020/21 we've had a fantastic 1,034 responses:



85%

of people said they are happy overall with CBH



78%

satisfied with repairs and maintenance service



90%

of people thought their rent was value for money



89%

of people feel safe in their home



73%

satisfied we listen to views and act on them



80%

are happy with the quality of their home

“ They are sympathetic. They do listen. They have fantastic customer service. They get things sorted as fast as they can... ”
Tenant

“ Thank you so very, very much for the help and support you have given me throughout what has been a very difficult period in my life ”
Tenant

“ They do everything i always ask for. I've got a nice home. I feel safe ”
Tenant

Demonstrating excellent customer services at the right cost is crucial and ensures CBH is delivering value for money (VFM); it is about understanding the need to spend and managing that effectively to maintain strong core services and continuing to achieve positive change and outcomes for customers. This ensures the rent paid into the Housing Revenue Account (HRA) enables us to:



Deliver enhanced services



Maintain and improve homes



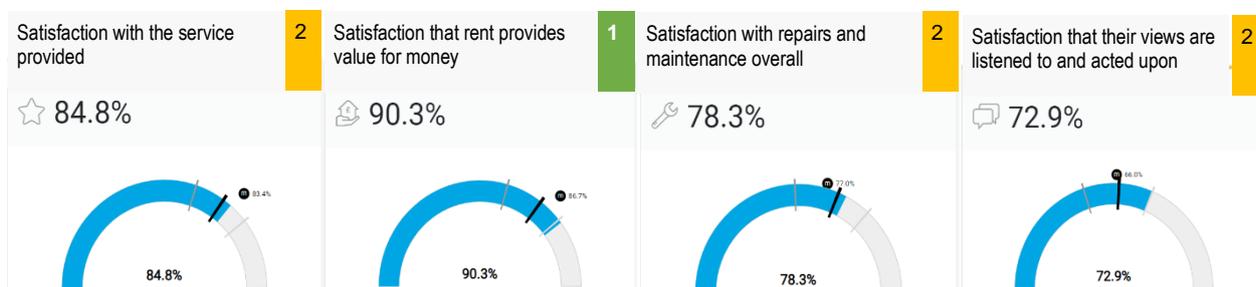
Provide more affordable homes

Providing value for money Page 84

We set clear budgets and targets every year and monitor closely how we are doing to make sure we spend money in the best way to maximise the delivery of the services valued by our customers. Ensuring our services are value for money is important to us and so we **regularly assess our satisfaction, performance, and costs with a comparable peer group** in the housing sector.

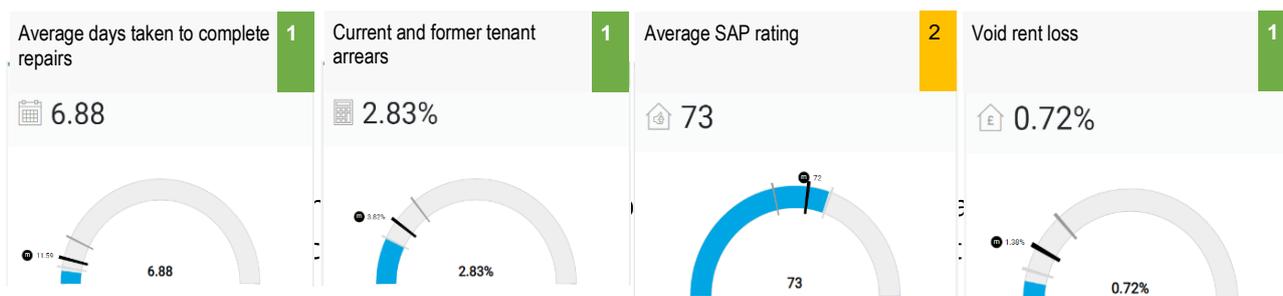
The following indicators are sourced directly from an external third party's tried and tested benchmarking model, widely used across the sector. The infographics show which quartile we are in, in the top right corner (1 = top 25%, 2 = top 50%, and so on), and our current performance.

Satisfaction levels are strong during challenging times, suggesting that our services and how we operate are meeting the needs of our customers. This is a key part of our approach; we listen and then we act on feedback wherever possible.



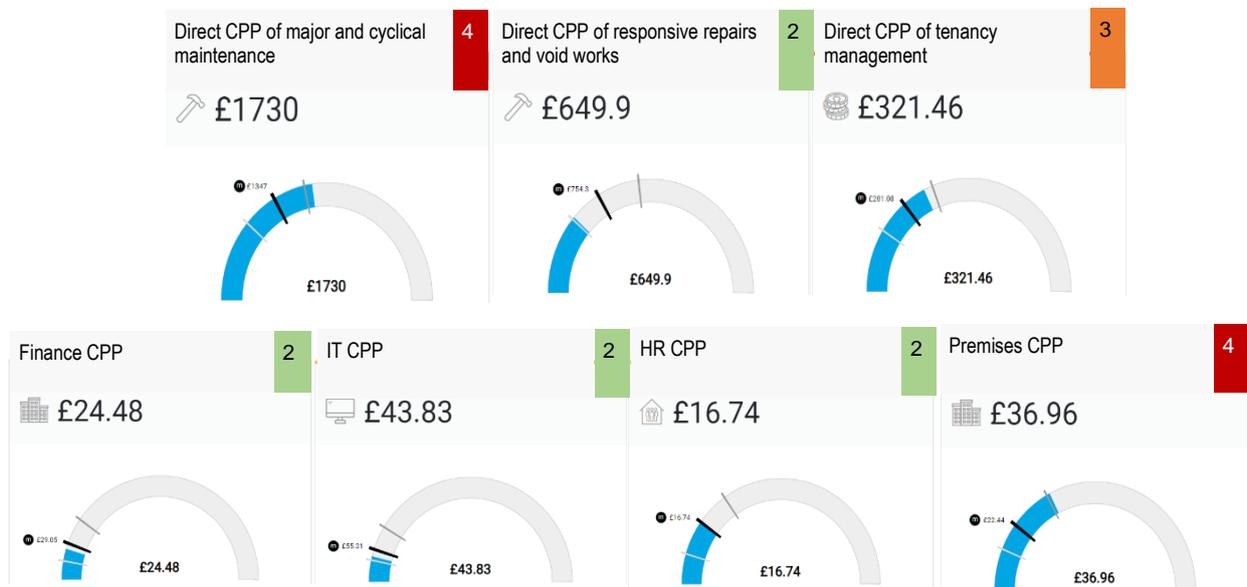
Performance is also strong, as shown by the indicators below, demonstrating that we are delivering high quality core landlord services. It is of note that the management of lettings and rent and arrears during a time of increasing pressure on tenants and CBH colleagues has remained well above sector medians. Health and Safety has always been a priority for CBH, demonstrated by our seventh consecutive RoSPA Gold Award for H&S Management, ensuring effective management in this critical area.

Our planned programmes of investment in existing homes allow us to meet statutory compliance, improve energy performance and the quality of homes in ways that assist our customers and contribute to their satisfaction/quality of life. For example, this investment in homes has resulted in a SAP figure (an indicator of energy efficiency) that has increased year on year.



Our person-centred community-focussed **Page 85** supports **CBC's aim to enable Cheltenham's communities to engage and thrive and support the most vulnerable** to improve their quality of life.

This high level of satisfaction and performance comes from **investing in supporting strong communities** and therefore our costs for housing management services are higher than the peer group average. Effective neighbourhood and community investment, with the involvement of tenants, supports local aims led by CBC and which CBH is very well placed to help deliver.



Costs per property (CPP) for major works and cyclical maintenance are **higher than average**. We continue to invest in existing homes, based on data sourced from our stock surveys, **enabling us to maintain safe, and high-quality homes**. This level is set to continue, reflecting the increase in some aspects of major work (e.g., windows and doors and showers) and starting to invest in specific carbon reduction measures on a 'fabric first' approach. Costs for **responsive repair and void works are lower than average** when compared with our peers as are overhead costs other than premises which will reduce in due course under savings plans being delivered by CBH for the HRA.

We believe the services we deliver on behalf of CBC are value for money. We continue to monitor and balance the three elements of VFM whilst seeking opportunities to become more efficient, find cost savings, and free up further resources in the HRA for investment in services, existing homes, and new homes.

CBH is uniquely positioned in Cheltenham, a trusted and valued presence in homes and communities where there is potential to make a huge positive difference to the lives of thousands of people and families. CBH is a **catalyst for positive change**, working closely and successfully with other local agencies to that end.

For further information about the contents of
this report please contact:
comms@cbh.org

| www.cbh.org |   

Cheltenham Borough Council

Cabinet – 15 February 2022

Council – 21 February 2022

General Fund Revenue and Capital – Final Budget Proposals 2022/23

Accountable member	Councillor Peter Jeffries, Cabinet Member for Finance and Assets,
Accountable officer	Executive Director Finance and Assets (Section 151 Officer), Paul Jones
Accountable scrutiny committee	Overview and Scrutiny Committee and Budget Scrutiny Working Group
Ward(s) affected	All
Key Decision	Yes
Executive summary	<p>This report summarises the revised budget for 2021/22 and the Cabinet's final budget proposals and pay policy statement for 2022/23.</p> <p>The Council have 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 is in addition to the ten years of austerity and year on year cuts to the Council's Government funding.</p> <p>The national restrictions which have been in place, either across the country or locally here in Cheltenham have created a huge amount of financial uncertainty. With the emergence of the Omicron variant, the uncertainty continues to impact customer behaviour which may have further financial impact on our commercial income and on the town's economy. What is clear is that the recovery of our town from the pandemic has only just begun.</p> <p>The budget proposals aim to utilise our assets, skills and infrastructure to enable inclusive and environmentally sustainable growth in the Borough whilst providing a mechanism to ensure the Council has the revenue resources to continue to lead the recovery from Covid-19.</p> <p>The Council's ambition to make Cheltenham the cyber capital of the UK is critical to ensuring that the council achieves financial sustainability and was addressed as part of the Covid-19 recovery revised budget 2020/21, agreed by Full Council on 16 November 2020. The recommendations within this report aim to ensure a balanced budget is delivered in 2022/23, that sufficient revenue resources are transferred to reserves to provide a cushion to combat longer term uncertainty and that appropriate resources continue to be directed towards the Council's corporate priorities.</p>
Recommendations	<p>It is recommended that Cabinet/Council:</p> <ol style="list-style-type: none"> 1. Approve the revised budget for 2021/22 which is also reported separately in the 2021/22 budget monitor for 31 December 2021. 2. Consider the budget assessment by the Section 151 Officer at

Appendix 2 in agreeing the following recommendations.

3. Approve the final budget proposals including a proposed council tax increase for the services provided by Cheltenham Borough Council for the year 2022/23 based on a Band D property (an increase of 2.28% or £5.00 a year for a Band D property), as detailed in paragraphs 4.14 to 4.19.
4. Approve the savings / additional income totalling £1,507,000 and the budget strategy at Appendix 4.
5. Approve the use of reserves and general balances and note the projected level of reserves, as detailed at Appendix 5.
6. Approve the capital programme at Appendix 6.
7. Approve the programmed maintenance programme at Appendix 7.
8. Approve the flexible use of capital receipts strategy as detailed in Appendix 8.
9. Note that the Council will remain in the Gloucestershire business rates pool for 2022/23 (paragraphs 4.4 to 4.13).
10. Approve the Medium Term Financial Strategy (MTFS) detailed in Appendix 9.
11. Approve the Pay Policy Statement for 2022/23, including the continued payment of a living wage supplement at Appendix 10.
12. Approve a level of supplementary estimate of £100,000 for 2022/23 as outlined in Section 14.

Financial implications	As contained in the report and appendices. Contact officer: Gemma Bell, Head of Property, Finance and Assets (Deputy Section 151 Officer) gemma.bell@cheltenham.gov.uk
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<p>Legal implications</p>	<p>The budget setting process must follow the Council’s Budget and Policy Framework Rules. Whilst the setting of the budget is a function reserved to Full Council the draft budget is prepared by Cabinet.</p> <p>The provisions of the Local Government Finance Act 1992 (LGFA 1992) set out what the council has to base its budget calculations upon, and require the council to set a balance budget with regard to the advice of its Chief Finance Officer (Section 151 Officer). Section 25 of the 2003 Local Government Act requires the Section 151 Officer to comment on the robustness of the estimates and the adequacy of reserves. Section 30(6) LGFA 1992 provides that the council has to set its budget before 11 March each year.</p> <p>There is also a statutory requirement for local authorities to hold a referendum where council tax is proposed above specific levels. The relevant basic amount of council tax in 2022/23 will require a referendum if it is both:-</p> <p>a) 2%, or more than 2%, above its 2021/22 level; and b) more than £5 above its 2021/22 level.</p> <p>This means that a shire district authority will need to exceed both the percentage and cash referendum thresholds in order to be subject to a referendum; exceeding one principle but not the other does not require a referendum.</p> <p>In accordance with the Council’s approved Investment Strategy, the Council is able to lend money to support local public services and stimulate local economic growth. These include loans to organisations and residents within the Borough which support the priorities of the council.</p> <p>Section 38 Localism Act 2011 requires local authorities to produce Pay Policy Statements.</p> <p>Contact officer: One Legal – legalservices@onelegal.org.uk</p> <p>Tel no: 01684 272012</p>
<p>HR implications (including learning and organisational development)</p>	<p>Relationships with the two recognised trade unions continue to remain very positive and both have been included in the consultation on the draft budget proposal. The Executive Leadership Team and the HR team will continue to work closely with TU colleagues in order to ensure that any potential impact on employees as a result of realisation of budget savings are kept to a minimum.</p> <p>Contact officer: Julie McCarthy julie.mccarthy@publicagroup.uk Tel no: 01242 264355</p>
<p>Key risks</p>	<p>As outlined in Appendix 1</p>
<p>Corporate and community plan Implications</p>	<p>The aim of the final budget proposal for 2022/23 is to direct resources towards the key priorities identified in the Council’s Corporate Plan whilst recognising the financial pressures caused by the response and recovery from the COVID-19 pandemic.</p>

Environmental and climate change implications	The final budget proposals for 2022/23 contains a number of proposals for improving the local environment, as set out in this report.
Property/Asset Implications	As contained in the report and appendices. Contact officer: Gemma Bell E-mail: gemma.bell@cheltenham.gov.uk Tel no: 01242 264124

1. Background

- 1.1 In accordance with the Council's Budget and Policy Framework Rules, which are part of the Council's constitution, the Cabinet is required to prepare interim budget proposals for the financial year ahead and consult on its proposals for no less than four weeks prior to finalising recommendations for the Council to consider in February 2021. The consultation took place between the period 22 December 2021 to 26 January 2022 and this report sets out the final proposals for 2022/23.

2. Budget Assessment of the Section 151 Officer

- 2.1 Under Section 25 of the 2003 Local Government Act, there is a legal requirement for the Section 151 Officer to make a report to the authority when it is considering its budget, council tax and housing rents (see separate report on Housing Revenue Account to Council) covering the robustness of estimates and adequacy of reserves. The Act requires councillors to have regard to the report in making decisions at the Council's budget and council tax setting meeting.
- 2.2 The Section 151 Officer is satisfied that the proposed budget for 2022/23 has been based on sound assumptions and that the Council has adequate reserves to fund operations in 2022/23. The full assessment is attached at Appendix 2.

3. 2021/22 Budget Monitoring to December 2021

- 3.1 The budget monitoring report to the end of December 2021, also considered by Cabinet on 15 February 2022, indicates that despite a number of variances to the budget it still anticipates the delivery of services within budget in 2021/22. It is proposed that this is achieved by reducing the contribution planned to be made to general balances at year end.

4. Settlement Funding Assessment

- 4.1 The assumptions within these budget proposals are based on the local government 'final' finance settlement for 2022/23 which was published by DLUHC on 7 February 2022.
- 4.2 The headlines from SR21 which directly affects local government were:
- The announcement of a three year settlement has now been reduced to one year only for 2022/23.
 - Priority in the settlement is "stability in the immediate term", with a more fundamental review of local government funding starting in 2022.
 - Overall Core Spending Power (CSP) increases by over 4% in real terms (£3.5bn cash), including funding for social care reform and cap compensation.
 - The 2022/23 settlement rolls forward many aspects of the current year's settlement.

- There is another additional New Homes Bonus payment (Year 12, £407,267), on top of the final “legacy” payment of £230,579.
- A continuation of the Lower Tier Services Grant (LTSG) which ensures that no authority will have a reduction in Core Spending Power in 2022/23. Cheltenham will receive £129,988 in 2022/23.
- A new one-off 2022/23 Services Grant has been created to fund general responsibilities (2013/14 SFA is used to distribute funding). Cheltenham will receive £195,881 in 2022/23. Government have made it clear that this is a one-off grant in 2022/23 and will not be included in the baseline that is used for transitional support (damping) in 2023/24:
- The council tax referendum thresholds for Cheltenham remain unchanged.
- Of the £1.5bn made available, £70m will be used to apply inflation to Revenue Support Grant (RSG), £636m for additional social care grants, and £822m for the new Services Grant.
- Funding for the social care reforms (£162m in 2022/23) will use the existing Adult Relative Needs Formulae (RNF), and is for the Fair Pricing reforms (more detail is provided in the social care written statement).
- Compensation for under-indexing the multiplier (which will be frozen in 2022/23) is based on the Consumer Price Index (CPI) but will use Retail Price Index (RPI) in the final settlement (which will result in about £225m additional funding).

4.3 Ministers will be re-starting the local government funding reforms in the spring 2022. This means that the Fair Funding Review and business rates baseline reset are both going to be under consideration again, for possible implementation in 2023/24. This increases the urgency of the realignment of our budgets to ensure any changes to our baseline funding for next year can be managed more effectively.

Business Rates Retention (BRR)

- 4.4** In October 2012, Council approved the principle of Cheltenham joining the Gloucestershire Business Rates Pool, subject to a thorough assessment of the risks and rewards and agreement of satisfactory governance arrangements.
- 4.5** Continuation within the pool was delegated to the Section 151 Officer and Chief Executive and this is reviewed on an annual basis.
- 4.6** The Gloucestershire Business Rates Pool was set up in 2013/14 to maximise the business rate income retained within the County and to support economic growth within the area of the Local Enterprise Partnership.
- 4.7** The anticipated level of business rates due to this Council in 2022/23, despite the severe impact of the Covid-19 pandemic remains above the baseline funding target (Cheltenham’s target level of retained Business Rates) which will result in Cheltenham still being liable to a ‘levy’.
- 4.8** The post-pandemic economic recovery of the town is being monitored closely by the Executive team and has been supported by the targeted use of the business support grant funding provided by the Government through the pandemic. The focused funding of specific sectors and provision of financial support has enabled businesses to adapt the way they operate through national restrictions and mitigate the long-term economic impact of the pandemic on the town.
- 4.9** The resilience of these businesses, and the opening and anticipated opening of new retail, entertainment and hospitality offerings in the later part of 2021/22 and into 2022/23 have all contributed to expected levels of business rate funding above our baseline funding target.
- 4.10** Taking the above into account, it is the opinion of the Section 151 Officer that this Council will benefit from remaining in the pool in 2022/23 as it will result in a reduction in the levy payment due to central government, which will be distributed in accordance with the governance

arrangements.

4.11 One of the key documents in the budget setting process is the estimate of business rates yield, reported on the National Non Domestic Rates return (NNDR1), which is submitted to the DLUHC. The NNDR1 return was submitted by the deadline of 31 January 2022 and the budget is based on the figures in that return. The table below incorporates figures from the NNDR1 return and, despite the severe impact of Covid-19, the estimated net surplus from retained business rates against the baseline funding position in 2021/22 is £1.357m (revised estimate) and in 2022/23 £1.505m.

4.12 In 2021/22 the government has supported the Council in two ways:

- by compensating it fully for its 40% share of the additional business rate reliefs awarded by the government to Retail businesses during 2021/22 (this amounts to an estimated £6.79m in additional Section 31 grant); and
- by allowing it to spread the estimated losses arising from other changes (rateable valuation reductions, increased unoccupied relief and write-offs, etc.) over three years (normally these impact fully in the following year) for 2020/21 and 2021/22.

4.13 Due to the expected receipt of the grants in 2021/22 but the need to spread the losses over the next three years, it is proposed to transfer the additional income receivable in 2021/22 to the Business Rates Retention Reserve, for use in future years to compensate for the impact of the increased losses (deficits) in those years. This is shown in the table below.

	2021/22 Original 50% system £	2021/22 Revised 50% system £	2022/23 Original 50% system £
Retained business rates	21,944,973	17,041,206	20,219,722
Tariff payable to government	-19,244,897	-19,244,897	-19,244,897
Grant to compensate for government decisions	1,417,489	6,790,945	3,889,118
Estimated levy payable to government after Pool surplus	-91,536	-388,286	-517,409
Net retained business rates	4,026,029	4,198,968	4,346,534
Less Baseline Funding (target level of net retained rates)	-2,841,443	-2,841,443	-2,841,443
Net surplus on business rates against baseline funding	1,184,586	1,357,525	1,505,091
Deficit adjustment re 2019/20	-128,170	-128,170	-
Deficit adjustment re 2020/21	-13,966,426	-13,966,426	-361,768
Deficit adjustment re 2021/22	-	4,903,767	4,903,767
One-off adjustments re previous years' deficits	-14,094,596	-9,190,829	-5,265,535
Net retained business rates (after one-off deficit adjustments)	-10,068,567	-4,991,861	-919,002
Transfer (to) / from BRR earmarked reserve	13,810,279	8,762,782	5,168,875
Net retained business rates	3,741,711	3,770,922	4,249,873

Council Tax

- 4.14** Government legislation, through the Localism Act, requires councils proposing excessive rises in council tax to hold a local referendum allowing the public to veto the rise. The referendum threshold for council tax increases is proposed at 2 per cent for all local authorities in 2022/23. However, shire districts will be allowed increases of up to and including £5, or up to 1.99 per cent, whichever is higher.
- 4.15** With increased pressures caused by the pandemic and the recent increase in inflation and other operational costs, it continues to be difficult to deliver current levels of services when government support does not cover all additional costs we expect to incur. To this end, there is a clear mandate from central government for the reliance of council tax to fund our local services.
- 4.16** The tax base has increased by 1.0% in 2021/22 against the target increase of 0.8%. This increase primarily arises from a reduction in claimants of LCTS in the past six months and again indicates that our communities and our economy are beginning to recover from the pandemic.
- 4.17** The Cabinet has had to consider what level of increase in council tax is sustainable, without creating an increased risk of service cuts and/or larger tax increases in the future.
- 4.18** The uncertainty surrounding the timing of the fair funding review, business rates and the indications that any new increases in funding in 2022/23 will stay static for the three year settlement period continues to place significant reliance on council tax as our main source of income.
- 4.19** Therefore, the Cabinet is proposing a 2.28% increase in council tax in 2022/23; an increase of £5.00 for the year for a Band D property.

Collection Fund

- 4.20** Under normal circumstances, collection fund surpluses arise from higher than anticipated rates of collection of council tax (for example due to additional new build properties becoming chargeable). At this point in time, it is anticipated that there will be a surplus on the collection fund in 2021/22, primarily arising from an increase in the tax base compared to that estimated in setting the budget in February 2021. Surpluses and deficits are normally shared out between the Council, County and Police and Crime Commissioner in the following year.
- 4.21** A deficit on the Collection Fund was reported in 2020/21 and the Government announcement in July 2020, in response to the financial pressures faced by Local Authorities as a result of the pandemic, confirmed that the repayment of any deficits could be spread over three years.
- 4.22** As a result, the council's share of the deficit of £27k for 2020/21 will be spread over three years: £9k in 2021/22, 2022/23 and 2023/24. However, in 2022/23 the Council will also receive a share of the estimated surplus for 2021/22 of £71k and a share of the difference between the estimated and actual deficit for 2020/21 of £4k, resulting in a net surplus of £58k. Again, evidence supporting the economic recovery of our town post pandemic as new businesses open and empty premises become occupied again.

5. The Cabinet's general approach to the 2022/23 budget

- 5.1** The Council have 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 is in addition to the ten years of austerity and year on year cuts to the Council's Government funding.

- 5.2** The national restrictions which have been in place, across the country or locally here in Cheltenham, have created a huge amount of financial uncertainty. With the emergence of the Omicron variant, the uncertainty continues to impact customer behaviour which may have further financial impact on our commercial income and on the town's economy.
- 5.3** Changes to customer behaviour and the way our services are accessed has changed with no certainty as to whether this will be permanent or temporary and what this means for how we fund and operate our services. It also means we need to continue investing in technology, in particular the digital platform to meet the changing requirements of our residents and service users.
- 5.4** Since its adoption in 2018 the key mechanism driving our response to funding challenges has been the commercial strategy. This has driven an innovative and enterprising mind-set and we have adapted to generate income in different ways to support our general fund budget and deliver against our Corporate Priorities.
- 5.5** Recovery from the pandemic and re-opening of the town has meant the contribution of some of these initiatives are providing to the general fund may now be permanently lower than we had assumed in previous budgets. The budget monitoring report presented to Cabinet in October 2021 reported a forecast net overspend against the budget of £1,044,000 for 2021/22. The most significant variance from budget was from income generated from off-street car parking which is much lower than previous years as commuters move towards more of a hybrid working from home model.
- 5.6** The 2022/23 budget provides an opportunity to reset our baseline position against our Corporate Priorities and prepare a Medium Term Financial Strategy for 2022/23 and beyond which ensures we continue to be financially sustainable whilst continuing to support economic recovery and growth and our climate change ambitions for the town.
- 5.7** This budget also takes into account the recommendation made by Grant Thornton in the 2020/21 Audit Findings Report to review our Minimum Revenue Provision ("MRP") policy and a recent Government consultation which states that any future changes will not be applied retrospectively. The arrangements for 2021/22 and 2022/23 are being considered but it is not expected that any changes will impact on the delivery of services or savings in this budget.
- 5.8** In preparing this budget, the Cabinet and officers have considered the following:
- Provided for inflation for contractual, statutory, and health and safety purposes at an appropriate inflation rate where proven;
 - Budgeted for pay inflation at 2% for 2022/23, with an additional 1% held in contingency;
 - Budgeted for an increase in Members allowances in line with the assumptions on pay inflation outlined above;
 - The provision of support and services to assist our communities, businesses and residents response and recover from the pandemic;
 - An inflationary increase in sales, fees and charges where market conditions dictate;
 - Assessed the impact of prevailing interest rates on the investment portfolio, the implications of which have been considered by the Treasury Management Panel.
- 5.9** The proposals within these budget papers aim to utilise our assets, skills and infrastructure to shape and improve public services and enable inclusive and environmentally sustainable economic growth in the Borough whilst providing a mechanism to ensure the Council has the revenue resources to continue to lead the recovery from Covid-19.

6. Re-setting for Green and Sustainable Recovery

- 6.1** Cheltenham Borough Council (CBC) was one of, if not the first council to publish a Recovery Strategy in 2020. That early publication and consultation enabled the Council to clearly signal

recovery aims and objectives. The economy was, and continues to be in a difficult position nationally and responding dynamically will be key to supporting the rest of the town to recover.

- 6.2** The Recovery Strategy is informed by existing corporate plans so aligns with the Council's established vision of place and longer term priorities. That the Council was able to take the Corporate Plan and adapt it to respond to the Covid-19 crisis shows organisational flexibility and the ability to re-orientate focus and resources in light of emerging situations.
- 6.3** The 2021/22 budget included a number of growth items as a direct response to the Recovery Strategy; providing revenue funding for climate change, economic recovery and the introduction of an apprenticeship programme. Additionally, in November 2020 Council committed £1.5m additional resources to the Golden Valley development to continue to work towards our vision to be the Cyber Capital of the UK.
- 6.4** The 2022/23 budget recognises that a green, sustainable and inclusive path to economic growth and recovery is not a strategy for the short term. Our long-term strategic commitments need long term financial planning.
- 6.5** This budget seeks to reduce our reliance on commercial income streams, which may not support our corporate priorities, and create a new baseline from which investment decisions can be made to support the recovery of our town from the most significant and wide reaching economic and healthcare crisis of a generation. Although we have not included any new growth items in the 2022/23 budget, we have looked differently on how we are utilising the resources at our disposal to increase the impact we can have to drive change and deliver on our Corporate Priorities.

Carbon neutrality

- 6.6** CBC's stated ambition to be net carbon zero by 2030 is a credible and commendable plan and in 2021/22 the Council invested in the creation of a permanent central team to monitor and manage the carbon reduction programme for the Borough as a whole.
- 6.7** One of the most significant achievements of this team to date was a successful bid to the Public Sector Decarbonisation Scheme (PSDS) for £382,600 of capital funding to support key projects. This capital budget now supplements the existing £350,000 of CBC funding already earmarked to support the implementation of the Climate Change Strategy in 2022/23.
- 6.8** The most uncertain financial pressure experienced in 2021/22 as we continue to monitor the recovery from the Covid-19 pandemic is the reduction in the income we are generating from our car parks. In 2019/20 we generated £4.388m from off-street car parking fees which was a significant contributor to the funding of our commitments.
- 6.9** Car parking activity has been closely monitored through 2021/22 as the national restrictions have been eased and there is a notable change in behaviour with fewer commuters travelling into the town during the week. In 2019/20 the average income generated each month from car parking was £370k which comfortably exceeded our budget target. At the date of this report, we are estimating in 2022/23 this will fall to £300k a month. Further uncertainty is also expected in the final quarter of the year with the emergence of the Omicron variant.
- 6.10** Although not a direct investment in carbon neutrality, the Cabinet feel a budgetary commitment to reducing reliance on vehicles which impacts on air quality and the environment of the town centre demonstrates the commitment to the climate emergency pledge made in 2019.
- 6.11** In addition to this, Cabinet have also included a new proposal in the capital programme for £75k to support a pilot scheme for electric vehicle (EV) off-street charging points. This proposal is a response to the Cabinet's commitment to improving air quality in the town and, together with the County Council provision of on-street EV charging points, responds to the increasing use of

electric vehicles by visitors and residents of Cheltenham.

- 6.12** The decision by the Cabinet to re-align our budget to reduce our reliance on income from vehicles means a number of other efficiencies and income-generating activities need to be made to balance our budget. In considering these, the Cabinet have kept our net carbon zero target in the front of mind.
- 6.13** The following changes have been proposed to our base budget to re-align resources and deliver a budget which reflects our climate ambitions:
- Further commitment to use the investment fund from 2020/21 to finance initiatives which have a positive impact on the environment;
 - A base budget re-set of car parking income budgets to reduce the Council's reliance on income generated from vehicles;
 - The publication of a £10m climate investment strategy;
 - A reduction in energy usage in Council owned buildings;
 - A reduction in the allowances for using cars to promote greener modes of transport; and
 - A realignment of recycling income and expenditure budgets to meet the increased demand.

Inclusive and Sustainable Economic Growth and Development

- 6.14** Despite the financial uncertainty caused by the pandemic over the last 18 months, the Council has continued to demonstrate its commitment to make Cheltenham a place where everyone can thrive. In the 2020/21 outturn report presented to Full Council in July 2021, we committed £250k to a Green Economic Recovery and Investment Fund.
- 6.15** It has been proposed that this funds work to improve the greening of the Clarence Fountain, the hosting of the Ice Rink in Imperial Gardens and to improve toilet provision in the town. These initiatives were identified to support the economic recovery of the town – stimulating the visitor economy and improving the environment for everyone to enjoy.
- 6.16** The Council has also continued with the procurement to find a development partner to realise its flagship ambition to make Cheltenham the Cyber Capital of the UK. Creating a national centre of excellence for the cyber sector and wider tech industries that will be an engine-room for long-term inclusive growth for Cheltenham. Council approval of £1.5m additional resource to the Golden Valley Development in November 2020 further cemented our commitment to this key priority.
- 6.17** In 2022, the Golden Valley campus and Innovation Centre was outlined as a priority in the Government's National Cyber Strategy with Cheltenham Borough Council's leadership in this development referenced directly. In order to continue to deliver this priority in 2022/23 a contribution of £488k has been identified to allow the contract with the development partner to be fully closed and agreed and outline planning applications to be submitted. This will be funded by additional forecast business rates growth and a contribution from the Business Rates Retention Reserve.
- 6.18** There were also two base budget increases approved in 2021/22 which also continue to support inclusive growth:
- Council approved the commitment of £75k to the base budget to fund a cohort of five apprentices who commenced employment in September 2021. These individuals have been recruited across different services and have begun their work based learning and qualifications.
 - Council also approved a base budget increase of £75k to fund dedicated resource to encourage collaboration across sectors to ensure that culture, hospitality and creativity is interweaved into our economic recovery plans particularly in enhancing our cyber investment

plans, supporting the creative revitalisation of the High Street, and the imaginative use of our open spaces.

- 6.19** The recovery from the pandemic is certainly not complete and continues to be a key priority for the Cabinet. Our recovery strategy is focused on the revitalising and reshaping the economy and ensuring that future growth benefits all our communities. The Council aims to encourage collaboration across sectors to ensure that culture, hospitality and creativity is interweaved into our economic recovery plans particularly in enhancing our cyber investment plans, supporting the creative revitalisation of the town centre, and the imaginative use of our open spaces.
- 6.20** The opportunity to re-set our budget to meet the needs of the town post pandemic has identified a number of efficiencies and income generating activities which can support sustainable and inclusive growth and economic development.
- 6.21** The following changes have been proposed to our base budget to re-align resources and deliver a budget which benefits all our communities:
- A review of the current functions for Destination Marketing and Management to ensure we are driving maximum benefit for the town from our commercial and non-commercial partnerships; and
 - A review of the resources which can be shared by the Council and Cheltenham Borough Homes to bring Council owned sites forward for development.

7. Treasury Management

- 7.1** Appendix 3 summarises the budget estimates for interest and investment income activity. Security of capital remains the Council's main investment objective.
- 7.2** The Bank of England unexpectedly raised interest rates in December 2021, for the first time in three years amid growing concerns over inflation, despite the rapid spread of the coronavirus Omicron variant. The Monetary Policy Committee (MPC) voted by a majority of eight to one to raise rates from the historic low of 0.1% to 0.25%, judging that pressure on households from surging living costs outweighed the risks to the economy from the new variant. This has been followed by an additional 0.25% increase in February 2022 as energy prices continue to rise.
- 7.3** As at 30 September 2021, the Council held loans of £157.139m, a reduction since March 2021 by reducing the amount of temporary borrowing and using cash investments earning very little interest to fund capital spend.
- 7.4** This approach of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, reduces our risk of budgetary pressures caused by fluctuation in interest rates.
- 7.5** We also invest to generate returns which support the costs of discretionary services such as leisure and culture. It is critical to get the right balance between social, environmental and financial factors when assessing the investments we make. Full Council noted in November 2021 that our exposure to gas and oil investments currently stands at £280k.
- 7.6** This is part of the Schroder Income Fund and makes up 4% of the £7m we have invested in Pooled Funds. Given our current climate priorities, assurance was provided to Council that we are looking to take steps to ensure our investments are contributing to these goals.
- 7.7** We are committed in the longer term to divesting from oil and gas but need to balance these priorities with ensuring we are making the right financial decisions to safeguard our residents, businesses and communities.

7.8 We will continue to closely monitor the performance of this fund and when it is financially prudent to do so, will consider the climate implications of how we invest this money in the future. This will be covered in the 2022/23 Treasury Management Strategy, which will be published in March 2022.

7.9 Investment interest rates will probably remain very low in the medium term until there is more economic certainty following Covid-19 and Brexit. Returns from traditional fixed term cash deposits are minimal so growth has been achieved through alternative investment sources such as investment in property assets and multi-asset funds which include exposure to the bond and equity markets.

8. Reserves

8.1 Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to comment upon “the robustness of the estimates and the adequacy of the reserves for which the budget provides”. This assessment is included within Appendix 2.

8.2 The Cabinet is proactive in strengthening reserves when appropriate and necessary through the use of underspends and one-off income. It is therefore recommended that any future underspends or fortuitous windfalls are earmarked for transfer to either general balances or the budget strategy (support) reserve.

8.3 A projection of the level of reserves to be held at 31 March 2022 and 31 March 2023 is detailed in Appendix 5.

9. Capital Programme

9.1 The proposed capital programme for the period 2021/22 to 2023/24 is at Appendix 6.

9.2 The strategy for the use of the Council’s capital resources is led by our corporate priorities. The existing programme includes sums for infrastructure investment to be funded from capital receipts and the purchase of new vehicles through Ubico. It also includes the allocations agreed by the Council to provide an earmarked contribution to public realm works within the Town Centre.

9.3 In setting the 2022/23 budget, the Cabinet have considered new proposals for electric vehicle charging points and public realm which align to the focus on green and sustainable economic investment in Cheltenham. These reflect the Cabinet’s view that the Council are an enabler for economic recovery, making sustainable and financially secure investments to provide benefits for our businesses, residents and communities.

9.4 During the 2022/23 financial year, other projects and schemes may come to light which require investment by the Council. These proposals will be considered by the Cabinet and approval will be requested through the relevant channels in line with the Council’s Budget and Policy Framework Rules.

10. Property Maintenance Programmes

10.1 The budget proposals include the 2022/23 property maintenance programme, which has been reviewed by the Asset Management Working Group, and the budget includes a revenue contribution of £487k to planned maintenance and a £110k revenue contribution to reactive repairs and maintenance.

11. Pay Policy Statement

- 11.1** Section 38 of the Localism Act requires local authorities to produce pay policy statements which should include the authority's policy on pay dispersion. Pay dispersion is the relationship between remuneration of Chief Officers and the remuneration of other staff.
- 11.2** The Pay Policy attached at Appendix 10 includes the following key requirements of the Localism Act 2011:
- policy on pay for each of the 'in scope' Officers;
 - policy on the relationship between Chief Officers and other Officers;
 - policy on other aspects of remuneration, namely recruitment, increases in remuneration, performance related pay and bonuses, termination payments, and transparency.

12. Reasons for recommendations

- 12.1** As outlined in the report.

13. Consultation and feedback

- 13.1** The formal budget consultation on the detailed interim budget proposals took place over the period 22 December 2021 to 26 January 2022. The Cabinet sought to ensure that the opportunity to have input into the budget consultation process was publicised to the widest possible audience, predominately through its social media channels. During the consultation period, interested parties including businesses, parish councils, tenants, residents, staff and trade unions were encouraged to comment on the initial budget proposals.
- 13.2** The Budget Scrutiny Working Group has been meeting during the course of the year and has made a positive contribution to the budget setting process in considering various aspects of the budget leading to its publication. The group met on 10 January 2022 and comments have been fed back to the Overview and Scrutiny Committee and the Cabinet.
- 13.3** Formal meetings to discuss the budget were also held with C5 Parish Council's and the Voluntary and Community Sector (CVS). The response to public questions raised during the consultation are summarised in Appendix 12.

14. Supplementary Estimates

- 14.1** Under financial rule B11.5, the Council can delegate authority to the Cabinet for the use of the General Reserve up to a certain limit. This is to meet unforeseen expenditure which may arise during the year for which there is no budgetary provision. It would be prudent to allow for a total budget provision of £100,000 for supplementary estimates in 2022/23 to be met from the General Reserve, the same level as in 2021/22.

15. Alternative budget proposals

- 15.1** It is important that any political group wishing to make alternative budget proposals should discuss them, in confidence, with the Executive Director Finance and Assets (preferably channelled through one Group representative) and Head of Property, Finance and Assets to ensure that the purpose, output and source of funding of any proposed changes are properly captured.
- 15.2** It is also important that there is time for Members to carefully consider and evaluate any

alternative budget proposals. Political groups wishing to put forward alternative proposals are not obliged to circulate them in advance of the budget-setting meeting, but in the interests of sound and lawful decision-making, it would be more effective to do so, particularly given that they may have implications for staff.

16. Final budget proposals and Council approval

- 16.1 The Cabinet has presented firm budget proposals having regard to the responses received. In reaching a decision, the Council may adopt the Cabinet’s proposals, amend them, refer them back to the Cabinet for further consideration, or in principle, substitute its own proposals in their place.
- 16.2 If it accepts the recommendation of the Cabinet, without amendment, the Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.
- 16.3 An in-principle decision will automatically become effective five working days from the date of the Council’s decision, unless the Leader informs the Executive Director Finance and Assets in writing within five working days that she objects to the decision becoming effective and provides reasons why. It should be noted that a delay in approving the budget may lead to a delay in council tax billing with consequential financial implications.
- 16.4 In that case, another Council meeting will be called within seven working days of the date of appeal when the Council will be required to re-consider its decision and the Leader’s written submission. The Council may (i) approve the Cabinet’s recommendation by a simple majority of votes cast at the meeting or (ii) approve a different decision which does not accord with the recommendation of the Cabinet by a majority. The decision will then become effective immediately.

17. Performance management – monitoring and review

- 17.1 The scale of budget savings will require significant work to deliver them within the agreed timescales and there is a danger that this could divert management time from the delivery of services to the delivery of savings.
- 17.2 There are regular Executive Team and service manager meetings to monitor the delivery of savings and this will need to be matched with performance against the corporate strategy action plan to ensure that resources are used to best effect and prioritised.
- 17.3 The delivery of the savings proposals included in the final budget proposals, if approved by full Council, will be monitored by the Executive Team and Cabinet and will be reported to the Budget Scrutiny Working Group.

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<p>Appendices</p>	<ol style="list-style-type: none"> 1. Risk Assessment 2. Section 151 Officer budget assessment 3. Summary net budget requirement 4. Savings / additional income 5. Projection of reserves 6. Capital programme 7. Programmed Maintenance programme 8. Flexible use of Capital Receipts Strategy 2022/23 9. Medium Term Financial Strategy (MTFS) 10. Pay Policy Statement 11. Budget Consultation
<p>Background information</p>	<ol style="list-style-type: none"> 1. General Fund Revenue and Capital – Interim Budget Proposals 2022/23 (Cabinet 21 December 2021) 2. Budget Monitoring Report 2021/22 position as at December 2021 (Cabinet 15 February 2022)

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	ED Finance and Assets	14/09/12	5	4	20	Accept & Monitor	The Council joined the Gloucestershire pool to share the risk of fluctuations in business rates	Ongoing	ED Finance and Assets	14/09/12

	loss of major business and the constrained ability to grow the business rates in the town then the MTFS budget gap may increase.							revenues retained by the Council. The Gloucestershire S151 Officers continue to monitor business rates income projections and the performance and membership of the pool / pilot. Work with members and Gloucestershire LEP to ensure Cheltenham grows its business rate base.			
1.03	If the robustness of the income proposals is not sound then there is a risk that the income identified within the budget will not materialise during the course of the year.	ED Finance and Assets	15/12/10	4	4	16	Reduce	Robust forecasting is applied in preparing budget targets taking into account previous income targets, collection rates and prevailing economic conditions. Professional judgement is used in the setting / delivery of income targets. Greater focus on cost control and income generation will be prioritised to mitigate the risk of income fluctuations.	Ongoing	ED Finance and Assets	15/12/10
1.07	If the assumptions around government support, business rates income, impact of changes to council tax	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	Ongoing	ED Finance and Assets	13/12/10

	discounts prove to be incorrect, then there is likely to be increased volatility around future funding streams.							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.			
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	The Council will continue to lobby for additional resource, as promised by Central Government from the outset of the pandemic. Work programmes are underway to review service provision, capital programmes and rationalisation of assets.	Ongoing	ED Finance and Assets	To be added to the risk register

**STATEMENT OF THE SECTION 151 OFFICER UNDER THE REQUIREMENTS OF
SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003**

ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES 2022/2023

1. INTRODUCTION

The Local Government Act 2003 Section 25 includes a specific duty on the Chief Finance Officer (Section 151 Officer) to make a report to the authority when it is considering its annual budget and council tax levels. The report must deal with the robustness of the estimates and the adequacy of the reserves included within the budget. (For the purpose of the Act 'reserves' includes 'general fund balances'.) The Act requires the Council to have regard to the report in making its decisions at the Council's budget and council tax setting meeting in respect of 2022/23.

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

- Supplies and services and staffing budgets are sufficient to maintain services as planned.
- Budgeting assumptions for treasury management activity reflect the impact of sustained low interest rates and diversification of investments.
- The 2022/23 budget has provided an opportunity for the Council to reset its baseline position against its corporate priorities. The budget proposals take account of the changing behaviours in consumer demand and places less reliance from income in respect of off-street car parking charges. It is therefore my opinion that the approach to budgeting for income is prudent although it is imperative that monthly forecasting and analysis of key income streams are monitored throughout the financial year..
- The approach taken to using the New Homes Bonus to support the base revenue budget is prudent and is consistent with the Government's statement that Councils are free to spend the Bonus as they choose, including on front-line services and keeping council tax low.
- The proposal to increase council tax is required to ensure the viability of this Council in future years without having to make significant cuts to front-line services. The proposed increase in council tax for 2022/23 is within the referendum threshold, which allows shire district councils to increase council up to £5 based on a Band D property.
- The medium term financial planning assumptions, including future cuts in government support (aligned behind the government commitment to undertake a fair funding review, business rates baseline reset and an overhaul of the new homes bonus), are prudent. The continued development and revision of the budget strategy for closing the projected budget gap is providing a planned and measured approach to meeting future financial challenges.
- The approach to financing maintenance and ICT replacement is acceptable. Looking ahead, the need to model and prioritise future investment aspirations will become critical if the Council is to meet some of the targets within the Medium Term Financial Strategy (MTFS).
- The level of reserves, including General Balances, is satisfactory.

2. ROBUSTNESS OF ESTIMATES

Budget estimates are assessments of spending and income made at a point in time, based on service needs and known expenditure patterns. The statement about the robustness of estimates cannot give a guaranteed assurance about the budget, but gives members reasonable assurances that the budget has been based on the best available information and assumptions.

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

- the issuing of clear guidance to Service Managers on preparing budgets through the annual budget strategy report;
- peer review by finance staff involved in preparing the standstill base-budget, i.e. the existing budget plus contractual inflation;
- the use of in-year budget monitoring to re-align budgets in line with projected changes for 2022/2023;
- a medium term planning process that highlights priority services and risks;
- a review of the corporate risk register;
- a service review by the Cabinet, Executive Leadership Team and Service Managers of detailed budget and proposed savings and their achievability; and
- Finance staff providing advice throughout the process on robustness, including vacancy factors, increments, current demand, and income levels.

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

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

Budget Assumption	Financial Standing and Management
<p>1. The treatment of demand led pressures.</p>	<p>Service Managers are expected to manage changes within their budgets by re-prioritising or by taking steps to reduce expenditure where income streams decrease significantly. Where this is not possible it will be necessary to use the working balance or earmarked reserves on the understanding that they may need to be restored in future years.</p> <p>The £20 Universal Credit (UC) uplift ended on the 6 October 2021. To support those in work the UC “taper” was cut from 63% to 55%, so that instead of losing 63p of benefit for every £1 earned above the work allowance, the amount is reduced to 55p. Changes were also announced to the UC Work Allowance, which is the amount that people who are responsible for a child or have a limited capability for work, can claim before their UC payment is affected</p> <p>The impact on arrears will be closely monitored and the HRA budget proposals reflect an increased provision for bad debts of £15,000 in 2022/23.</p>

Budget Assumption	Financial Standing and Management
<p>2. The treatment of inflation and interest rates.</p>	<p>The following assumptions have been made in the preparation of the Medium Term Financial Strategy in respect of inflationary pressures:</p> <ul style="list-style-type: none"> • Pay awards are modelled at 2% per annum from 2022/23 with an additional 1% per annum held in contingency. Members allowances have been budgeted to reflect the same assumptions as staff. • Employer’s Superannuation contributions – agreed until 2023 through the latest triennial valuation and through agreement to pay the required secondary sum payments to the Local Government Pension Scheme (LGPS) as an up-front payment for the next 3 years future liability. Future uncertainty in the economy / fund performance may increase or decrease pension fund deficits although budgeting assumptions follow actuarial advice. Current modelling and results support the current strategy which has ensured the Council is in a positive cash-flow position, resulting in an improved funding level. It is anticipated that we will receive the results of the next triennial revaluation in April 2022. • Contract inflation has been allowed for at the appropriate contractual rate. The Ubico contract sum now assumes changes in consumer behaviour (e.g. additional recycling material being presented at the kerbside) is business as usual. • In line with previous practice, general inflation has not been provided for unless the relevant professional officer has indicated that there are inflationary pressures. Whilst this creates natural efficiency savings it could lead to insufficient budget to maintain service levels. In-year increases will need to be managed. • The Council provides a number of demand led services e.g. green waste collection, car parking, building control charges, etc. The estimates for 2022/23 provide for an inflationary increase where market conditions dictate. Car parking charges are frozen and a reduction in usage is factored into the 2022/23 budget proposals. Income from council tax and business rates appear to have recovered more favourably than that forecast 12 months ago. • Current Government rent policy is to permit rents to increase by a maximum of CPI (as at previous September) + 1% per annum for the next three years before a further review. The CPI for September 2021 was 3.1% thus allowing a rent increase for 2022/23 of 4.1%. • The treasury management strategy continues to diversify into pooled funds which will expose the Council to investments within property, bonds and equities. These funds have the advantage of providing wide diversification of investment risk, coupled with the services of professional fund managers in return for a fee. These funds offer enhanced returns over the longer term, but are more volatile in the short-term but will allow the authority to diversify into asset classes other than cash. • The Council adheres to the CIPFA Code of Practice for Treasury Management 2011 and updates its policy and strategy statements annually. The Capital Strategy and Investment Strategy is reviewed annually to ensure security of public money. Our treasury advisors continue to advise the Council and Treasury Management Panel on policy. <p>Risks around inflation and interest rate variations have been built into my assessment of the budget. In-year increases will need to be managed but may need to be funded from General Balances and subsequently be built into base budget in future years.</p> <p>The recommended minimum HRA revenue reserve to cover contingencies is £1.5m. The three year projections forecast a reserve balance of £1.5m at 31st March 2025.</p>

Budget Assumption	Financial Standing and Management
<p>3. Estimates of the level and timing of capital receipts.</p>	<p>Property services need to ensure our land and property asset portfolio is fit for purpose, secures increased income generation, maximises capital receipts and stimulates growth and investment in the Borough.</p> <p>Surplus assets and assets generating a low yield have been identified for disposal to realise c. £4m in capital receipts whilst also contributing to the stimulation of the local economy. A strategic review of our property portfolio has been undertaken to ensure that the council's assets make the maximum contribution possible to support the MTFS. In addition the revised Asset Management Strategy will be considered by Full Council on 21st February 2022.</p> <p>In November 2020, Full Council agreed its Covid-19 recovery budget alongside a revised Minimum Revenue Provision (MRP) policy and a flexible use of capital receipts strategy.</p> <p>The Council's MRP policy has come under some scrutiny over the last few months which is not unique to Cheltenham. The Government recently consulted on proposed changes to MRP guidance and legislation as they acknowledge current practices across the sector is supported with differing legal advice on interpretations of the existing Regulations.</p> <p>The Section 151 Officer submitted a response to the consultation before it closed on 8th February 2022 and attended a roundtable discussion with representatives from the Department for Levelling Up, Homes and Communities (DLUHC).</p> <p>DLUHC has made a clear indication that any changes to the regulations will come into force from 1st April 2023 and will only apply prospectively which is line with our current MRP policy and the projections forecast within the MTFS.</p> <p>Housing stock sales through Right to Buy (RTB) are estimated to be at 20 per annum. These receipts will be ring-fenced towards the supply of new housing. The Government has implemented changes to RTB policy in 2021 which supports the reinvestment of these receipts into the supply of additional social housing in Cheltenham. The deadline to use RTB receipts has been extended from three years to five years and these receipts can fund 40% of each new home instead of 30%. The use of RTB receipts continues to be closely monitored by Cheltenham Borough Homes to ensure they are retained for reinvestment in Cheltenham.</p>
<p>4. The treatment of efficiency savings/ productivity gains.</p>	<p>The majority of savings proposals for 2022/2023 are already in progress and no slippage has been identified. This should not undermine our ability to keep expenditure within budget in 2022/23 although provision is made for slippage within working balances.</p>

Budget Assumption	Financial Standing and Management
<p>5. Government support.</p>	<p>The following assumptions have been made in the preparation of the Medium Term Financial projections in respect of Government support:</p> <ul style="list-style-type: none"> • The estimates for 2022/23 are based on the final financial settlement notified by the Department for Levelling Up, Homes and Communities (DLUHC) on 9th February 2022. • The medium term financial projections assume a full business rates reset under the fair funding review, which will only allow for growth achieved in 2022/23 to be retained. It also assumes this Council will no longer receive any Revenue Support Grant (RSG) and that New Homes Bonus (NHB) will be phased out in its entirety by 2023/24. The Government are committed to releasing a consultation on a replacement scheme for NHB in the coming months ahead. • The budget requires £0.638m of New Homes Bonus (NHB) to support the revenue budget in 2022/23. The budget also requires £0.326m from other grants; Lower Tier Services Grant of £0.130m and Services Grant of £0.196m. In modelling the MTFS, coupled with a business rates reset, it is assumed that these grants will fall away over the coming years, albeit softened by a ‘damping’ payment in 2023/24. • The budget for 2022/23 includes assumptions for business rates based on estimates of collection rates, bad debts, appeals, reliefs (mandatory and discretionary) and assumed 40% share under the 50% retention system. The medium term financial projections assume that a full reset will be implemented as part of the fair funding review. As in previous years, an earmarked reserve is maintained to help mitigate the risk of any future fluctuations. <p>Despite the uncertainty over future government funding, I am comfortable that the Council has been sufficiently prudent in budgeting for reductions in government support, including dealing with the uncertainty of business rates and NHB receipts.</p> <p>The Government has lifted HRA borrowing restrictions, abolishing the debt cap and left the level of borrowing to be controlled by the prudential code. This should allow a significant increase in the new build programme subject to the identification of appropriate sites and financial viability.</p>

Budget Assumption	Financial Standing and Management
<p>6. Proposed level of council tax.</p>	<p>When setting the level of council tax, members should always consider the medium term outlook to ensure that a sustainable budget position is maintained</p> <p>Members also need to acknowledge that the Localism Act 2011 contains requirements for local authorities to hold a referendum where council tax is proposed above a specific increase (the greater of up to 2% or £5 in 2022/23).</p> <p>Council tax is the main source of locally-raised income for this authority and has previously been referred to by DLUHC as 'an important source of funding which is used to meet the difference between the amount a local authority wishes to spend and the amount it receives from other sources such as government grants.</p> <p>When calculating the core grant settlement, the Government assumes that all Shire Districts will increase their Council Tax by the threshold amount for 2021/22. The indicative grant levels for the period 2022/23 also assumes that all local authorities will increase their Council Tax levels up to the threshold each year.</p> <p>CIPFA has published a financial resilience index and their recommended good practice is that this is referred to within the s25 report for 2022/23.</p> <p>One of the indicators is the council tax requirement as a ratio to net revenue expenditure. This indicator provides a measure of the relative importance of council tax and grants. A low ratio suggests higher dependency on grants which may suggest that a council may experience financial difficulties as grants diminish further. The ratio for this council in 2022/23 is 65.25% and is projected to rise over the duration of the MTF5 which equates to this council having a diminishing dependency on grants.</p> <p>There has been an important shift in the Government's principles, most noticeably, the shift away from freezing council tax to using council tax to generate additional funding. Given the relevance of the indicator outlined above, I support a council tax increase of 2.28% (equivalent to a £5 increase on a Band D property) as this will avoid the requirement for a referendum (cost c. £50k) for council tax increases over the government cap.</p>

Budget Assumption	Financial Standing and Management
<p>7. Medium Term Financial Strategy (MTFS) – the strategy for closing the projected funding gap.</p>	<p>Sound financial management requires that the Section 151 Officer and Councillors have full regard to affordability when making recommendations about the local authority's future revenue and capital programme.</p> <p>The 2022/23 budget includes medium term financial projections of the projected funding gap and indicates broadly how the Council may close the projected funding gap over the period 2022/23 to 2025/26. The Medium Term Financial Strategy outlines the strategy for closing the funding gap and includes efficiency savings and income targets rather than necessarily specific worked up projections of cost savings.</p> <p>The Council has traditionally provided 'one off' funding for investment in systems or staff costs i.e. additional short-term resource, redundancy / pension costs funded from savings or earmarked reserves.</p> <p>The Council's approach to modelling and monitoring the MTFS and planning for meeting future funding gaps outlined in the budget strategy demonstrates robust and effective planning for closing the funding gap and is effectively scrutinised.</p> <p>The Council is developing a more commercial approach to service provision with the aim of becoming self-financing and less dependent of Central Government funding. This approach has helped to refocus on delivering a sustainable MTFS. Developing strategies for regeneration and economic growth which will generate revenue for the council to offset the reductions in government funding streams will be a key strand of the development of the MTFS.</p> <p>As the Council moves into the next phase of delivery in its Golden Valley Development (GVD) it is critical that the Council commits adequate resources which are directed towards meeting its corporate priorities. Both the General Fund and the Housing Revenue Account, alongside external partners, have allowed for budget allocations in 2022/23 to ensure the GVD programme is adequately resourced both via a dedicated program team and through external advisors.</p>
<p>8. The authority's capacity to manage in-year budget pressures.</p>	<p>The authority has proven its ability to manage in-year budget pressures with no recorded overspends in recent years. Improvements to our Devolved Budgetary Control scheme have improved our management of cash limited budgets. The recruitment of a dedicated Head of Finance (Deputy Section 1515 Officer) and the in-sourcing of the finance team has ensured additional resilience and performance to managing budgets effectively.</p>
<p>9. The strength of the financial information and reporting arrangements.</p>	<p>The Council has strong internal and external reporting standards. Quarterly management reports are made to the Cabinet. These procedures have allowed firm management of any projected overspends in the past. These reports have been enhanced with detailed financial commentary and clear direction with regards to in-year virements which aids transparency and full scrutiny.</p>
<p>10. The authority's virement and end of year procedures in relation to budget under/overspends at authority and departmental level.</p>	<p>The Council's virement and carry forward rules are clear. The Council is operating management disciplines to ensure management and policy actions are considered in relation to overspending budgets. Generally virement is considered at a corporate level against corporate priorities, including the contribution towards the optimal level of general fund reserves. The Council's Devolved Budgetary Control scheme gives managers flexibility to manage budget variations within their range of services. Service overspends may be clawed back from future budgets.</p>

Budget Assumption	Financial Standing and Management
11. The adequacy of the authority's insurance arrangements to cover major unforeseen risks.	The Council's insurance arrangements are considered adequate. The Council does self-insure on small claims and has reserves to meet any excesses relating to claims.
12. The approach to financing the maintenance programme.	The Council has £487k built into the base revenue budget to fund the annual maintenance budget of the property portfolio. The maintenance schedule of planned commitments has been established for 2022/23 and will be reviewed by the Asset Management Working Group on an annual basis.

Given consideration of the above factors and the detailed scrutiny of the budgets that has been undertaken this year I can give positive assurance on the robustness of the budget estimates. The greatest risk to this assurance is continuing changes to consumer behaviour following Covid-19.

3. ADEQUACY OF RESERVES AND BALANCES

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

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

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

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

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

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves;
- a means of building up funds (earmarked reserves) to meet known or predicted requirements.

GENERAL (WORKING) BALANCES – CALCULATION OF OPTIMUM LEVEL

There are two approaches for deciding the optimum level of working balance. One approach is to simply apply a percentage range to the Net Budget Requirement, currently assessed as between 5% and 10% or a level between £0.750m and £1.500m. The alternative is a level based upon a risk assessment of the budget. In 2022/23 the Section 151 Officer has used a risk based approach to assess the appropriate level of general balances.

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

- Inflationary pressures.
- Pension Fund changes.
- Planned savings measures.
- Interest rate variations.
- Volume variations on demand-led services such as planning fees, land charges, particularly in light of Covid-19.
- New services/initiatives including waste and recycling.
- The risk of litigation.
- Emergency planning.
- Financial guarantees.
- Grant income.
- Future budget projections.

	Area of Risk	Explanation
1.	Inflationary Pressures	Historically the cost of pay awards has caused major variations to budget estimates. The 2022/23 budget proposals assume a pay rise of 2% will be offered in 2022/23 in line with expectations across the whole Public Sector. The assumptions within the proposed budget also allow for a further contingency of 1% which negates the need to make a provision within the working balance to offset this risk. Inflationary risks on other costs are a factor elsewhere. The Ubico contract is driven by fuel and pay increases and a provision of 2% on the 2022/23 General Fund contract value (excluding asset charges which are relatively stable) suggests a figure of £154,600 should be kept as a provision within the working balance.
2.	Pension Fund Changes	The 2019 triennial review has brought a degree of certainty to future pension costs for 2020-2023. These will not impact adversely on the Council in the next 12 months so no

	Area of Risk	Explanation
		specific provision is required at this point.
3.	Planned savings measures	The Savings Strategy identifies £3.532m of targets to be delivered across 2022/23 to 2025/26. Slippage can occur and the Red Amber Green (RAG) system for identifying those work streams at risk of slippage are coded within the Savings Strategy. Currently the strategy notes £982,000 of work streams considered 'amber' for 2022/23 in terms of delivery and so 25% of these (i.e. £245,500) are accommodated within the working balance.
4.	Interest rate variations	The current low levels of investment rates suggest that there is little down-side risk at present on cash deposits. However, our existing strategy to use short-term borrowing to fund our capital program does present some up-side risk. Whilst the majority of the short-term borrowing is fixed to quarter 3 of 2022/23, and the Council has forecast Bank of England base rate to rise to 1%, there remains volatility due to rising inflation. A provision of £65,600 is therefore provided within the working balance.
5.	Volume variations demand led	During the economic downturn associated with Covid-19 the Council was extremely vulnerable to drops in key income streams, e.g. planning fees, car parking income, etc. The budget projections reflect a reset in some of these areas to align with changing consumer behaviours and to ensure the Council is less reliant on income from car parking charges. As such a provision amounting to £500,000 to reflect the volatility is recognised in the working balance. A number of earmarked reserves are also held specifically to deal with this volatility.
6.	Risk of litigation contingency	The level of risk associated with litigation is considered to be reducing over time however risk does still remain and as such a provision of £100,000 is retained which mirrors the budget provision for supplementary approvals. The council holds a separate earmarked reserve for planning appeals which is also available if required.
7.	Emergency planning	Whilst the government will step in to assist in the event of a major disaster there are thresholds at which assistance is given. This threshold is 0.2% of the net budget. Financial support is then given at 85% of costs above this level. Provision of £1m would cost this Council £170,000 which is provided for within the working balance; the cash flow impact would need to be handled from invested cash balances.
8.	Financial guarantees/contingent liabilities	Run-off of the old Municipal Mutual Insurance claims has begun but no provision is required at this stage.
9.	Grant income	A number of one-off grant streams are anticipated in the 2022/2023 budget but no assumptions have been made for their continuation across future financial years. No risks have been identified around existing grant flows that require specific provision in the working balance.
10.	Business rates retention	As part of the pooling arrangement, the Council could be required to contribute to large scale revaluations such as occurred with Virgin Media via Tewkesbury Borough Council. Provision for such occurrences should therefore be included within the working balance and as such £150,000 is held. The council holds a separate earmarked reserve for Business Rates Retention which is also available if required.
11.	The Cheltenham Trust	A contingency provision of £100,000 is to be held in general balances for any unforeseen instances incurred by the Trust as they go through re-organisation and transformation post Covid-19.

The assumptions above total £1,485,700 suggesting that we strive to maintain a working balance around this figure during 2022/23. The Council should aim to not allow the working balance to fall below this figure. The current working balance is projected to be £1,502,529 at 31st March 2023.

EARMARKED RESERVES

In order to assess the adequacy of earmarked reserves when setting the budget, the Section 151 Officer should take account of the strategic, operational and financial risks facing the authority. Accepting that there are still some areas of uncertainty, the level of reserves appears adequate at this point in time and no other changes are currently recommended, although every effort should be made to increase the level of reserves held as a way of future-proofing against further funding reductions.

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

	Balance projected at 31st March 2023 £
Budget Strategy (Support) Reserve	859,443
New Initiatives Reserve (Transformation)	156,623
Pension and Restructuring Reserve	504,360
	1,520,426

In determining the budget strategy in October 2015, the Section 151 Officer recommended the creation of a specific earmarked reserve: a ‘budget strategy (support) reserve’, to provide greater resilience. This reserve secures the Council against short-term challenges which we know we will encounter in the coming years such as the one-off drop in business rates income due to the baseline re-set.

I have reviewed the revenue reserves and propose the transfers as identified in Appendix 5. I also consider that the financial reserves and working balance as proposed in these papers are adequate to fund spending plans for 2022/2023. However, given the uncertainty surrounding the outcome of the Fair Funding Review and the Business Rates Retention reset proposed in 2022, I recommend that any future underspends or fortuitous windfalls are earmarked for transfer to either general balances or the budget strategy (support) reserve.

3. CAPITAL HEALTH

The CIPFA Resilience Index highlights 2 particular indicators surrounding capital health:

- Interest Payable / Net Revenue Expenditure
- Gross External Debt

These measures only partially cover capital health as they are unable to analyse how these measures are factored in at a local level. Interest payable is more than covered by income received which have been backed up by prudent business cases when it comes to commercial property investments and regeneration projects. The Council has also approved a prudent Minimum Revenue Provision (MRP) Policy that ensures all debt is serviced and repaid over the life of an asset.

Whilst the gross external debt level may be perceived to be high in value, this indicator alone does not reflect the strength of the Council's Balance Sheet or indeed recognise the benefits of debt such as social value, wellbeing and financial return.

The 2020/21 statement of accounts, published in October 2021, reflect the following when analysing the Balance Sheet from the position as at 31st March 2020 to the position as at 31st March 2021:

- net assets have increased from £321.002m to £322.891m (a year on year increase of £1.889m);
- long term assets have increased from £536.125m to £563.572m (a year on year increase of £27.447m);
- long term borrowing has decreased from £115.293m to £113.835m (a year on year decrease of £1.458m);
- the asset to debt ratio is 0.45 as at 31st March 2021.

The asset to debt ratio is a measure of a company's financial risk. That is, it measures how much of a company's debts could be paid off by selling its assets in case of liquidation. If it is less than 0.5, the company's ratio is strong, because the company is easily able to service their debts if they have to. If the ratio is large, like over 0.5 or especially over 1, more of the expenses are being paid by borrowed money, which might indicate less stability. With an asset to debt ratio of 0.45, the council's ratio is therefore strong.

4. OVERALL CONCLUSION

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

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

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

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

PAUL JONES
Executive Director Finance and Assets (Section 151 Officer)

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NET GENERAL FUND FINAL BUDGET 2021/22 & 2022/23

GROUP	2021/22 ORIGINAL £	2021/22 REVISED £	2022/23 ORIGINAL £
Projected cost of 'standstill' level of service			
Chief Executives Directorate	1,651,279	1,650,879	1,749,279
Finance & Assets Directorate	8,599,928	7,875,746	8,787,114
People & Change Directorate	3,914,209	4,096,554	4,079,552
Place & Growth Directorate	6,122,430	6,985,599	7,105,516
	20,287,846	20,608,777	21,721,460
Capital Charges	(4,540,218)	(3,833,984)	(3,833,984)
Interest and Investment Income	(2,404,260)	(2,404,410)	(2,275,432)
Use of balances and reserves	(13,379,819)	(8,905,850)	(4,573,568)
Savings / Additional income identified - Appendix 5	(400,000)		(1,507,000)
Growth (self funding)	246,000		
Transfer to/from General Balances	543,573	(12,392)	302,143
NET BUDGET	353,122	5,452,141	9,833,619
Deduct:			
National Non-Domestic Rate	(2,608,539)	(2,368,559)	(457,416)
National Non-Domestic Rate - 2019/20 surplus / deficit	128,170	128,170	
National Non-Domestic Rate - 2020/21 surplus / deficit	13,966,426	13,966,426	361,769
National Non-Domestic Rate - 2021/22 surplus / deficit			4,903,766
National Non-Domestic Rates - S31 Grants	(1,417,489)	(6,756,488)	(3,889,118)
New Homes Bonus	(747,091)	(747,091)	(637,846)
LCTS S31 Grant	(163,000)	(163,000)	0
S31 Grants - Lower Tier Services Grant	(121,000)	(121,000)	(129,988)
Service Grant			(195,881)
Collection Fund Surplus/deficit Contribution	23,400	23,400	(58,500)
	9,060,877	3,961,858	(103,214)
NET SPEND FUNDED BY COUNCIL TAX	9,413,999	9,413,999	9,730,405
Band 'D' Tax	£219.08	£219.08	£224.08
Increase per annum			£5.00
Increase per week			£0.10
% Rise			2.28%
Gross Collectable Tax Base	43,404.60	43,404.60	43,862.42
Collection Rate %	99.00%	99.00%	99.00%
Net tax base	42,970.60	42,970.60	43,423.80

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Appendix 4 - Budget Efficiencies and Savings

Description	2022/23 £	2023/24 £	2024/25 £	2025/26 £	Delivery Risk
Cross Council Budget Efficiencies					
Re-alignment of resourcing with Corporate Priorities	175,000	-	-	-	Amber
Modernisation Programme Saving 2022/23	100,000	100,000	100,000	-	Green
Commercial income generation opportunities	50,000	50,000	50,000	-	Amber
Sub total	325,000	150,000	150,000	-	
People and Change					
Reduction in the Cheltenham Trust management fee	100,000	100,000	100,000	-	Green
Maximise opportunities to strengthen CBC-CBH partnership	300,000	-	-	-	Amber
Review of the commercial viability of pest control service	50,000	-	-	-	Green
Sub total	450,000	100,000	100,000	-	
Place and Growth					
Review of the trade waste service	120,000	-	-	-	Amber
Efficiency review of the Household Recycling Centre	87,000	-	-	-	Amber
Marketing and destination - service redesign	50,000	-	-	-	Green
North Place Development - increase in tax base	-	-	150,000	-	Amber
North West and West Cheltenham Development - Increase in Council Tax and NNDR	-	-	100,000	600,000	Amber
Sub total	257,000	-	250,000	600,000	
Finance and Assets					
Value for money review of our planned maintenance and reactive repairs contracts	125,000	-	-	-	Green
Existing Investment portfolio income generation	150,000	-	-	-	Amber
Energy usage review across asset portfolio	100,000	25,000	25,000	-	Amber
New Housing supply - mark-up on borrowing / equity	50,000	50,000	-	-	Green
Treasury Management activity	50,000	-	-	-	Green
Minister Exchange	-	25,000	50,000	50,000	Amber
Depot Rationalisation of the site	-	-	150,000	-	Red
Maximise opportunities from asset portfolio	-	100,000	100,000	100,000	Amber
Sub total	475,000	200,000	325,000	150,000	
Total	1,507,000	450,000	825,000	750,000	

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Appendix 5 - Reserves Statement 2021/22 2022/23

		<u>1st April</u> <u>2021</u> £	<u>2021/22</u> <u>Movement</u> <u>Revenue</u> £	<u>2021/22</u> <u>Movement</u> <u>Capital</u> £	<u>Proposals</u> <u>to support</u> <u>2021/22 Budget</u>	<u>31st March</u> <u>2022</u> £	<u>2022/23</u> <u>Movement</u> <u>Revenue</u> £	<u>2022/23</u> <u>Movement</u> <u>Capital</u> £	<u>31st March</u> <u>2023</u> £
<u>EARMARKED RESERVES</u>									
<u>Other</u>									
RES002	Pension & Restructuring Reserve	(292,328)	37,968			(254,360)	(250,000)		(504,360)
RES003	Economic Development & Tourism Reserve	(4,200)				(4,200)			(4,200)
RES006	Cultural Development Reserve	0				0			0
RES008	House Survey Reserve	(5,616)				(5,616)			(5,616)
RES009	Twinning Reserve	(8,366)				(8,366)			(8,366)
RES010	Flood Alleviation Reserve	0				0			0
RES014	GF Insurance Reserve	(77,106)				(77,106)			(77,106)
RES016	Joint Core Strategy Reserve	(127,780)				(127,780)			(127,780)
RES018	Civic Pride Reserve	0				0			0
RES020	Ubico Reserve	(54,000)				(54,000)			(54,000)
RES022	Homelessness Reserve	(41,100)				(41,100)			(41,100)
RES023	Transport Green Initiatives Reserve	(33,825)				(33,825)			(33,825)
RES024	New Initiatives reserve	(336,623)				(336,623)		180,000	(156,623)
RES025	Budget Strategy (Support) Reserve	(227,411)	(293,000)			(520,411)	(339,032)		(859,443)
RES026	Social Housing Marketing Assessment (SHMA) Reserve	(39,034)	(2,500)			(41,534)	(2,500)		(44,034)
RES028	Green Economic Recovery and Investment Funding Reserve	(250,000)				(250,000)			(250,000)
		(1,497,389)				(1,754,921)			(2,166,453)
<u>Repairs & Renewals Reserves</u>									
RES201	Commuted Maintenance Reserve	(60,863)	12,172			(48,691)	12,172		(36,519)
RES204	I.T. Repairs & Renewals Reserve	(117,200)	(50,000)			(167,200)	(50,000)		(217,200)
RES206	Delta Place Reserve	(474,792)	(100,000)	200,000		(374,792)	(100,000)	200,000	(274,792)
RES205	Property Repairs & Renewals Reserve	(809,670)	102,000			(707,670)	102,000		(605,670)
		(1,462,525)				(1,298,353)			(1,134,181)
<u>Equalisation Reserves</u>									
RES101	Rent Allowances Equalisation	(131,431)				(131,431)			(131,431)
RES102	Planning Appeals Equalisation	(76,612)				(76,612)			(76,612)
RES105	Local Plan Equalisation	(9,795)				(9,795)			(9,795)
RES106	Elections Equalisation	(249,687)	62,900			(186,787)	62,900		(123,887)
RES107	Car Parking Equalisation	(269,341)				(269,341)			(269,341)
RES108	Business Rates Retention Equalisation	(14,770,745)	8,785,623			(5,985,122)	5,308,695		(676,427)
RES109	Cemetery income Equalisation reserve	(126,369)				(126,369)			(126,369)
RES110	HMO Licenses Equalisation	0			(58,667)	(58,667)	29,333		(29,334)
		(15,633,980)				(6,844,124)			(1,443,196)
<u>Reserves for commitments</u>									
RES301	Carry Forwards Reserve	(609,355)	609,355			0			0
<u>CAPITAL</u>									
RES402	Capital Reserve - GF	(143,403)	(200,000)	50,000		(293,403)	(200,000)	200,000	(293,403)
	TOTAL EARMARKED RESERVES	(19,346,652)				(10,190,801)			(5,037,233)
<u>GENERAL FUND BALANCE</u>									
B8000 - B8240	General Balance - RR	(1,212,778)	(543,574)		555,966	(1,200,386)	(302,143)		(1,502,529)
		(1,212,778)				(1,200,386)			(1,502,529)
	TOTAL GENERAL FUND RESERVES AND BALANCES	(20,559,430)	8,420,944	250,000	497,299	(11,391,187)	4,271,425	580,000	(6,539,762)

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Appendix 6 - The Capital Programme

Directorate / Scheme	Scheme Description	Revised Budget 2021/22 £	Forecast Outturn 2021/22 £	For the Final Budget Proposal			
				Forecast Budget 2022/23 £	Forecast Budget 2023/24 £	Forecast Budget 2024/25 £	Forecast Budget 2025/26 £
FINANCE & ASSET MANAGEMENT							
Property Services							
Gloucestershire Airport Limited	Runway repairs	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	-	-	-	-
Investment in regeneration and economic recovery	To investment in projects that will support the recovery of the town post pandemic	6,232,410	-	-	-	-	-
West Cheltenham development (Cyber Hub)	Infrastructure to support cyber hub	4,647,966	-	-	-	-	-
Electric Vehicle Charging Points		-	-	75,000	-	-	-
Smart Working Project	Municipal Offices ground and first floor refurbishment	270,000	-	-	-	-	-
Sandford Park toilets	Provide for new public toilet provision at Sandford Park. £150k	150,000	-	150,000	-	-	-
Clarence Fountain	Refurbishing the Clarence Fountain area in line with Green Economic Recovery and Investment strategy outlined in the 2020/21 outturn report.	-	95,000	-	-	-	-
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	50,000	50,000	-	-	-
		22,989,282	9,400,445	3,950,000	-	-	-
PEOPLE & CHANGE							
ICT							
Carbon Neutral agenda	Seed funding to deliver the actions needed, as outlined in the report to Full Council in October 2019, to facilitate the Council's ambition to become carbon neutral by 2030.	350,000	209,000	141,000	-	-	-
Public Sector Decarbonisation Scheme		382,600	382,600	-	-	-	-
Digital Platform	Implementation and roll out of the new digital platform across the Council			180,000			
IT Infrastructure	5 year ICT infrastructure strategy	150,000	50,000	200,000	100,000	-	-
	The new Case Management System, when fully implemented, should deliver staffing efficiencies of between 5% - 10% which would free up resource to take on additional third party work as envisaged by the Business Plan and the anticipated increase in third party income would be estimated to exceed, over the three year period, the procurement cost						
One Legal case management system		40,000	40,000	-	-	-	-
Leisure Trust							
Commercialisation opportunities within the Cheltenham Trust	Invest a sum of £1m to pump prime the commercial opportunities identified by The Cheltenham Trust (including investment which both sustains and grows income at the Town Hall);	777,000	375,000	400,000			
		1,699,600	1,056,600	921,000	100,000	-	-
PLACE & GROWTH							
In Cab Technology	The introduction of an In-Cab system would reduce the mileage required to be completed by Ubico, because it would guide the crew around their collection route and would largely eliminate mistakes. £200k	200,000	50,000	150,000	-	-	-
Crematorium Scheme - new chapels	Construction of new chapels	-	-	-	-	-	-
Crematorium Scheme - existing chapel	Redevelopment of existing chapel	285,000	20,000	265,000	-	-	-
The Burrows Improvement Project	Forward funding for the Leckhampton playing field works.	866,000	584,000	282,000	-	-	-
Public Realm Investment - Grosvenor Street Car Park	Improving linkages to the High Street, signage and decoration.	115,500	-	115,500	-	-	-
CCTV	Additional CCTV in order to improve shopping areas and reduce fear of crime	141,500	10,000	131,500	-	-	-
Public Realm Improvements - High Street Phase 2	Public Realm in the Strand / Cambray	424,914	12,000	412,914	-	-	-
	Additional capital funding for investment in infrastructure improvements to the Council's off- street car parks, aligned to the actions proposed in the Car Parking Strategy approved by Cabinet in June 2017. Funded from car parking earmarked reserve.						
Improvements to off-street car parking (£400k)		294,300	243,951	50,349	-	-	-
Changing Places	Two changing room accessible toilets in the town centre	42,185	-	42,185	-	-	-
Housing							
Disabled Facilities Grants	Mandatory Grant for the provision of building work, equipment or modifying a dwelling to restore or enable independent living, privacy, confidence and dignity for individuals and their families.	500,000	500,000	500,000	500,000	500,000	500,000
H&S, vacant property & renovation grants	Assistance available under the council's Housing Renewal Policy	206,400	-	206,400	-	-	-
Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems	18,400	18,400	18,400	18,400	18,400	18,400
Housing Delivery	Enabling the delivery of Private Rented Sector (PRS) Housing through Cheltenham Borough Homes	4,500,000	-	4,500,000	4,500,000	4,500,000	-
	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Homes and Communities Agency (HCA)						
Housing Enabling		252,746	-	252,746	-	-	-
Parks and Gardens							
Clyde Scooter Skate Park	Developer Contributions	50,000		50,000	-	-	-
	We are tendering one large playground improvement contract. Both will be committed this year, but paid for in next financial year.						
Play Area Enhancement	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infra-structure.	146,300	22,500	123,800	-	-	-
Allotments		161,402	-	161,000	-	-	-
Replacement Parks & Gardens Vehicles	Replacement vehicles for parks and gardens	40,800	40,800	-	-	-	-
Waste & Recycling							
Vehicles and recycling equipment and receptacles	Replacement vehicles and recycling equipment	1,519,000	992,389	1,034,925	1,300,000	-	-
		9,764,447	2,494,040	8,296,719	6,318,400	5,018,400	518,400
TOTAL CAPITAL PROGRAMME		34,453,329	12,951,085	13,167,719	6,418,400	5,018,400	518,400

Funded by:							
General Fund Capital Receipts	1,808,616	2,015,640	3,069,988	1,300,000			
Capital Reserve	500,000	50,000	200,000	100,000			
Revenue Reserve		95,000	280,000				
Prudential Borrowing	26,151,282	5,925,000	8,075,000	4,500,000	4,500,000		
Partner Funding	1,008,185	634,000	50,000				
Capital Grant or Contribution	3,496,600	3,713,045	465,185				
Better Care Fund	621,600	518,400	724,800	518,400	518,400	518,400	
s106 Funding	302,746	-	302,746				
Other Revenue Reserves	564,300						
Total	34,453,329	12,951,085	13,167,719	6,418,400	5,018,400	518,400	

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Appendix 7 - Planned Maintenance Programme 2022-2023

Property Name	Description	£
All Properties (H&S)	Contingency fund for Compliance/ H&S remedial work (including Fire, Legionella & Asbestos remedials)	30,000
All Properties (H&S)	Top up for reactive	110,000
All Properties (H&S)	EPC Remedials	20,000
Bridges	Bridge inspection reports	10,000
Rec Centre	Sports hall flooring sand/ seal	15,000
Rec Centre	Replacement of 3 No. fire exit doors to sports hall	10,000
Rec Centre	Roof repairs over ground floor office area	20,000
PoW	Track repairs	10,000
PoW	Repairs/ alterations to roof covering to overcome ongoing water ingress	20,000
PoW	Annual high level lighting inspection plus works arising	10,000
PoW	Replacement of fire alarm panel	10,000
Central Depot	Remedial repairs arising from CCTV drainage survey	10,000
Central Depot	Remedial repairs to retaining wall following structural engineers report	10,000
Central Depot	Remedial works arising from fire alarm survey	10,000
Central Depot	Works arising from concrete floor survey to bulking shed	20,000
Central Depot	Ongoing repairs to service road	10,000
Central Depot	Ongoing roof repairs to various buildings	15,000
Brizen Pavillion	Roof covering replacement	20,000
Cemetery offices	Replacement windows	10,000
Cemetery offices	Flat roof replacement and coping stones	20,000
Cem Old Chapels	Repairs to stonework walls	10,000
Cem Old Chapels	Slipped roof tiles	10,000
Cem Old Chapels	Flat roof repairs	20,000
Cemetery grounds	New water main	20,000
Art Gallery and Museum	Renew cracked/ slipped slates and install fall arrest system	15,000
Art Gallery and Museum	Replacement boilers x 1	10,000
Art Gallery and Museum	Repairs arising from stonework surveys	10,000
Art Gallery and Museum	Repairs/ redecoration to basement windows	10,000
Art Gallery and Museum	Replacement chiller (HVAC)	10,000
Town Hall	Repairs arising from stonework surveys	10,000
Town Hall	Renew cracked/ slipped slates and install fall arrest system	20,000
Town Hall	Scagliola/ plasterwork survey & remedials	10,000
Pump Rooms	Sand/ seal floor	8,000
Pump Rooms	Repairs arising from stonework surveys	10,000
Pump Rooms	Repairs to dome	10,000
Royal Well toilets	Refurbishment/ replacement of wallgate unit	24,000
		£ 597,000

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Flexible use of Capital Receipts Strategy 2022/23

Introduction

As part of the November 2015 Spending Review, the Government announced that it would introduce flexibility for the period of the Spending Review for local authorities to use capital receipts from the sale of assets to fund the revenue costs of service reform and transformation. Guidance on the use of this flexibility was issued in March 2016 which applied to the financial years 2016/17 through to 2019/20.

In December 2017 the Secretary of State announced that this flexibility would be extended for a further three years (until 2021-2022) and in February 2021 an additional extension of three years was announced. The latest extension focused on the use of capital receipts to fund transformation or other projects that produce long term savings or reduce the costs of service delivery.

The Guidance

The guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specifies that;

- Local authorities will only be able to use capital receipts from the sale of property, plant and equipment received in the years in which this flexibility is offered. They may not use their existing stock of capital receipts to finance the revenue costs of reform.
- Local authorities cannot borrow to finance the revenue costs of the service reforms.
- The expenditure for which the flexibility can be applied (known as 'Qualifying Expenditure') should be the up-front (set up or implementation) costs that will generate future ongoing savings and/or transform service delivery to reduce costs or the demand for services in future years. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.
- The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.
- In using the flexibility, the Council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice.

To make use of this flexibility, the Council is required to prepare a "Flexible use of capital receipts strategy" before the start of the year, to be approved by Full Council. This can form part of the budget report to Council. This Strategy therefore applies to the financial year 2022/23, which commences on 1 April 2022.

Examples of qualifying expenditure

There are a wide range of projects that could generate qualifying expenditure and the list below is not prescriptive. Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Collaboration between local authorities and central government departments to free up land for economic use;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Sharing Chief-Executives, management teams or staffing structures;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;
- Aggregating procurement on common goods and services where possible, either as part of local arrangements or using Crown Commercial Services or regional procurement hubs or Professional Buying Organisations;
- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others);
- Integrating public facing services across two or more public sector bodies (for example children’s social care, trading standards) to generate savings or to transform service delivery.

The Council's 2022/23 Budget Proposal

The Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is: "Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility."

The 2022/23 budget proposal presented to Full Council in February 2022 does not include any proposal to utilise the flexible use of capital receipts. However, if during the year projects are identified that satisfy the definition above these will be considered by Cabinet and approval for the use of capital receipts will be requested through the relevant channels in line with the Council's Budget and Policy Framework Rules.

The Council has determined that the Cyber Central (Golden Valley Development) initiative is a "Collaboration between local authorities and central government departments to free up land for economic use" and therefore meets the definition of a project that will generate qualifying expenditure.

The Council therefore intends to use the following use of capital receipts to fund the Cyber Central (Golden Valley Development) initiative and the savings generated by this project are set out in the table below:

Impact on Prudential Indicators

The guidance requires that the impact on the Council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. Capital receipts which are allocated to fund the Council's capital programme have been allocated, will be monitored throughout the year and will not be subsequently used to fund qualifying expenditure. Therefore, there will be no change to the council's Prudential Indicators that are contained in the Treasury Management Strategy Statement which will be presented to Full Council in March 2022 for approval.

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Medium Term Financial Strategy 2022/23 to 2024/25



CHELTENHAM
BOROUGH COUNCIL

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1. Introduction Page 134

The Council's corporate plan 2019-2022 sets out five key priorities:

- Making Cheltenham the Cyber Capital of the UK: We will work toward making Cheltenham the Cyber Capital of the UK; a national first, which will deliver investment in homes, jobs, infrastructure and enable the Council to deliver inclusive growth for our communities.
- Continuing the revitalisation and improvement of our town centre and public spaces: delivering a number of wider public enhancements that will ensure the long-term viability of Cheltenham as a retail and cultural destination.
- Achieving a cleaner and greener sustainable environment in the town: delivering enhancements to our environmental services in response to the Council's commitment to the town and our authority becoming net carbon zero by 2030.
- Increasing the supply of housing and investing to build resilient communities: seeking new opportunities to bring in additional resources and leveraging more value from our assets to deliver our £180m housing investment plan.
- Delivering services to meet the needs of our communities: improving the way services and information are accessed by residents and businesses using new technology opportunities and different ways of working.

The Medium Term Financial Strategy ("MTFS") is the Council's key financial planning document for the General Fund budget. It sets out how the Council's priorities will be funded over the MTFS period and the financial pressures and risks which need to be mitigated in order to successfully deliver this. The diagram below shows how the MTFS is the overarching framework which supports all other financial strategies, plans, policies and decisions.

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				

Covid-19 has tested Cheltenham's communities and economy over the last twelve months. The Council have recognised that rebuilding the strength of our town will require innovation, ambition and a bold vision.

Our Council was one of, if not the first Council to publish a Recovery Strategy in 2020 which outlined a Local New Deal for Cheltenham. That early publication and consultation enabled the Council to clearly signal recovery aims and objectives. The economy was, and continues to be in a difficult position nationally and responding dynamically will be key to supporting the rest of the town to recover.

The Recovery Strategy is informed by existing corporate plans so aligns with the Council's established vision of place and longer term priorities. That the Council was able to take the Corporate Plan and adapt it to respond to the Covid-19 crisis shows organisational flexibility and the ability to re-orientate focus and resources in light of emerging situations.

This MTFs is underpinned by the Council's corporate priorities and the belief that Cheltenham should be a place in which everyone can thrive. Specifically, the key principles guiding our approach to investing and financial planning for recovery include:

- ensuring our decision making and investment takes into account the ambition for making Cheltenham Carbon Neutral by 2030;
- achieving inclusive growth so all our communities can benefit and prosper from investments made in the borough;
- continuing to be commercially focused where needed to support the financial self-sufficiency of the Council; and
- providing strategic co-ordination across Cheltenham's agencies, partnerships and networks to drive social and economic recovery.

The Housing Revenue Account (HRA) is excluded from the MTFs, as a separate budget and Business Plan is produced for the HRA to cover its planning processes and the implications and arrangements for funding the objectives in the business plan.



Our Current ^{Page 136} Business Model

2022/23 - Gross Expenditure

£23.3 Million **DIRECTLY PROVIDED**

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

£13.2 Million **PROVIDED BY CONTRACTORS** **JOINTLY OWNED BY CBC**

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

£1.1 Million **SHARED WORKING**

Legal Services
Building Control

£0.2 Million **JOINT WORKING**

Joint Core Strategy
Development Task Force
Strategic Planning



Contents

The purpose of this document is to produce a robust and thoughtful MTFs which captures the growing needs and continuing aspirations of the Council after a period of prolonged public spending austerity as we continue on the journey of recovery from COVID-19 pandemic.

The following areas are considered and discussed:

Section 2

**NATIONAL AND LOCAL
FINANCIAL RISKS**

Section 3

**OUR MEDIUM TERM BUDGET
STRATEGY**

Section 4

OUR RESERVES STRATEGY

Section 5

OUR SAVINGS STRATEGY

2. National and Local Financial Risks

INTRODUCTION

The Council have 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 is in addition to the ten years of austerity and year on year cuts to the Council's Government funding. The national restrictions which have been in place, across the country or locally here in Cheltenham, have created a huge amount of financial uncertainty. With the emergence of the Omicron variant, the uncertainty continues to financially impact Local Authority's across the country.

"The Council have faced unprecedented financial challenges over the last 18 months"

This section of the MTFs outlines the wider economic context in which this MTFs has been set as well as the national and local risks which have been considered in its development.

WIDER ECONOMY CONTEXT

As the economy leaves the worst effects of the pandemic behind, there is still significant uncertainty about the long term impact on growth, investment and inflation. The 2022/23 MTFs has been set based on a set off assumptions about the economic outlook for the next 18 months.

Inflation stands at 5.1% in January 2022, up from 4.2% in December 2021. This is the highest level in nearly 40 years. It is expected to remain elevated in 2022, and to peak at around 6.5% in April as the new regulated price cap on households' gas prices takes effect. As energy prices gradually stabilise and supply chains recover, the speed of the increase is expected to slow and approach the Bank of England's 2% target by the start of April 2023.

The Consumer Price Index also rose by 4.8% in the 12 months to December 2021, up from 4.6% in the 12 months to November which adds to the fiscal challenges facing households, businesses and public bodies.

The Bank of England unexpectedly raised interest rates in December 2021, for the first time in three years amid growing concerns over inflation, despite the rapid spread of the coronavirus Omicron variant. The Monetary Policy Committee (MPC) voted by a majority of eight to one to raise rates from the historic low of 0.1% to 0.25%, judging that pressure on households from surging living costs outweighed the risks to the economy from the new variant. This has been followed by an additional 0.25% increase in February 2022 as energy prices continue to rise. This represents a shift towards a significantly tighter monetary policy stance when considering the implications these rises will also have for the divestment of assets accumulated under quantitative easing.

From April 2022, the rate of National Insurance contributions employers pay will increase by 1.25%, which also adds additional pressure to payroll costs.

“Wider economic factors place unprecedented pressures on our budget at a time when we are already facing uncertainty”

These wider economic factors place unprecedented pressures on our budget at a time when we are already facing uncertainty around our funding and the long-term impact of the pandemic on our financial position. Not only do we need to ensure there is sufficient capacity to meet these direct costs for the Council, but we also need to meet the increased costs of our partnership contracts to maintain the sustainable delivery of key services.

NATIONAL RISK FACTORS

Uncertainty about future funding

The Local Government Settlement for 2022/23 received in December 2021 was expected to cover a three year period which would have provided more certainty to inform more strategic financial planning. However, the Government has provided only a one year Settlement with clear indication that funding formulas for 2023/24 and beyond will be reviewed.

The Council no longer receives Revenue Support Grant funding from the Government and have to rely on income generated in the Borough to fund services. The objective of the National Fair Funding Review (FFR) which is expected to conclude in 2022/23 is to review the underlying needs formula and distribution methodology used for assessing need and allocating funding to Local Government. The formula has not been reviewed since 2013 and will be closely linked with the principles in the Government’s Levelling up White Paper published in February 2022.

“The Council no longer receives Revenue Support Grant funding from the Government”

The Department for Levelling Up, Communities and Housing are looking for a formula based model with common cost drivers such as population, accessibility and remoteness with the principles of being simple, transparent, contemporary, sustainable, robust and stable.

The intention is for each local authority to be set a new baseline funding allocation based on an assessment of relative needs and taking into account their relative resources. The timeline for its introduction is 1 April 2023 and the Government have committed to putting in place transitional arrangements to ‘smooth’ the impact, referred to as ‘damping’.

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

The impact on our current MTFS is that from 2023/24 onwards we have been prudent in our assumptions on the funding available. It was confirmed in the 2021/22 Settlement that this would be the final year of the New Homes Bonus, the Lower Tier Services Grant and the one-off Services Grant provided to support recovery from the pandemic. We have assumed that no new additional funding will be available from 2023/24 to replace the current levels.

Business Rates Retention

Business Rate income generated under the Retained Business Rates funding mechanism is an important income stream, but is complex and potentially volatile. The Retained Business Rates scheme places considerable financial risk on the Council in terms of fluctuating business rates and funding the costs of business rate appeals, which directly affect the income that the Council can recognise.

Alongside the FFR, the Government is planning to consult on how the new scheme post 2023 can continue to reward and incentivise growth, whilst mitigating the risk of appeals and longer term impact of Covid-19. The current thinking is to introduce a 'floating' tariff/top-up system which will result in a recalibration to take account of appeals.

“The Government is planning to consult on how the new scheme post 2023 can continue to reward and incentivise growth”

Under the current system roughly £13bn per year of business rates income is kept by Central Government to fund local authority services. This is referred to as the “Central share” and is redistributed to councils in the form of Revenue Support Grant (RSG) and other grants. In future, if this sum is retained by local authorities, new burdens of a broadly similar value will be passed across to local government. As a result local government will not initially have more funding; over the longer term this will depend on whether business rates grow faster or slower than local authority service demands and costs, and to add further complication will depend on where the revised business rates baseline is set for the council from 2023/24.

“The future of Business Rates has been thrown into question as a result of the devastating impact on the retail, leisure and hospitality sector from Covid-19.”

The council's business rates baseline is £2.841m whilst, as a result of 'retained' economic growth, £4.249m is now forecast to be generated and support the base budget in 2022/23. It is proposed that the new baseline will be set taking into consideration retained business rates income and this will be compared to the reassessed needs of the Borough resulting in either a top-up or tariff to manage the difference between the two. Clearly the future of Business Rates has been thrown into question as a result of the devastating impact on the retail, leisure and hospitality sector from Covid-19.

Growth will be calculated as business rates income in excess of the revised baseline and will continue to be shared with the upper tier authority; the split of which is yet to be determined and forms part of the current Government thinking on Business Rates Retention.

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

Council tax is considered an increasingly important mode of local government financing by Central Government. This is reflected in the decision to allow districts to increase council tax by £5 per annum or up to 1.99%, whichever is higher. Current projections post Covid-19 also assume growth in the taxbase of 0.80% per annum.

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

“The council will need to consider what levels of growth are likely and financially sustainable.”

Furthermore, there is a corresponding cost to increasing the tax base with additional properties and residents to service which needs to be recognised and captured at certain steps or “trigger” points e.g. refuse / recycling collections. It is not expected in the four year MTFs presented here that this trigger point will be met but this will be subject to ongoing review as the West and North West Cheltenham developments progress.

Fees and Charges

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

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



The national restrictions which have been in place, across the country or locally here in Cheltenham, have created a huge amount of financial uncertainty. With the emergence of the Omicron variant, the uncertainty continues to impact customer behaviour which may have further financial impact on our commercial income and on the town's economy.

Changes to customer behaviour and the way our services are accessed has changed with no certainty as to whether this will be permanent or temporary and what this means for how we fund and operate our services. It also means we need to continue investing in technology, in particular the digital platform to meet the changing requirements of our residents and service users.

"We need to continue investing in technology"

Since its adoption in 2018 the key mechanism driving our response to funding challenges has been our commercial strategy. This has driven an innovative and enterprising mind-set and we have adapted to generate income in different ways to support our general fund budget and deliver against our Corporate Priorities.

Recovery from the pandemic and re-opening of the town has meant the contribution of some of these initiatives are providing to the general fund may now be permanently lower than we had assumed in previous budgets. The most significant variance from budget we are seeing is from income generated from off-street car parking which is much lower than previous years as commuters move towards more of a hybrid working from home model.

This strategy provides an opportunity to reset our income budgets against our Corporate Priorities and prepare an MTFs which ensures we continue to be financially sustainable whilst continuing to support economic recovery and growth and our climate change ambitions for the town.

Resources

Concerns around the council's capacity and resources available to deliver multiple competing priorities has been reviewed in 2021/22 and this is a key consideration for the Executive Leadership Team and Cabinet when considering the funding of the corporate priorities and the delivery of the proposed Savings Strategy. This will be addressed as part of the council's organisational review which will be implemented through 2022/23.

The objective of this review is consistent with the budget strategy approach to realign base budgets, identify opportunities to do things differently and make one-off budgetary provision to support the delivery of priority schemes being supported and delivered. This specifically relates to supporting sustainable and green economic recovery and growth in the town.

The key risk of not reviewing organisational capacity is that if resource is not deployed to allow focus on the schemes which are of financial importance to the council then the proposed Savings Strategy will not be delivered within the timescales required.



3. Projected Budget Gap Page 144

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

Closing a gap of this size is a huge challenge for the Council, but the challenge is being met by a proactive approach to reviewing the prioritisation of our resources and identifying budget efficiencies, carried out by the Cabinet and the Executive Leadership Team. This work has already made significant progress towards bridging the gap, having identified at this early stage potential efficiency savings which are moving into a delivery phase.

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

Table 1: Projection of Funding Gap	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Net Cost of Services brought forward from previous year (assuming a balanced budget has been set)		353,122	9,833,619	15,163,125	14,824,375
IN YEAR BUDGET VARIATIONS					
Increased costs of existing services					
General Inflation		330,000	140,000	70,000	70,000
Employee and Members related expenditure		411,000	312,000	312,000	312,000
Shared Services contract inflation		87,133	19,250	19,250	19,250
Publica contract inflation		50,102	35,000	35,000	35,000
Ubico contract inflation		326,090	450,000	200,000	200,000
RE-PROFILING OF BASE BUDGET					
Reduction in income budgets to reflect post pandemic changes		522,661			
Re-basing expenditure budgets to reflect post pandemic changes		169,159	(515,500)		
Unachieved savings in 2021/22		200,000			
INCOME					
Green Waste		(100,000)	(25,000)	(25,000)	(25,000)
Fees and Charges		(153,883)	(75,000)	(75,000)	(75,000)
Other inflationary uplifts on re-charges to partners		(53,600)	(50,000)	(50,000)	(50,000)
CBH Contribution to Climate Change		(25,000)			
Cessation of COVID-19 funding		540,136			
Interest Payable and Receivable		118,878			
Minimum Revenue Provision			1,208,528		
Reserves					
Net Contribution from BRR Reserve		8,501,584	5,168,874		
Increase/(decrease) in net contribution to other reserves		63,237	(888,646)		
SAVINGS STRATEGY		(1,507,000)	(450,000)	(825,000)	(750,000)

Table 1: Projection of Funding Gap	2021/22 £	2022/23 £	2023/24 £	2024/25 £	2025/26 £
Projected Net Cost of Service	353,122	9,833,619	15,163,125	14,824,375	14,560,625
Business Rates	(2,608,539)	(457,416)	(3,639,000)	(3,697,000)	(3,754,000)
Damping			(860,000)		
NNDR S31 Grants	(1,417,489)	(3,889,118)			
National Non-Domestic Rate - 2019/20 surplus / deficit	128,170				
National Non-Domestic Rate - 2020/21 surplus / deficit	13,966,426	361,769			
National Non-Domestic Rate - 2021/22 surplus / deficit		4,903,766			
New Homes Bonus	(747,091)	(637,846)			
Collection Fund (surplus) / deficit contribution	23,400	(58,500)	(9,000)	(25,000)	(25,000)
Council tax income assuming council tax increases by £5 per annum from 2021/22	(9,413,999)	(9,730,405)	(10,027,702)	(10,328,499)	(10,632,796)
2022/23 Service Grant		(195,881)			
Lower Tier Services Grant	(121,000)	(129,988)			
LCTS S31 Grant	(163,000)				
Contribution from VRP			(402,423)	(273,876)	(48,829)
Contribution to / (from) Budget Strategy support reserve			(225,000)	(500,000)	(100,000)
Projected Funding	(353,122)	(9,833,619)	(15,163,125)	(14,824,375)	(14,560,625)

The projections above reflect a funding gap for the period 2023/24 to 2025/26 of £3.532m (i.e. the financial gap between what the Council needs to spend to maintain existing services and the funding available excluding the use of the Budget Strategy Support Reserve and contribution from Voluntary Revenue Provision). The key assumptions for the preparation of these projections are explained below.

The net costs of services have been estimated by using the approved 2021/22 base budget as the base for future projection's though to 2025/26.



Inflation has historically been included in the MTFS at 2% on insurances, utilities, postage, IT maintenance agreements and non-domestic rates. However at the point in time this strategy was produced for 2022/23, inflation has increased to 5.1% in the 12 months to January 2022. The financial projections included in the MTFS include inflation for these costs at 5.1% for year one, decreasing gradually down to 2% in year three and four. Where information is available, major contracts and agreements are rolled forward based on the specified inflation indices in the contract or agreement.

The costs incurred in the general fund and re-charged to partner organisations have also been subject to the same inflationary increases.

CONTRACT COSTS

A number of services are delivered by or for the Council through service or shared service contracts. Where the cost of these contracts have been increased in 2022/23, this is to reflect inflation and wage increases. An additional contract cost has been included for One Legal to reflect the changes to the management structure and recruitment of a new Director of One Legal, a cost shared across all of the local authorities in the service.

A review of the staffing budgets in a number of shared services also identified that the budgeted pay increase for 2021/22 was less than the current indicative 1.75% national pay award. This means an additional contract cost to the Council in year one of this MTFS to cover any back dated uplift above that originally budgeted.

In addition, the cost of the council's environmental services contract provided by Ubico has been reviewed to address under investment over a period of time and the contract sum for 2019/20 onwards increased significantly. The contract sum has now stabilised but an increase is expected in 2023/24 pending the triannual revaluation of the pension fund in 2022/23.



EMPLOYEE RELATED COSTS Page 147

For budget modelling, a 2% increase has been assumed throughout the duration of the MTFS post 2022 with a further 1% contingency included to bring the budget in line with expectations across the whole Public Sector.

The increase of 1.25 % in the employer's contribution to National Insurance on 1 April 2022 will have a net cost to the Council of £75k. As no announcement has been made by the Government on how long this increase is expected to be applied, this has been built into the base budget for the full MTFS period.

The Council is part of the Gloucestershire Pensions Fund, which is administered by Gloucestershire County Council. The rate of contribution paid to the fund by participating employers is set following a triennial revaluation of the Fund by the appointed actuary. The triennial revaluation of the Fund based on the position as at 31 March 2019, found that the Fund's objective of holding sufficient assets to meet the estimated current cost of providing members' past service benefits was not met at the valuation date.

Contribution rates are calculated on an individual basis for each participating employer. For the Council's element of the fund, the funding level was assessed at 88% (compared with 65% in 2016), with a shortfall of £38.998m. The fund actuary is aiming for this deficit to be recovered over a 17 year period, giving the following target contribution rates for the Council for this three-year valuation period:

- a 20.0% future service rate which should cover the liabilities scheme members will build up in the future, plus
- an annual lump sum past service deficit contribution (£2.418m in 2022/23), to cover the shortfall in the Fund.

An increase of 2% with a 1% contingency per annum has been assumed on members' allowances, in line with the anticipated employee annual pay award. This inflation is included within staff costs and totals c. £12k per annum.

RE-PROFILING OF OUR BUDGETS POST PANDEMIC

As outlined in Section 2 above, the pandemic has changed the financial demands on the Council as well as the mechanisms for funding our services. The approach taken since the introduction of our commercial strategy in 2018 to maximise other sources of income to fund the delivery of our services has been hugely impacted by changes in customer behaviour.

As part of the development of this strategy, all forms of income have been reviewed to understand the impact of the pandemic and longer term changes such as increased working from home, particularly on off-street car parking and the trade waste services.

Conversely, the time residents are at home has actually increased the volumes of waste being produced and collected for recycling which subsequently increases the levels of income we are able to generate by selling it to support our general fund budget. The net loss of income across the Council is expected to be £523k in 2022/23 onwards.

Likewise, a similar exercise has been undertaken on our expenditure to re-profile existing budgets and recognise that there are some areas such as the significant decrease in housing benefit subsidy where new pressures need to be included. The objective of this exercise is to fully re-set the budget to better align to the demands of Council service post pandemic.

In addition to the £523k income pressure a net pressure of £169k has been identified within expenditure, creating a total "reset" cost of £692k in the base budget.

In previous years, a general assumption for a 2% increase in non-statutory fees and charges has been factored in. In 2021/22 the council opted for a fundamental year on year review of fees and charges.

The current inflationary pressures facing the council and the delivery of our services means that in 2022/23 our fees and charges will be subject to an inflationary uplift subject to legislative requirements and following review of competitive pricing structures.

RETAINED BUSINESS RATES

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

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

There is a high level of volatility in the business rates system, mainly due to the level and impact of appeals lodged against rateable values but also due to the natural turnover of businesses, properties being left empty or demolished and the increasing trend for commercial properties to be converted into domestic dwellings. This has been compounded by the impact of Covid-19. Changes to the value of businesses can have a significant impact upon the business rates collected. These factors make it difficult to predict the level of income the Council can retain in the future.

COUNCIL TAX

The taxbase represents the total number of chargeable properties in the borough, expressed as band D. The net budget requirement is divided by the taxbase to calculate the level of council tax for band D each year. The council's taxbase is forecast to increase by 0.80% each year for the purposes of modelling the MTFs and a council tax increase of £5 per annum is assumed from 2022/23.

OTHER GOVERNMENT FUNDING SOURCES

In 2016/17, the government offered a guaranteed four year budget to every Council, which could demonstrate efficiency savings and 2019/20 represented the final year of the four year offer. The principles of that settlement allowed authorities to spend locally what is raised locally, whilst recognising the savings already made by local government. Since then, only one year settlements have been provided to Local Authorities which has made long term financial planning very difficult.

The Government funding included in the MTFs for 2022/23 include the following:

- An additional New Homes Bonus payment (Year 12, £407,267), on top of the final "legacy" payment of £230,579. This will be the final New Homes Bonus funding available to the council in its current form.
- A continuation of the Lower Tier Services Grant (LTSG) which ensures that no authority will have a reduction in Core Spending Power in 2022/23. Cheltenham will receive £129,988 in 2022/23. Again, this will be the final year we receive funding from this grant.
- A new one-off 2022/23 Services Grant has been created to fund general responsibilities. Cheltenham will receive £195,881 in 2022/23. Government have made it clear that this is a one-off grant in 2022/23 and will not be included in the baseline that is used for transitional support (damping) in 2023/24.

Ministers will be re-starting the local government funding reforms in the spring 2022. This means that the Fair Funding Review and business rates baseline reset are both going to be under consideration again, for possible implementation in 2023/24. This increases the urgency of the re-alignment of our budgets to ensure any changes to our baseline funding for next year can be managed more effectively.



4. Reserves Strategy ^{Page 150}

INTRODUCTION

The Council is aspirational and horizon scanning in the approach it takes to delivering its services, and supporting those it works with in partnership to ensure Cheltenham is a vibrant and desirable place to live, work and invest. As a result, when funding has become available either through budget underspends or one-off funding, a strategy of utilising opportunities for improving and investing in the town has been followed.

Most recently in July 2020 the Council approved £250k from the reported underspend against the 2020/21 budget to Green and Sustainable Economic Recovery. This funding has been used to support the delivery of an Ice Rink in Imperial Gardens and to re-develop the Clarence Fountain area of the town centre to provide greater green space for residents and visitors to use.

“In July 2020 the Council approved £250k from the reported underspend against the 2020/21 budget to Green and Sustainable Economic Recovery”

However, in recognising the impact and uncertainty of the pandemic on the Council's short to medium term finances requires an alternative approach to be taken over the next few financial years to secure the long term delivery of our services. This approach enhances the Council's reserves to ensure it is able to meet any unforeseen costs in the future and mitigate known risks and forecast cost pressures, particularly those arising from changes in the way local government is financed post 2022/23.

BUDGET STRATEGY SUPPORT RESERVE (BSSR)

As part of the 2016/17 budget setting process, the Budget Strategy Support Reserve (BSSR) was established to provide greater resilience and time for the Council to embed its savings strategy and allow for slippage in savings delivery.

The BSSR will need to be suitably resourced to not only mitigate any delay in the delivery of savings but also be robust enough to support any reported slippage during the MTFS period and to ensure there is sufficient resources available to fund new or unforeseen costs. At 31 March 2023 it is forecast that the balance of the BSSR will be £839k after a further contribution of £339k is made in 2022/23.

The Savings Strategy detailed in Section 5, identifies a need to fund £0.825m from the Budget Strategy Support Reserve over the MTFS period.

BUSINESS RATES RETENTION Page 151: SERVE (BRRR)

The potential move to 75% locally driven funding following the introduction of 75% Business Rates Retention will build in an increased risk of volatility in the Council's financial planning. This needs to be appropriately managed and understood by the organisation as full reliance will be placed on the performance of the local economy with a drop in business rates income having the potential to force service re-prioritisation.

The BRRR should aim to be maintained to a target of £500k to allow for the potential reduction in income arising from the risks as identified. The Council is already mitigating fluctuations in income levels arising from changes in the local economy and moving forward will face even greater exposure to such volatilities under the reformed retention system post Covid-19.

Any Collection Fund and Pool surpluses over and above those assumed in the Savings Strategy are earmarked for the BRRR to ensure a base level of reserve is in place in advance of the implementation of 75% Business Rates Retention.

GENERAL BALANCES

General Balances are held to protect existing service levels from reductions in income levels as a result of economic downturn and other unforeseen circumstances. CIPFA's Local Authority Accounting Panel (LAAP) issued a guidance bulletin on local authorities' reserves and balances.

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

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves;
- A contingency to cushion the impact of unexpected events or emergencies
 - this also forms part of general reserves;
- A means of building up funds (earmarked reserves) to meet known or predicted requirements.

The Council has, over a number of years, earmarked significant funds for specific reserves. These are reviewed twice yearly by Full Council under the guidance of the Executive Director Finance and Assets (Section 151 Officer). Over the course of this MTFs, the value of earmarked reserves will be reduced as they are used to finance planned expenditure.

This has been balanced by making planned contributions to general balances in 2022/23 to bring the total amount held to £1.5m.

OUR SAVINGS STRATEGY Page 152

As detailed in the previous sections, the council has a significant funding gap to resolve as well as a number of financial risks to manage arising predominately from Covid-19. Given the ambitious nature of the council and its desire to ensure Cheltenham is a place where residents, businesses and visitors wish to work, visit and live the savings strategy for the medium term must reflect these aspirations and not jeopardise these core priorities whilst recognising that the net cost of the council's services must reduce over time.

In the current exceptionally difficult national funding situation, the Cabinet's overriding financial strategy has been, and is, to drive down the Council's net costs via a commercial mind-set. Our aim is to hold down council tax as far as possible, now and in the longer term, while also protecting frontline services from cuts and driving sustainable economic growth- an immensely challenging task in the present climate.

AN OVERVIEW OF OUR APPROACH

The commercial strategy was adopted by Full Council in February 2018 with the vision:

“to become an enterprising and commercially focused Council which people are proud to work for and which others want to work with. We will use our assets, skills and infrastructure to shape and improve public services and enable economic growth in the Borough. We shall generate significant levels of new income for the Council working towards the objective of enabling it to become financially sustainable”.

In the two years leading up to the COVID-19 pandemic, this strategy was extremely successful and was a key element of the Council's drive towards financial sustainability, identifying new opportunities to generate income and commit investment to projects which provide good financial returns.

As outlined in the local risks section above, income generated from a number of these commercial initiatives post pandemic is much lower than in 2019. This was first recognised in the recovery budget approved by Council in November 2020 in response to the financial impact of the COVID-19 pandemic. This budget included a strategy to fund the annual repayment of our borrowings using capital receipts. This then released £1.6m of revenue funding from the general fund to meet costs and income pressures not covered by Government compensation funding.

“Income generated from a number of these commercial initiatives post pandemic is much lower than in 2019”

As we move into the 2022/23 budget strategy, the longer term impacts on our income and costs continue to be understood and there is still a significant amount of uncertainty surrounding the implications over the full four year MTFS period.

In addition to re-basing our income and expenditure to re-align our budgets to the changes in activity we are evidencing, in 2023/24 the annual repayment of our borrowing will also need to be re-introduced into the base budget.

It is with this in mind that the strategy to close the **Page 153** gap includes both base budget savings but also the use of the Budget Strategy Support Reserve and the release of Voluntary Revenue Provisions (VRP) which have been made against our borrowings since 2015. This then allows savings to be phased in over four years. Further information on VRP and the Reserves Strategy are included in Section 3 and 4 respectively.

The savings strategy indicates broadly how the Council may close the projected funding gap over the period 2022/23 to 2025/26. In future years, it includes targets rather than necessarily specific worked up projections of cost savings and additional income to allow the Executive team autonomy and flexibility. Engaging with stakeholders will be crucial when it comes to developing a sense of ownership in local decision-making and service delivery. Working with stakeholders will allow the council to fine tune services based on actual needs.

The funding and savings strategy to close the overall budget gap over the four years of the MTF5 is outlined below:

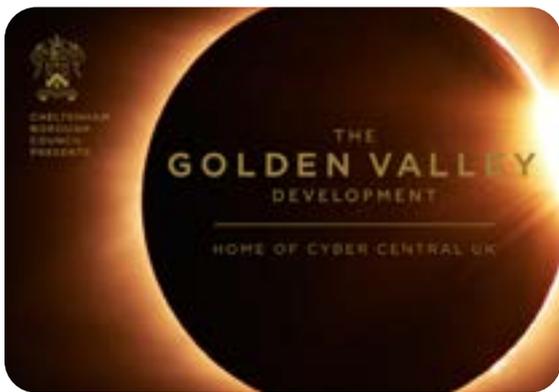
	2022/23	2023/24	2024/25	2025/26	Total
Forecast Budget Gap	£1,507,000	£1,077,423	£1,598,876	£898,829	£5,082,128
Funded by:					
BSSR	-	(£225,000)	(£500,000)	(£100,000)	£825,000
Use of VRP	-	(£402,423)	(£273,876)	(£48,829)	£725,128
Base Budget Savings	(£1,507,000)	(£450,000)	(£825,000)	(£750,000)	£3,532,000



One of the strengths of the Cheltenham economy is its diversity; it has a great number of different sized businesses across a wide range of sectors, with a notable concentration of cyber and digital businesses. Mixed with its rich cultural offer of historic buildings, world renowned festivals, parks and open spaces it is able to draw investment, talent and visitors, building on its strong community foundations. The place strategy is closely linked to the commercial strategy. Driving growth, increasing gross value added (GVA), investment into Cheltenham, encouraging businesses to thrive and improving employment opportunities; the town's economy will grow, as should the council's income through business rates and council tax, providing longer term financial sustainability.

Cheltenham is uniquely placed to continue its economic growth. The creation of a growth zone, as promoted in the Strategic Economic Plan (SEP), is to ensure the availability of quality employment land in proximity to the M5 motorway, attractive to businesses and with excellent connectivity throughout Gloucestershire and the rest of the UK. Cheltenham continues to develop its attraction and depth of offer as a destination, a place to do business and a place of innovation and excellence.

“Cheltenham continues to develop its attraction and depth of offer as a destination, a place to do business and a place of innovation and excellence”



The Golden Valley Development is a 200 hectare site adjacent to GCHQ in West Cheltenham. This will be the home of Cyber Central UK, the capital of cyber innovation, bringing together the brightest minds business, government and academia; spearheading the UK's mission to be a science superpower and global leader in cyber security. In 2022, the Golden Valley campus and Innovation Centre was outlined as a priority in the Government's Cyber Strategy with Cheltenham Borough Council's leadership in this development referenced directly.

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

At the end of August 2019, the council completed the purchase of 112 acres (45 ha) of strategically important land which forms part of the West Cheltenham JCS allocation. This was the most expensive land purchase ever made by CBC. It will enable the delivery of the Cyber Central vision – which was formally launched on 17th September 2019 at Hub8 in Cheltenham.

“At the end of August 2019, the council completed the purchase of 112 acres (45 ha) of strategically important land”

The Council's £37.5m investment into this **Page 155**le the rapid growth of the Cyber-Tech and other innovative industries as part of a thriving integrated community, a place where people can live, work and recreate. It is a significant step forward in achieving the Council's corporate plan priority of Cheltenham becoming the UK capital of cyber. Our Housing Investment Strategy commitment to deliver on the £180m investment in Housing across the Borough will play a leading role in shaping the residential aspect, working with Homes England and Cheltenham Borough Homes to create high quality homes that offer a range of tenures with security and affordability.

Another aspect of the Place Strategy is reimagining the town centre, working with key partners and our community in understanding the mix of uses that will position Cheltenham as a retail, cultural, business and leisure destination. We are in unprecedented times as the retail sector adjusts to changing customer patterns and behaviours, exacerbated by the access to retail by the Covid-19 pandemic. Our focus is on creating a liveable town centre with community at its heart, driving footfall and inward investment.

"We are in unprecedented times as the retail sector adjusts to changing customer patterns and behaviours"

PEOPLE & CHANGE

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

- Savings following the creation of The Cheltenham Trust (TCT) which formed part of the original business case when the trust was created in 2014;
- Savings targets arising from transformation and modernisation of service delivery within the authority; and
- An increased contribution made to the general fund by increasing the commercial focus of non-statutory services such as pest control.

The Council wide modernisation programme has delivered cash savings towards its overall target, as set out in the MTFs, with further initiatives planned to generate additional savings over the next two years. Many opportunities for improving service delivery and operational efficiency have been identified via the Council's programme business process reviews.

The modernisation programme is also undertaking a comprehensive review of all ICT applications to ensure they are still meeting business requirements and providing value for money. This also provides an opportunity to commit to longer-term contracts and fix prices to give the Council certainty of costs. In 2022/23 the roll out of the new Digital Platform is expected to provide both financial savings whilst also improving the service provided to customers.

"The roll out of the new Digital Platform is expected to provide both financial savings whilst also improving the service provided to customers"

The Cheltenham Trust moved into surplus at the end of 2019/2020 following an increased in commercial income generation activities. The Trust has continued where it can to maximise commercial income with notable success such as the Heritage Café and the Garden Bar. The Trust is in the process of launching its revised five year business plan and will be working closely with the Council to ensure it continues to deliver value for customers as well as supporting work in our communities.

The review of our resources against the kePage 156 priorities and re-setting of our budgets post pandemic has also identified opportunities to adopt the principles from our commercial strategy into other services not previously reviewed. Pest control in particular has been identified as a non-statutory service where taking a different approach can increase the contribution the service makes to our general fund resources.

FINANCE & ASSETS

The impact of the pandemic and current market conditions have refocussed CBC's Asset Management Strategy. Active asset management of the authority's asset portfolio and maximising the return from the authority's own assets to help deliver a sustainable financial plan will be increasingly important and is a complex area. Decisions around the extent as to the commercial investment opportunities will heavily rely upon careful and sound strategic financial advice and support.

The Asset Management Strategy has been reviewed and revised and was presented to Council for approval in February 2022. The relationship between how we develop, grow and utilise our assets needs to be influenced by our ambition for Place, how we use our assets strategically and in the long term to achieve the outcomes we want to see for the town and also the wider county of Gloucestershire.

In addition to this, and in line with the Council's priority to be carbon net zero by 2030, a project is already underway to review energy provision and usage across our portfolio. The Council own a number of assets such as the Leisure Centre and the Municipal Offices which require significant amounts of energy to operate and work is ongoing to improve the oversight of both the financial and carbon impact of these.



In November 2020, the Cabinet and Council approved the Minster Innovation Exchange (MIE) project which received £3.114m of Government 'Getting Building Funding' and, coupled with Council and LEP funding, will deliver 'next generation' workspace for the young creative and cyber tech business community on an underutilised car park in the town centre. The building will provide workspace, training facilities (including a 'war room' for developing and testing cyber security systems); provide a permanent all year round presence and home for Cheltenham Festivals and include a new commercial 'state of the art' event space and café. The funding will also pay for public realm improvements to the neighbouring St Marys Minster churchyard resulting in a major regeneration scheme which will create a cultural and creative hub linked to the Wilson art gallery and museum in a run-down area of town which currently attracts significant anti-social behaviour.

The project is an innovative collaboration with a group of local private sector entrepreneurs badged as Workshop Cheltenham (WSC) with whom the Council is creating a Limited Liability Partnership (LLP). The Council's investment will also be on commercial basis and a profit sharing arrangement has been agreed between the Council and WSC which will see additional returns to the Council over the initial 10 years period of operating the MIE.

The MIE is seen as the catalyst for the wider Golden Valley Cyber development which aims to be the Cyber capital of the UK. MIE will provide incubator space for companies which may grow and migrate to Golden Valley and will support the development of the cyber ecosystem. MIE aims to be a key component in the drive to build drive up economic growth and help with the retention of young people and talent in the County.

INTRODUCTION

The Council has a track record of strong financial management but is now in a period of uncertainty at the same time as leading the towns continued recovery from the pandemic. The Council must plan now to ensure its financial position is protected across the medium term as changes to local government finances crystallise and the implications are known.

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

The Cabinet believes the longer term approach to finding efficiencies to close the funding gap is fundamentally through economic growth, regeneration and investment and the efficient utilisation of our assets. This has seen a place focused investment approach offering long term investment, income through rents as well as other social and financial benefits.





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Pay Policy Statement

For all employees at Cheltenham Borough Council
2022 - 2023

1. Purpose

1.1. This Pay Policy Statement (The Statement) is provided in accordance with Section 38(1) of the Localism Act 2011 and will be updated annually prior to the commencement of the new financial year.

1.2. The Statement sets out Cheltenham Borough Council's (The Council) policies relating to the pay of its workforce for the financial year 2022-2023, in particular: -

- the remuneration of its Chief Officers
- the remuneration of its lowest paid employees
- the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.

2. Definitions

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

- **Chief Officers** as detailed in paragraph 7.1 of the document.
- **Lowest paid employees** of the Council are defined as those employees (excluding Apprentices) who are in a full time or part time role, who are above the age of 21, and are paid within Grade A of the Council's Job Evaluation scheme (the lowest band). As at 1 April 2021 the Grade A band was £18,328 per annum, with only one pay point. This is in line with the Real Living Wage (at Nov 2020). New rate at Nov 2021 to be agreed at Budget Setting Council meeting (see paragraph 12).
- **Employees who are not Chief Officers** - refers to all staff not covered under the Chief Officer group detailed above.

At the time of publication of this policy statement no annual pay award has been agreed for 2021-2022.

3. Pay framework & remuneration levels

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

4. Responsibility for decisions

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

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

- Chief Executives - Joint Negotiating Committee for Local Authority Chief Executives (ALACE is normally the negotiating body for pay, unless varied locally);
- Chief Officers – Joint Negotiating Committee for Chief Officers of Local Authorities

- All other employees – National Joint Council for local Government Services.

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

- Pension
- Occupational sickness scheme
- Maternity scheme
- Overtime

5. Grading framework & salary grades

5.1. Grading framework

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

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

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

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

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

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

5.2. Shared posts/lead employer

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

5.3. Salary grades

A full list of the Council’s salary grades and associated spinal column pay points can be found in Annex A.

At the time of publication of this policy statement no annual pay award has been agreed for 2021-2022.

6. Electoral registration and returning officer

The scale of fees for this role is approved by the Gloucestershire Elections Fees Working Party for local elections, or the relevant scales of fees prescribed by a Fees Order in respect of national, regional or European Parliament elections, polls or referendums.

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

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

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

The Electoral Registration and Returning Officer for the Council is the Executive Director Finance and Assets.

7. Remuneration - level & element

7.1 Chief Officers - figures as at 01/4/2020 (See Annex B)

Chief Executive	Director Level Band 1	£112,246 - £122,936 p.a.
No employees currently	Director Level Band 2	£86,776 - £100,298 p.a.
Executive Directors	Director Level Band 3	£72,762 - £84,091 p.a.
Director	Director Level Band 4	£60,202 - £68,684 p.a.

7.2. Non Chief Officers

Employees 11 Grades A to K (see Annex A)

7.3. New starters joining the Council

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

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

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

7.3. Lowest paid employees

Lowest paid employees of the Council are defined as those employees (excluding Apprentices) who are in a full time or part time role, who are above the age of 21, and are paid within Grade A of the Council's Job Evaluation scheme (the lowest band). As at 1st April 2021 the Grade A band was £18,328 per annum, with only one pay point, which is in line with the Real Living Wage (see

paragraph 12).

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

7.4. Relationship between remuneration of highest paid employee (Chief Officer) and lowest paid employee

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

The Council aims to pay no more than median salary levels when looking at market rates, and in the case of senior roles it will seek to maintain pay differentials well within the parameters recommended by the pay and pensions review (1:20). For the Council, using the salary information as at 1st April 2021 the current ratio of highest paid to lowest paid is 1:6. The ratio between the highest paid salary and the median paid salary of the Council's workforce is 1:4.

Lowest paid employee (Top of current salary band Grade B)	£18,933
Mean paid employee (Average salary band of all employees up to & including Chief Officers)	£31,766
Median paid employee (Middle Salary band value of all employees up to & including Chief Officers)	£27,741
Highest paid employee	£122,936

7.5. Bonuses

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

7.6. Performance related pay

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

7.7. Pay protection

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

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

7.8. Severance payments

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

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

The amount of redundancy pay will be calculated as:

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

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

Guidance set out by the Secretary of State states Full Council should be given the opportunity to vote before large severance packages are offered and arrangements are finalised for employees leaving the organisation. The guidance states a threshold of £95,000 should be set. This Council acknowledges this guidance and is committed to seeking Full Council approval for any severance packages (including salary paid in lieu, redundancy compensation, pension entitlements/costs, holiday pay, fees or allowances) offered by the authority in excess of £95,000. See below links:

Link to guidance <https://www.local.gov.uk/reform-local-government-exit-payments>

Link to legislation <https://www.legislation.gov.uk/ukdsi/2020/9780348210170>

7.9. Settlement agreements

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

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

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

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

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

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

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

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

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

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

7.11. Early/flexible retirements

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

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

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

7.12. Honorarium payments

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

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

Or

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

7.13. Acting up allowances

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

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

7.14. Market forces supplement

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

In some circumstances it is necessary to ensure the effective recruitment and retention of employees and to pay individuals and/or groups of employees a premium rate to reflect the market competitiveness of the job. Any market supplement must be provided for from within existing budgets and be objectively justifiable. The job evaluation determined grade for that post will not be changed. Market supplements will be paid as a temporary fixed allowance. The supplements will be reviewed bi-annually and consequently can be withdrawn, should the review demonstrate that current evidence does not justify a supplementary payment continuing. Should

such a supplement continue to be paid for an extended period, e.g. several years or more, the need for continuation will be examined carefully during the annual review in order to ensure that such continuation continues to be objectively justifiable in the circumstances.

8. Reimbursement of expenses

8.1 Travel & subsistence

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

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

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

8.2 Disturbance allowance

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

8.3. Relocation expenses

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

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

8.4. Professional fees & subscriptions

The Council meets the cost of one annual professional membership body fee or subscription where it is a statutory requirement for the role or it is directly aligned to the professional discipline of the role.

Where applicable, the Council also meets the cost of membership of SOLACE (Society of Local Authority Chief Executives).

9. Re-employment of former Council employees

With regards to re-employing former local government employees who have been made redundant, in line with LGA guidance **if there is less than a 4 week gap between the date the employee was made redundant from the Council/a body under the modification order and the date of joining/re-joining a Council the employee will be required to repay their redundancy payment to their previous employer as continuity of service will be protected and their employment classed as continuous.** If the gap is longer than 4 weeks the employee

can retain their payment as continuity of service will have been broken and continuous service will not be protected.

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

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

11. Trade union recognition and facility time

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

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

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

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

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

Activity/duty	Estimated hours per week	No of reps	Total estimated time per business year.*
Case management & advice to membership	Average 1 hours per week	2	94 hours
Training	Average 0.5 hours per week	2	47 hours
Health and Safety	Average of 1 hours per week	2	94 hours
Corporate meetings, TU meetings and prep time	Average 0.5 hours per week	2	47 hours
Estimated total hours			282 hours
Estimated average total hours per TU rep per week		3 hours per week	

12. The Real Living Wage

The Council complies with all the statutory requirements of the National Minimum Wage and National Living Wage. The majority of the Council’s employees are on Grade C, point 5C, £10.01 and above which is higher than the statutory rates.

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

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

The Council has chosen to pay the RLW hourly rate to **all eligible employees** by way of an additional Living Wage Allowance. The Council will review its decision to pay the RLW annually at the Budget Setting Council meeting.

The Real Living Wage rates effective 1 November 2021 are:

- £9.90 (per hour) UK rate outside London
- £11.05 (per hour) UK rate for London

13. Other operational/non-operational pay and conditions

Other pay and conditions in operation, as follows:

- Shift premium
- Stand by and call out payments
- Premium for bank holiday/public holiday working
- Long service award
- Enhanced leave – buy or sell up to an additional 5 days' leave.
- Training fees reimbursement (post entry training scheme)
- Employee welfare service
- Eye test voucher scheme

14. Publication and access to information

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

Annex A

Cheltenham Borough CouncilUpdated April 2020 &
Living Wage April
2021

New pay scales following pay award April 2020

Payroll	Payroll	New	NEW		WEEKLY	HOURLY	JE Points
SYSTEM			2020				
SCP	GRADE	NJC	Annual Salary	MONTHLY	Weekly RATE	Hourly RATE	Score
GRADE		SCP	April 2020	SALARY	37 hr week	37 hr week	
LW	Living Wage		£18,328	£1,527.33	£351.50	9.50	
1A	Grade A	1	£18,328	£1,527.33	£351.50	9.50	0-294
2A	Grade A	2	£18,328	£1,527.33	£351.50	9.50	
3B	Grade B	3	£18,562	£1,546.83	£355.99	9.62	295-344
4B	Grade B	4	£18,933	£1,577.75	£363.10	9.81	
5C	Grade C	5	£19,312	£1,609.33	£370.37	10.01	345-394
6C	Grade C	6	£19,698	£1,641.50	£377.78	10.21	
7D	Grade D	7	£20,092	£1,674.33	£385.33	10.41	395-444
8D	Grade D	8	£20,493	£1,707.75	£393.02	10.62	
9D	Grade D	9	£20,903	£1,741.92	£400.89	10.83	
10D	Grade D	10	£21,322	£1,776.83	£408.92	11.05	
11D	Grade D	11	£21,748	£1,812.33	£417.09	11.27	
12E	Grade E	12	£22,183	£1,848.58	£425.43	11.50	445-494
13E	Grade E	13	£22,627	£1,885.58	£433.95	11.73	
14E	Grade E	14	£23,080	£1,923.33	£442.64	11.96	
15E	Grade E	15	£23,541	£1,961.75	£451.48	12.20	
16E	Grade E	16	£24,012	£2,001.00	£460.51	12.45	
17E	Grade E	17	£24,491	£2,040.92	£469.70	12.69	
18E	Grade E	18	£24,982	£2,081.83	£479.11	12.95	
19F	Grade F	19	£25,481	£2,123.42	£488.68	13.21	495-544
20F	Grade F	20	£25,991	£2,165.92	£498.47	13.47	
21F	Grade F	21	£26,511	£2,209.25	£508.44	13.74	
22F	Grade F	22	£27,041	£2,253.42	£518.60	14.02	
23F	Grade F	23	£27,741	£2,311.75	£532.03	14.38	
24G	Grade G	24	£28,672	£2,389.33	£549.88	14.86	545-594
25G	Grade G	25	£29,577	£2,464.75	£567.24	15.33	
26G	Grade G	26	£30,451	£2,537.58	£584.00	15.78	
27G	Grade G	27	£31,346	£2,612.17	£601.17	16.25	
812	Grade H		£32,027	£2,668.93	£614.23	16.60	595-644
813	Grade H		£33,270	£2,772.54	£638.07	17.24	
814	Grade H		£34,513	£2,876.06	£661.90	17.89	
815	Grade H		£35,751	£2,979.24	£685.64	18.53	
722	Grade I		£36,465	£3,038.75	£699.34	18.90	645-694

723	Grade I		£37,874	£3,156.14	£726.36	19.63	
724	Grade I		£39,300	£3,274.99	£753.71	20.37	
725	Grade I		£40,711	£3,392.55	£780.76	21.10	
632	Grade J		£41,363	£3,446.92	£793.28	21.44	695-744
633	Grade J		£43,103	£3,591.88	£826.64	22.34	
634	Grade J		£44,842	£3,736.85	£860.00	23.24	
635	Grade J		£46,592	£3,882.67	£893.56	24.15	
542	Grade K		£47,497	£3,958.10	£910.92	24.62	745 +
543	Grade K		£49,642	£4,136.80	£952.05	25.73	
544	Grade K		£51,774	£4,314.47	£992.94	26.84	
545	Grade K		£53,914	£4,492.83	£1,033.98	27.95	

Annex B

Cheltenham Borough Council
PEI Grades 4 to 1
(JNC Chief Officer conditions of service)
1st April 2020

SCP	GRADE DESCRIPTION	April 2020	MONTHLY SALARY	HOURLY RATE
454	Grade 4 - Director Level	£60,202	£5,016.85	£31.20
455	Grade 4 - Director Level	£63,022	£5,251.81	£32.67
456	Grade 4 - Director Level	£65,855	£5,487.88	£34.13
457	Grade 4 - Director Level	£68,684	£5,723.69	£35.60
364	Grade 3 – Director Level	£72,762	£6,063.53	£37.71
365	Grade 3 – Director Level	£76,534	£6,377.86	£39.67
366	Grade 3 – Director Level	£80,304	£6,692.02	£41.62
367	Grade 3 – Director Level	£84,091	£7,007.55	£43.59
274	Grade 2 – Director Level	£86,776	£7,231.37	£44.98
275	Grade 2 – Director Level	£91,276	£7,606.33	£47.31
276	Grade 2 – Director Level	£95,798	£7,983.16	£49.65
277	Grade 2 – Director Level	£100,298	£8,358.20	£51.99
279	CEO	£112,246	£9,353.85	£58.18
280	CEO	£116,522	£9,710.13	£60.40
281	CEO	£119,728	£9,977.37	£62.06
282	CEO	£122,936	£10,244.69	£63.72

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

01242 264355 or email HR@cheltenham.gov.uk

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

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Budget Consultation 2022/23 questions from members of the public

1.	Received 25 January 2022
1.	<p>Many thanks for the opportunity to comment on the 2022-2023 budget. We recognise that whilst the majority of highways opportunities lie with Gloucestershire County Council, Cheltenham Borough Council does have an important part to play in creating a positive environment for cycling within the town through its strategic and spending priorities.</p> <p>We have as a committee reviewed the budget proposals and the detail of the capital spending plan to inform our response.</p> <ul style="list-style-type: none"> • We commend the council for revising down the income it assumes it will receive from car parking so that it is less dependent on private motor vehicle trips. This will give the council more freedom to develop and deliver plans that change how people travel into the town centre, improving accessibility, congestion and the environment. We are encouraged to see this recognised in specific detail within the council strategy. • We look forward to the publication of the council's £10 million climate change strategy, and hope that the council recognises the opportunities that it has to enable cycling within this significant investment. • We are encouraged to see leadership from the council in decreasing the allowances it offers to its own staff who use private motor cars rather than greener modes of transport. We hope there will be opportunities for the campaign to support council staff wanting to discover the benefits of cycling in Cheltenham. • The budget still contains a significant amount of money allocated to car parking. Reflecting the council's ambition to change how people access retail and commercial centres, we would suggest now is the time to create a separate budget line for enhancing and increasing the amount of cycle parking in Cheltenham, particularly around local economic centres, to meet the rising demand. • With no parallel routes in development, the Honeybourne line looks set to remain a crucial link for active travel in the short to medium term for a large proportion of Cheltenham residents and workers. It is already over capacity, and there are growing maintenance challenges. Unlike the highway network, this off road link is the responsibility of Cheltenham Borough Council, and we believe that a separate budget line is now needed to ensure there is long term planning for its expansion and maintenance. • We also identify a number of other barriers for cycling access within land owned by Cheltenham Borough Council, maintenance challenges on a number of cycle routes through these areas, and gaps in the network that could be addressed through off-road routes on Cheltenham Borough Council land. We believe these merit prioritisation within the budget to ensure that Cheltenham takes the opportunities it does have to increase cycling locally, in parallel to highways improvements. • We note the Parks and Gardens service have £40,800 for new vehicles. We'd like to challenge you to consider investing in one less motor vehicle, and instead purchasing two cargo bikes with that money. They would have less environmental impact, particularly in embodied carbon, and would cause less damage to green spaces whilst giving flexible access to a wider range of areas.

	<p>The Cheltenham & Tewkesbury Cycling Campaign is eager to work with Cheltenham Borough Council, and hope that there will be opportunities for our expertise and range of community voices to help you progress towards your greener transport ambitions in the coming year.</p>
<p>1.</p>	<p>Response from Cabinet Member</p> <p>Thank you very much for your response on the consultation and are encouraged by your comments on the approach we have taken to reduce our reliance on car parking income in the 2022/23 budget proposal.</p> <p>The Cheltenham & Tewkesbury Cycling Campaign is a fantastic local organisation and we look forward to working together with you to support our goal of Cheltenham becoming a carbon net zero Council and town by 2030.</p> <p>Our Climate Change Mitigation Pathway and Strategy will be presented for approval at Full Council on 21 February 2022 and this includes interventions which we propose to invest in between now and 2030 to deliver our climate goals. This includes a £10m Climate Investment Fund which will be put towards schemes that benefit the environment whilst generating a financial return for the Council. We are keen to engage with you as part of the development of these investment appraisals.</p> <p>A specific budget allocation was introduced into our base budget in 2021/22 to fund carbon reduction projects and a shift to active travel is included in this. In August 2021, the Council introduced a Cycle to Work scheme for staff. This is a salary sacrifice scheme to encourage staff to travel in a greener way whilst promoting fantastic health benefits. We will also be exploring engagement opportunities, such as bike repair workshops and cycling lessons for staff, to increase the uptake of the scheme and encourage more active commuting. We will then look to leverage the Cheltenham Zero partnership to encourage other businesses to follow suit, supporting where we can. Additionally, we are planning to undertake informal consultation with the cycle community in the Spring as we look to install cycle storage in and around the town.</p> <p>We are also pursuing the southern extension of the Honeybourne Line with GWR, National Rail and Gloucestershire County Council and hope that work will start in 2022/23.</p> <p>The financial pressures we are facing require a fresh approach to how we use our assets in the more effective way to deliver our key priorities, including our climate goals. Although the responsibility for Highways sits with Gloucestershire County Council we will be reviewing the carbon footprint of our assets as part of the revised Asset Management Strategy. The asset plans we will produce from this will consider how this can be reduced and whether an asset can make a more positive contribution to our climate priorities.</p> <p>We appreciate your alternative suggestion to replace one of the parks and gardens vehicles with cargo bikes. This is an interesting proposal and will be explored with Officers.</p>

Cheltenham Borough Council

Council – 21 February 2022

Council Tax resolution 2022/23

Accountable member	Cabinet Member for Finance and Assets, Councillor Peter Jeffries
Accountable officer	Gemma Bell – Head of Property, Finance and Assets
Accountable scrutiny committee	Overview and Scrutiny committee
Ward(s) affected	All
Significant Decision	Yes
Executive summary	The purpose of this report is to enable the Council to set the Council Tax for 2022/23. The Council agreed its budget and level of Council Tax for 2022/23 at its meeting on 21 February 2022. The Council is required to formally approve the total Council Tax for residents of Cheltenham, including the Council Tax requirements of the precepting organisations Gloucestershire County Council (GCC) and Police and Crime Commissioner for Gloucestershire.
Recommendations	Approve the formal Council Tax resolution at Appendix 2 and note the commentary in respect of the increase in Council Tax at Paragraph 6 of Appendix 2.

Financial implications	<p>Failure to agree the Council Tax resolution at this meeting would delay the preparation of council tax bills and the collection of the payments from residents. This may result in lost interest on income collected, which given the prevailing low interest rates, would be approximately £1-2k per month.</p> <p>Contact officer: Gemma Bell</p> <p>paul.jones@cheltenham.gov.uk 01242 264124</p>
Legal implications	<p>The legislative context is set out in the report.</p> <p>Contact officer: Shirin Wotherspoon</p> <p>Shirin.wotherspoon@teWKesbury.gov.uk. 01684 272017</p>
HR implications (including learning and organisational development)	<p>None arising from this report.</p> <p>Contact officer: Julie McCarthy</p> <p>julie.mccarthy@publicagroup.uk</p> <p>01242 264355</p>
Key risks	As outlined in the financial implications

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

1. Introduction

- 1.1 The Localism Act 2011 has made significant changes to the Local Government Finance Act 1992, and now requires the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
- 1.2 The Council agreed the budget and level of Council Tax for 2022/23 (previous agenda item) on 21 February 2022. The Council is now required to formally approve the total Council Tax for residents of Cheltenham, including the Council Tax requirements of the precepting organisations, Gloucestershire County Council (GCC) and Police and Crime Commissioner for Gloucestershire.
- 1.3 Gloucestershire County Council (GCC) and Police and Crime Commissioner for Gloucestershire have both met to set their council taxes for 2022/23.
- 1.4 The total Council Tax to be paid by residents of Cheltenham in 2022/23 by council tax band, including the precepting authorities, is contained in Appendix 2.

2. Reasons for recommendations

- 2.1 To enable the Council to set the Council Tax for 2022/23.

3. Alternative options considered

- 3.1 Not applicable

4. Consultation and feedback

- 4.1 Not applicable

5. Performance management – monitoring and review

- 5.1 Not applicable

Report author	Contact officer: Gemma Bell Gemma.bell@cheltenham.gov.uk 01242 264124
Appendices	1. Risk Assessment 2. Council Tax resolution
Background information	1. Council Budget Report 21 February 2022

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	I	L	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
c.tax 1	Failure to agree the 2022/23 Council Tax resolution may result in lost interest on income.	Gemma Bell		4	1	4	Accept	Councillors to agree council tax at meeting	21/02/2022	Gemma Bell	No

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CHELTENHAM BOROUGH COUNCIL

COUNCIL
21 FEBRUARY 2022

COUNCIL TAX RESOLUTION 2022/23

1. It be noted that on 21 December 2021 the Council calculated the Council Tax Base for 2022/23 as follows:
 - (a) for the whole Council area as **43,423.80**
 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a Parish precept relates as in the attached **Table E** below.

2. Calculate that the Council Tax requirement for the Council's own purposes for 2022/23 (excluding Parish precepts) is £9,730,405.

3. That the following amounts be calculated for the year 2022/23 in accordance with Sections 31 to 36 of the Act:
 - (a) £108,207,594 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - (b) £98,097,488 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £10,110,106 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £232.83 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - (e) £379,700.58 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached **Table E** below).
 - (f) £224.08 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

4. To note that Gloucestershire County Council and the Police and Crime Commissioner for Gloucestershire have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in **Table A** below.
5. To note that the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in **Table A** below as the amounts of Council Tax for 2022/23 for Cheltenham Borough Council, Gloucestershire County Council and the Police and Crime Commissioner for Gloucestershire, for each of the categories of dwellings.

Table A

Council Tax for 2022/23 for each of the categories of dwellings shown below:

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Cheltenham Borough Council	149.39	174.28	199.18	224.08	273.88	323.67	373.47	448.16
Gloucestershire County Council	967.57	1,128.84	1,290.10	1,451.36	1,773.88	2,096.41	2,418.93	2,902.72
The Police and Crime Commissioner for Gloucestershire	186.72	217.84	248.96	280.08	342.32	404.56	466.80	560.16
Aggregate Council Tax (Excluding Parishes)	1,303.68	1,520.96	1,738.24	1,955.52	2,390.08	2,824.64	3,259.20	3,911.04

Table B

Parish amount of Council Tax for 2022/23 for each of the categories of dwellings shown below:

Part of the Council's area	Valuation Bands							
Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Charlton Kings	23.60	27.53	31.47	35.40	43.27	51.13	59.00	70.80
Leckhampton with Warden Hill	12.50	14.58	16.67	18.75	22.92	27.08	31.25	37.50
Prestbury	20.41	23.81	27.21	30.61	37.41	44.21	51.02	61.22
Swindon	11.57	13.50	15.43	17.36	21.22	25.08	28.93	34.72
Up Hatherley	7.65	8.93	10.20	11.48	14.03	16.58	19.13	22.96

Table C

Aggregate of amounts of Council Tax for the year 2022/23 for the Borough of Cheltenham and each Parish, for each of the categories of dwellings shown below:

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
Band	£	£	£	£	£	£	£	£
Charlton Kings	172.99	201.81	230.65	259.48	317.15	374.80	432.47	518.96
Leckhampton with Warden Hill	161.89	188.86	215.85	242.83	296.80	350.75	404.72	485.66
Prestbury	169.80	198.09	226.39	254.69	311.29	367.88	424.49	509.38
Swindon	160.96	187.78	214.61	241.44	295.10	348.75	402.40	482.88
Up Hatherley	157.04	183.21	209.38	235.56	287.91	340.25	392.60	471.12

Table D

Aggregate of amounts of Council Tax the year 2022/23, for Gloucestershire County Council, The Police and Crime Commissioner for Gloucestershire, the Borough of Cheltenham and each Parish, for each of the categories of dwellings shown below:

Part of the Council's area	Valuation Bands							
	A	B	C	D	E	F	G	H
Band	£	£	£	£	£	£	£	£
Charlton Kings	1,327.28	1,548.49	1,769.71	1,990.92	2,433.35	2,875.77	3,318.20	3,981.84
Leckhampton with Warden Hill	1,316.18	1,535.54	1,754.91	1,974.27	2,413.00	2,851.72	3,290.45	3,948.54
Prestbury	1,324.09	1,544.77	1,765.45	1,986.13	2,427.49	2,868.85	3,310.22	3,972.26
Swindon	1,315.25	1,534.46	1,753.67	1,972.88	2,411.30	2,849.72	3,288.13	3,945.76
Up Hatherley	1,311.33	1,529.89	1,748.44	1,967.00	2,404.11	2,841.22	3,278.33	3,934.00
All other parts of the Council's area	1,303.68	1,520.96	1,738.24	1,955.52	2,390.08	2,824.64	3,259.20	3,911.04

Table E

Parish Council Precepts, Tax Base and Council Tax for 2022/23 and 2021/22:

Parish	2021/22			2022/23			Council Tax Increase/ (decrease)
	Tax Base	Precept £	Council Tax Band D (£)	Tax Base	Precept £	Council Tax Band D (£)	
Charlton Kings	4,955.10	146,175.00	29.50	5,004.50	177,159.00	35.40	20.00%
Leckhampton with Warden Hill	3,430.60	64,260.00	18.73	3,426.40	64,260.00	18.75	0.11%
Prestbury	3,159.80	87,921.00	27.82	3,172.90	97,132.00	30.61	10.03%
Swindon	680.20	12,175.58	17.90	701.40	12,175.58	17.36	(3.02%)
Up Hatherley	2,520.40	26,418.00	10.48	2,523.80	28,974.00	11.48	9.54%
TOTAL		336,949.58			379,700.58		

6. To note that the relevant basic amount of council tax for the financial year 2022/23, which reflects a 2.28% and £5 increase, is not excessive in accordance with the principles approved by the Secretary of State under Section 52ZB of the Local Government Finance Act 1992 as amended and the Referendums Relating to Council Tax Increases (Principles) (England) Report 2022/23 and, therefore, there is no requirement to hold a referendum.

Cheltenham Borough Council
Council – 21 February 2022
Gambling Act 2005 Statement of Principles

Accountable member	Councillor Martin Horwood, Cabinet Member Customer & Regulatory Services
Accountable officer	Mike Redman, Director of Environment
Ward(s) affected	All
Key/Significant Decision	No
Executive summary	<p>The Gambling Act 2005 requires that the authority produce, consult on and publish a statement of the principles that they propose to apply when exercising their functions under the Act.</p> <p>The Act also requires that the Statement of Principles should be kept under review and must be re-published at least every three years.</p> <p>Cheltenham Borough Council published its existing Statement of Principles in 2019.</p> <p>On 21 December 2021, Cabinet considered the consultation feedback and resolved to recommend to Council that the revised policy should be adopted.</p>
Recommendations	<p>Council is recommended to:</p> <ol style="list-style-type: none"> 1. Note the proposed changes to the Statement of Principles; 2. Note the consultation feedback; and 3. Adopt the revised Gambling Act 2005 Statement of Principles.

Financial implications	There are no financial implications arising from this report. Contact officer: Andrew Taylor, Andrew.Taylor@cheltenham.gov.uk
Legal implications	Section 349 of the Gambling Act 2005 requires the Licensing Authority to produce a Statement of Gambling Principles every three years which it will apply in exercising its functions under the Act during that period. Contact officer: Vikki.fennell@onelegal.org.uk, 01684 272015
HR implications (including learning and organisational development)	No specific HR implications as a result of this report. Contact officer: Clare Jones – HR Business Partner, clare.jones@publicagroup.uk,
Key risks	As identified in Appendix 1
Corporate and community plan Implications	Cheltenham has a strong and sustainable economy Communities feel safe and are safe.
Environmental and climate change implications	None
Property/Asset Implications	None

1. Background

- 1.1 Cheltenham Borough Council (“the authority”) is required under section 349 of the Gambling Act 2005 to review and republish its Statement of Principles every three years.
- 1.2 The authority must also ensure that they comply with the Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006 (S.I 636 of 2006). These regulations govern the form statements must take, the procedure to be followed in relation to the preparation, review or revision of statements and the publication of statements.
- 1.3 These regulations require that a Statement is published by being made available for a period of at least 4 weeks before the date on which it will come into effect:
 - 1.3.1 on the Authority’s website, and
 - 1.3.2 for public inspection in one or more public libraries, or other premises in the Borough, such as the Council Offices.
- 1.4 The Commission has published guidance to licensing authorities and the authority has a statutory obligation to have regard to this guidance.
- 1.5 The revised draft ‘Statement of Principles’ attached at **Appendix 2** takes account of changes made to the Commission’s guidance since the authority’s last Statement of Principles was published.
- 1.6 A review has been undertaken in accordance with the statutory requirements. Given that there have been no substantial changes to legislation and national guidance, the proposed changes to the Gambling Policy Statement are minimal.
- 1.7 In May 2021, the statutory guidance was updated, although the Commission commented that it did not consider that licensing authorities would have to make any significant changes (if any) to their Statement of Policy in relation to the new statutory guidance, given that the changes were minimal and of no significant importance.
- 1.8 As such, and aside from minor updates, the only section of the Statement of Principles that has seen any substantial updates is Section 5 that deals with local risk assessments for premises. This section has been updated to strengthen and clarify the local expectations relating to risk assessments.

Proposed Changes

- 1.9 Proposed changes to the policy are (apart from a general reorganisation):
 - 1.9.1 Local Risk Assessments – Licensees are required to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and to have policies, procedures and control measures to mitigate those risks.
 - 1.9.2 Changes to Section 5, seek to strengthen local risk assessments, by clarifying what this authority will expect the local risk assessment to consider as a minimum.
 - 1.9.3 Updates to gaming machine stakes and prizes (Appendix E)
 - 1.9.4 Other minor updates, as outlined in the draft statement of licensing policy.
- 1.10 The work to create local area profiles is still ongoing. This work requires input from GCC Public Health, but due to the Covid pandemic, this work has not yet started. The Statement of Policy notes (Section 4) that this work is yet to be completed, but this will not be done prior to the

adoption of this iteration of the policy review.

- 1.11 For the sake of ease, tracked changes have been preserved on the revised policy statement to allow Members easy access to these changes.

2. Gambling Act 2005

- 2.1 The Gambling Act 2005 is the primary legislation regulating all forms of gambling activity in the UK. Under the Act, gambling is defined as:

- gaming (within the meaning of section 6);
- betting (within the meaning of section 9); and
- participating in a lottery (within the meaning of section 14).

- 2.2 The Act sets out a number of licensing objectives that the authority is bound by when discharging any of its functions under the Act:

- a. preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime;
- b. ensuring that gambling is conducted in a fair and open way; and
- c. protecting children and other vulnerable persons from being harmed or exploited by gambling.

- 2.3 Section 153 of the 2005 Act (“Principles to be applied”) states that:

In exercising their functions under this Part *a licensing authority shall aim to permit the use of premises for gambling* in so far as the authority think it—

- a. in accordance with any relevant code of practice under section 24,
- b. in accordance with any relevant guidance issued by the Commission under section 25,
- c. reasonably consistent with the licensing objectives (subject to paragraphs (a) and (b)), and
- d. in accordance with the statement published by the authority under section 349 (subject to paragraphs (a) to (c)).

3. Reasons for recommendations

- 3.1 To ensure the authority can effectively meet its obligations under the Gambling Act 2005 in relation to reviewing the Statement of Principles.

4. Alternative options considered

- 4.1 The authority can readopt its existing policy without making any changes.

5. Consultation and feedback

- 5.1 When reviewing its Statement of Principles, the council is required to consult with:

- the chief officer of police for the authority’s area,
- one or more persons who appear to the authority to represent the interests of persons carrying

on gambling businesses in the authority's area, and

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

5.2 Consultation has now been undertaken in accordance with the statutory requirements. One response was received attached at **Appendix 3**. The draft policy document has been updated in accordance with the comments received on page 6 of **appendix 2**.

5.3 On 21 December 2021, Cabinet considered the consultation feedback and resolved to recommend to Council that the revised policy should be adopted.

Report author	Contact officer: Louis Krog, louis.krog@cheltenham.gov.uk, 01242 26 4217
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Draft Statement of Principles 3. Consultation responses
Background information	<ol style="list-style-type: none"> 1. Draft Statement of Principles – Adopted 2019 2. Gambling Act 2005 3. Gambling Act 2005 (Licensing Authority Policy Statement) (England and Wales) Regulations 2006 (S.I 636 of 2006) 4. Guidance to Licensing Authorities 4th Edition (April 2021) 5. Cabinet Meeting held on 21 December 2021

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	<p>Failure to publish a revised Statement of Principles within the required timescale would leave Cheltenham Borough Council in breach of its statutory obligations.</p> <p>This could lead to legal challenges, costs to the council and adversely affect the council's reputation.</p>	Licensing Team Leader	October 21	2	4	8	Accept	Adopt the revised statement of policy.	Feb 22		
<p>Explanatory notes</p> <p>Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)</p> <p>Likelihood – how likely is it that the risk will occur on a scale of 1-6 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)</p> <p>Control - Either: Reduce / Accept / Transfer to 3rd party / Close</p>											



CHELTENHAM

BOROUGH COUNCIL

STATEMENT OF PRINCIPLES GAMBLING ACT 2005



All enquiries should be directed to:

Licensing Section
Municipal Offices
Promenade
CHELTENHAM
GL50 9SA
Tel: 01242 262626
E-mail: licensing@cheltenham.gov.uk
Website: www.cheltenham.gov.uk

This Policy was approved on xxx

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PART A

1. The Licensing Objectives

- 1.1 In exercising most of their functions under the Act 2005 (“the Act”), licensing authorities must have regard to the licensing objectives as set out in Section 1 of the Act. The licensing objectives are:
- Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime.
 - Ensuring that gambling is conducted in a fair and open way.
 - Protecting children and other vulnerable persons from being harmed or exploited by gambling.
- 1.2 It should be noted that the Gambling Commission (“Commission”) has stated: “The requirement in relation to children is explicitly to protect them from being harmed or exploited by gambling”.
- 1.3 Cheltenham Borough Council (“The authority”) is aware that, as per Section 153, in making decisions about premises licences and temporary use notices it should aim to permit the use of premises for gambling in so far as it thinks it is:
- in accordance with any relevant code of practice issued by the Commission;
 - in accordance with any relevant guidance issued by the Commission;
 - reasonably consistent with the licensing objectives; and
 - in accordance with the Authority’s Statement of Licensing Policy.

2. Introduction

- 2.1 The authority is required by the Act to publish a Statement of Principles (“Statement”) which they propose to apply when exercising their functions. This Statement must be published at least every three years. The Statement must also be reviewed from “time to time” and any amended parts re-consulted upon. The Statement must be then republished.
- 2.2 The authority will consult widely upon this Statement before finalising and publishing. A list of those persons who will be consulted is provided at Appendix A. The Act requires that the following parties are consulted by licensing authorities:
- The Chief Officer of Police;
 - One or more persons who appear to The authority to represent the interests of persons carrying on gambling businesses in The authority’s area;
 - One or more persons who appear to the authority to represent the interests of persons who are likely to be affected by the exercise of The authority’s functions under the Act.
- 2.3 The authority recognises that the best means of promoting the licensing objectives is through the co-operation and partnership of all the responsible authorities, local businesses and residents.
- 2.4 The Statement was considered for approval at a meeting of the Full Council on xxx and will be published via our website www.cheltenham.gov.uk/licensing on or by xxx. ~~Copies will be placed in the public libraries of the area, as well as being available in~~ The authority’s offices.

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

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

Email: licensing@cheltenham.gov.uk

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

3. Area Profile

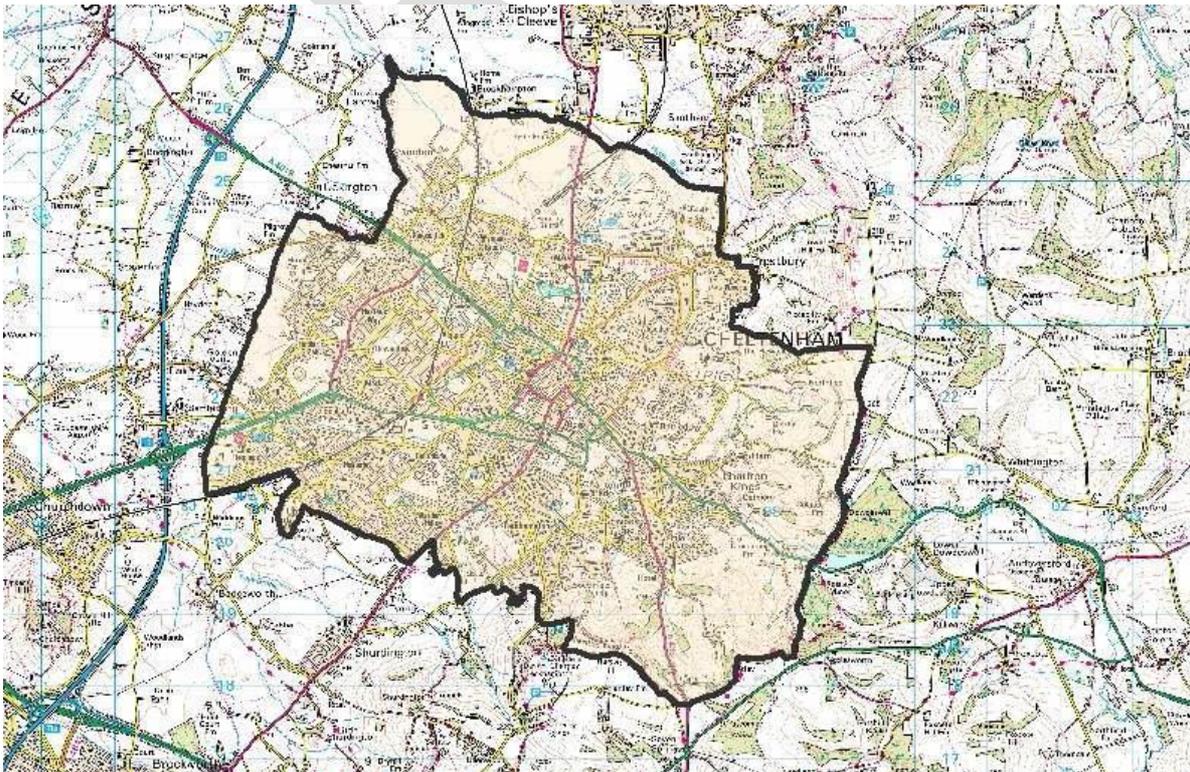
The Area

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

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

Demography

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



At the time of writing in ~~2018~~2021, the borough had ~~18-11~~ licensed betting premises, 1 track licence and ~~4-2~~ licensed Adult Gaming Centres.

4. Local Area Profile

- 4.1 The authority has not undertaken a local area profile at this stage. The authority does however recognise that gambling related health harm is often unknown and complex. The authority also notes that nationally ~~02.7~~2.7% of the UK's population are recognised as problem gamblers. This Statement recognises that further work is necessary to understand the local picture of gambling-related harm in the borough.
- 4.2 Accordingly, it is the intention of the authority to engage with the County Council public health team in developing a local area profile, to assist applicants and licensees with their local area risk assessments.

5. Local Risk Assessments

5.1 The Commission's Licence Conditions and Code of Practice (LCCP) which were revised and published in February 2015 formalised the need for operators to consider local risks.

5.2 Social Responsibility (SR) code 10.1.1 requires licensees to assess the local risks to the licensing objectives posed by the provision of gambling facilities at each of their premises, and to have policies, procedures and control measures to mitigate those risks. In undertaking their risk assessments, they must take into account relevant matters identified in this policy statement.

5.3 Licensees are required to undertake a local risk assessment when applying for a new premises licence. Their risk assessment must also be updated:

- when applying for a variation of a premises licence;
- to take account of significant changes in local circumstances, including those identified in this policy statement; and
- where there are significant changes at a licensee's premises that may affect their mitigation of local risks.

5.4 This authority will expect the local risk assessment to consider as a minimum:

5.4.1 the location of services for children such as schools, playgrounds, leisure/community centres and other areas where children will gather;

5.4.2 the demographics of the area in relation to vulnerable groups;

5.4.3 whether the premises is in an area subject to high levels of crime and/or disorder.

5.4.4 how vulnerable people, including people with gambling dependencies are protected.

5.5 This authority will also expected local risk assessments to include, specifically, any relevant information about:

5.5.1 Self exclusion details

5.5.2 Attempts to gamble by under 18s

5.5.3 Outcome(s) of test purchase results

5.5.4 ASB issues on incident logs

5.5.5 Police reports and call outs

5.5.6 Sharing information with nearby agencies e.g. treatment centres

5.5.7 Any protections in place when footfall is the highest

5.5.8 Details of any best practise schemes such as Betwatch or similar

5.6 The SR provision is supplemented by an ordinary code provision that requires licensees to share their risk assessment with the licensing authority when applying for a premises

licence or applying for a variation to existing licensed premises, or otherwise at the request of the Licensing Authority. Both provisions took effect from 6 April 2016.

- 5.7 Where concerns do exist, perhaps prompted by new or existing risks, the licensing authority will request that the licensee share a copy of its own risk assessment which will set out the measures the licensee has in place to address specific concerns. This practice should reduce the occasions on which a premises review and the imposition of licence conditions are required.

6. Declaration

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

7. Responsible Authorities

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

- 7.2 The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers (2005 Act, s.157(h)) to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:

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

- 7.3 In accordance with the suggestion in the Guidance the Licensing Authority has designated the Gloucestershire Safeguarding Children Partnership (GSCP), comprising of Gloucestershire Clinical Commissioning Group, Gloucestershire County Council and Gloucestershire Constabulary. The GSCP Executive will review and delegate its duties as Responsible Authority to the most suitable safeguarding partner for this purpose every three years setting out its arrangements in its own 'Published Arrangements' document. The contact details of all Responsible Authorities are attached as Appendix B.

8. Interested Parties

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

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

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

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

- 8.4 Each case will be decided upon its merits. The authority will not apply a rigid rule to its decision making. It will consider the examples of considerations provided in the Commission's guidance for local authorities.
- 8.5 It will also consider the Commission's guidance that "has business interests" should be given the widest possible interpretation and include partnerships, charities, faith groups and medical practices.
- 8.6 Interested parties can be persons who are democratically elected, such as Councillors and MPs. No specific evidence of being asked to represent an interested person will be required, as long as the councillor or MP represents the ward likely to be affected.
- 8.7 Likewise, Parish Councils likely to be affected will be considered to be interested parties.
- 8.8 Other than these however, the authority will generally require written evidence that a person/body (e.g. an advocate/relative) 'represents' someone who either lives sufficiently close to the premises to be likely to be affected by the authorised activities and/or has business interests that might be affected by the authorised activities. A letter from one of these persons, requesting the representation is sufficient.
- 8.9 If individuals wish to approach Councillors to ask them to represent their views, care should be taken that the Councillors are not part of the Licensing Committee dealing with the licence application. For more information, please refer to the adopted Licensing Committee's adopted "Probity in licensing".

9. Exchange of Information

- 9.1 The authority will act in accordance with the provisions of the Act in its exchange of information, which includes the provision that the General Data Protection Regulation and The Data Protection Act 2018 will not be contravened. The authority will also have regard to any relevant guidance, regulations and the Act.
- 9.2 Should any protocols be established regarding information exchange with other bodies they will be made available upon request.
- 9.3 In fulfilling its functions and obligations under the Act, the authority will exchange relevant information with other regulatory bodies and will establish protocols in this respect. In exchanging such information, the authority will conform to the requirements of data protection and freedom of information legislation, in accordance with the authority's relevant policies.
- 9.4 Any matters of non-compliance with the Act will, where appropriate, be reported to the Commission.
- 9.5 The authority will share information with other responsible authorities and the Commission where there is evidence of non-compliance with other legislation and regulatory regimes, relevant to the operation of the applicant's business.

10. Enforcement

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

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

- Proportionate: regulators should only intervene when necessary: remedies should be appropriate to the risk posed, and costs identified and minimised;
- Accountable: regulators must be able to justify decisions, and be subject to public scrutiny;
- Consistent: rules and standards must be joined up and implemented fairly;
- Transparent: regulators should be open and keep regulations simple and user friendly; and
- Targeted: regulation should be focused on the problem, and minimise side effects.

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

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

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

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

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

11. Council Functions

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

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

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

- Issue *Licensed Premises Gaming Machine Permits* for premises licensed to sell/supply alcohol for consumption on the licensed premises, under the Licensing Act 2003, where there are more than two machines.
- Register *small society lotteries* below prescribed thresholds.
- Issue *Prize Gaming Permits*.
- Receive and endorse *Temporary Use Notices*.
- Receive *Occasional Use Notices*.
- Provide information to the Commission regarding details of licences issued (see section above on 'Information Exchange').
- Maintain registers of the permits and licences that are issued under these functions.

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

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

PART B

PREMISES LICENCES : CONSIDERATION OF APPLICATIONS

1. General Principles

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

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

- 1.4 Section 152 therefore prevents more than one premises licence applying to any place. However, a single building could be subject to more than one premises licence, provided they are for different parts of the building and the different parts of the building can be reasonably regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as a pleasure park, pier, track or shopping mall, to obtain discrete premises licences where appropriate safeguards are in place.
- 1.5 The authority will however pay particular attention if there are issues about sub-divisions of a single building or plot and will ensure that mandatory conditions relating to access between premises are observed.
- 1.6 The authority takes particular note of the Commission's guidance which states that:
- "Licensing authorities should take particular care in considering applications for multiple licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular, they should be aware of the following:
- The third licensing objective seeks to protect children from being harmed by gambling. In practice, that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore, premises should be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling, where they are prohibited from participating.
 - Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable, so that the separation of different premises is not compromised and people do not "drift" into a gambling area. In this context, it should normally be possible to access the premises without going through another licensed premises, or premises with a permit.
 - Customers should be able to participate in the activity named on the premises licence.

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

Casinos

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

Adult Gaming Centre

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

Betting Shops

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

Tracks

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

Bingo Premises

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

Family Entertainment Centre

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

1.7 Part 7 of the Commission's guidance contains further guidance on this issue, which this authority will also take into account in its decision making.

1.8 **Premises "ready for gambling"** - The guidance states that a licence to use premises for gambling should only be issued in relation to premises that The authority can be satisfied are going to be ready to be used for gambling in the reasonably near future,

consistent with the scale of building or alterations required, before the premises are brought into use.

1.9 If the construction of premises is not yet complete, or if they need alteration, or if the applicant does not yet have a right to occupy them, an application for a provisional statement should be made instead.

1.10 In deciding whether a premises licence can be granted where there is outstanding construction or alteration works at premises, the authority will determine applications on their merits, applying a two stage consideration process:

- First, whether the premises ought to be permitted to be used for gambling.
- Second, whether appropriate conditions can be put in place to cater for the situation that the premises are not yet in the state in which they ought to be before gambling takes place.

1.11 Applicants should note that the authority is entitled to decide that it is appropriate to grant a licence subject to conditions, but it is not obliged to grant such a licence.

1.12 **Location** – Demand-related objections and issues cannot be considered with regard to the location of premises, but the considerations in terms of the licensing objectives can.

1.13 As per the Commission's guidance, the authority will pay particular attention to the protection of children and vulnerable persons from being harmed or exploited by gambling, as well as issues of crime and disorder. Should any specific policy be decided upon as regards areas where gambling premises should not be located, this Statement will be updated. It should be noted that any such policy does not preclude any application being made and each application will be decided on its merits, with the onus upon the applicant to show how potential concerns can be overcome.

1.14 **Planning** – The authority has a duty to only take into consideration relevant matters, i.e. those related to gambling and the licensing objectives. An example of an irrelevant matter would be the likelihood of the applicant obtaining planning permission or building regulation approval for their proposal.

1.15 It notes in particular from the Commission's guidance:

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

Duplication with other regulatory regimes, policies and strategies –

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

1.25 **Conditions** - Any conditions attached to licences will be proportionate and will be:

- relevant to the need to make the proposed building suitable as a gambling facility;
- directly related to the premises and the type of licence applied for;
- fairly and reasonably related to the scale and type of premises; and
- reasonable in all other respects.

1.26 Decisions upon individual conditions will be made on a case by case basis, although there will be a number of measures The authority will consider utilising should there be a perceived need, such as the use of supervisors, appropriate signage for adult only areas etc. There are specific comments made in this regard under some of the licence types below. The authority will also expect the licence applicant to offer his/her own suggestions as to the way in which the licensing objectives can be met effectively.

1.27 The authority will consider specific measures which may be required for buildings which are subject to multiple premises licences. Such measures may include the supervision of entrances; segregation of gambling from non-gambling areas frequented by children; and the supervision of gaming machines in non-adult gambling specific premises in order to pursue the licensing objectives. These matters are in accordance with the Commission's guidance.

1.28 The authority will also ensure that where category C or above machines are on offer in premises to which children are admitted:

- all such machines are located in an area of the premises which is separated from the remainder of the premises by a physical barrier which is effective in preventing access other than through a designated entrance;
- only adults are admitted to the area where these machines are located;
- access to the area where the machines are located is supervised;
- the area where these machines are located is arranged so that it can be observed by the staff of the licence holder; and
- at the entrance to and inside any such areas, there are prominently displayed notices indicating that access to the area is prohibited to persons under 18.

1.29 These considerations will apply to premises including buildings where multiple premises licences are applicable.

1.30 The authority is aware that tracks may be subject to one or more than one premises licence, provided each licence relates to a specified area of the track. As per the Commission's guidance, the authority will consider the impact upon the third licensing objective and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.

1.31 It is noted that there are conditions which the authority cannot attach to premises licences which are:

- any condition on the premises licence which makes it impossible to comply with an operating licence condition;
- conditions relating to gaming machine categories, numbers, or method of operation;

- conditions which provide that membership of a club or body be required (the Act specifically removes the membership requirement for casino and bingo clubs and this provision prevents it being reinstated); and
- conditions in relation to stakes, fees, winning or prizes.

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

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

Sharing local Risk Assessments

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

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

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

2. Adult Gaming Centres

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

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

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

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

3. (Licensed) Family Entertainment Centres

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

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

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

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

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

4. Casinos

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

5. Bingo Premises

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

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

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

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

6. Betting Premises

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

7. Tracks

- 7.1 The authority is aware that tracks may be subject to one, or more than one premises licence, provided each licence relates to a specified area of the track. As per the Commission's guidance, The authority will especially consider the impact upon the third licensing objective (i.e. the protection of children and vulnerable persons from being harmed or exploited by gambling) and the need to ensure that entrances to each type of premises are distinct and that children are excluded from gambling areas where they are not permitted to enter.
- 7.2 The authority will therefore expect the premises licence applicant to demonstrate suitable measures to ensure that children do not have access to adult only gaming facilities. It is noted that children and young persons will be permitted to enter track areas where facilities for betting are provided on days when dog-racing and/or horse racing takes place, but that they are still prevented from entering areas where gaming machines (other than category D machines) are provided.
- 7.3 The authority may consider measures to meet the licensing objectives such as:
- Proof of age schemes
 - CCTV
 - Supervision of entrances/machine areas
 - Physical separation of areas
 - Location of entry
 - Notices/signage
 - Specific opening hours
 - Self-exclusion schemes

 - Provision of information leaflets/helpline numbers for organisations such as GamCare
- 7.4 This list is not mandatory, nor exhaustive, and is merely indicative of example measures.
- 7.5 *Gaming machines* – Where the applicant holds a pool betting operating licence and is going to use the entitlement to four gaming machines, machines (other than category D machines) should be located in areas from which children are excluded.
- 7.6 *Betting machines* – The authority will take into account the size of the premises and the ability of staff to monitor the use of the machines by children and young persons (it is an offence for those under 18 to bet) or by vulnerable people, when considering the number/nature/circumstances of betting machines an operator proposes to offer.

Applications and plans

- 7.7 The Act requires applicants to submit plans of the premises with their application, in order to ensure that the authority has the necessary information to make an informed judgement about whether the premises are fit for gambling. The plan will also be used for the authority to plan future premises inspection activity.
- 7.8 Plans for tracks do not need to be to a particular scale, but should be drawn to scale and should be sufficiently detailed to include the information required by regulations.
- 7.9 Some tracks may be situated on agricultural land where the perimeter is not defined by virtue of an outer wall or fence, such as point-to-point racetracks. In such instances, where an entry fee is levied, track premises licence holders may erect temporary structures to restrict access to premises.
- 7.10 In the rare cases where the outer perimeter cannot be defined, it is likely that the track in question will not be specifically designed for the frequent holding of sporting events or races. In such cases betting facilities may be better provided through 'occasional use notices' where the boundary premises do not need to be defined.

7.11 This Council appreciates that it is sometimes difficult to define the precise location of betting areas on tracks. The precise location of where betting facilities are provided is not required to be shown on track plans, both by virtue of the fact that betting is permitted anywhere on the premises and because of difficulties associated with pinpointing exact locations for some types of track. Applicants should provide sufficient information that this authority can satisfy itself that the plan indicates the main areas where betting might take place. For racecourses in particular, any betting areas subject to the “five times rule” (commonly known as betting rings) must be indicated on the plan.

8. Travelling Fairs

8.1 The authority is responsible for deciding whether, where category D machines and/or equal chance prize gaming without a permit is to be made available for use at travelling fairs, the statutory requirement that the facilities for gambling amount to no more than ‘an ancillary amusement’ at the fair is met.

8.2 This Council will also consider whether the applicant falls within the statutory definition of a travelling fair.

8.3 It has been noted that the 27-day statutory maximum for the land being used as a fair, is per calendar year, and that it applies to the piece of land on which the fairs are held, regardless of whether it is the same or different travelling fairs occupying the land. The authority will work with its neighbouring authorities to ensure that land which crosses our boundaries is monitored so that the statutory limits are not exceeded.

9. Provisional Statements

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

9.2 Section 204 of the Act provides for a person to make an application to the authority for a provisional statement in respect of premises that they:

- expect to be constructed;
- expect to be altered; or
- expect to acquire a right to occupy.

9.3 The process for considering an application for a provisional statement is the same as that for a premises licence application. The applicant is obliged to give notice of the application in the same way as applying for a premises licence. Responsible authorities and interested parties may make representations and there are rights of appeal.

9.4 In contrast to the premises licence application, the applicant does not have to hold, or have applied for, an operating licence from the Commission (except in the case of a track) and they do not have to have a right to occupy the premises in respect of which their provisional application is made.

9.5 The holder of a provisional statement may then apply for a premises licence once the premises are constructed, altered or acquired. The authority will be constrained in the matters it can consider when determining the premises licence application, and in terms of representations about premises licence applications that follow the grant of a provisional statement, no further representations from relevant authorities or interested parties can be taken into account unless:

- they concern matters which could not have been addressed at the provisional statement stage, or
- they reflect a change in the applicant's circumstances.

9.6 In addition, the authority may refuse the premises licence (or grant it on terms different to those attached to the provisional statement) only by reference to matters:

- which could not have been raised by objectors at the provisional statement stage;
- which in the authority's opinion reflect a change in the operator's circumstances; or
- where the premises has not been constructed in accordance with the plan submitted with the application. This must be a substantial change to the plan and this Council notes that it can discuss any concerns it has with the applicant before making a decision.

10. Reviews

10.1 Requests for a review of a premises licence can be made by interested parties or responsible authorities, however, it is for the authority to decide whether the review is to be carried out. This will be on the basis of whether the request for the review is relevant to the matters listed below and whether it is:

- in accordance with any relevant Code of Practice issued by the Commission;
- in accordance with any relevant guidance issued by the Commission;
- reasonably consistent with the licensing objectives; and
- in accordance with the Authority's Statement of Principles.

10.2 The request for the review will also be subject to consideration by the authority as to whether the request is frivolous, vexatious, or whether it is substantially the same as previous representations or requests for review.

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

10.3 Once a valid application for a review has been received by the authority, representations can be made by responsible authorities and interested parties during a 28 day period. This period begins 7 days after the application was received by the authority, which will publish notice of the application within 7 days of receipt.

10.4 The authority must carry out the review as soon as possible after the 28 day period for making representations has passed.

10.5 The purpose of the review will be to determine whether the authority should take any action in relation to the licence. If action is justified, the options available to the authority are:

- (a) add, remove or amend a licence condition imposed by The authority;
- (b) exclude a default condition imposed by the Secretary of State or Scottish Ministers (e.g. opening hours) or remove or amend such an exclusion;
- (c) suspend the premises licence for a period not exceeding three months; and
- (d) revoke the premises licence.

10.6 In determining what action, if any, should be taken following a review, the authority must have regard to the principles set out in section 153 of the Act, as well as any relevant representations.

10.7 In particular the authority may also initiate a review of a premises licence on the grounds that a premises licence holder has not provided facilities for gambling at the premises.

This is to prevent people from applying for licences in a speculative manner without intending to use them.

10.8 Once the review has been completed, the authority must, as soon as possible, notify its decision to:

- the licence holder;
- the applicant for review (if any);
- the Commission;
- any person who made representations;
- the chief officer of police or chief constable; and
- Her Majesty's Commissioners for Review and Customs.

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PART C

PERMITS/TEMPORARY AND OCCASIONAL USE NOTICE

1. Unlicensed Family Entertainment Centre Gaming Machine Permits

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

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

Automatic entitlement: 2 machines

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

Permit: 3 or more machines

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

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

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

3. Prize Gaming Permits

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

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4. Club Gaming and Club Machines permits

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

5. Temporary Use Notices

- 5.1 Temporary Use Notices ("TUN") allow the use of premises for gambling where there is no premises licence, but where a gambling operator wishes to use the premises temporarily for providing facilities for gambling. Premises that might be suitable for a

TUN, according to the Commission, would include hotels, conference centres and sporting venues.

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

6. Occasional Use Notices

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

APPENDIX A

CONSULTEES

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

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

Citizens Advice Bureau
Chamber of Commerce
Cheltenham Business Partnership Improvement District

GamCare, 2&3 Baden Place, Crosby Row, London, SE1 1YW
Gamblers Anonymous, PO Box 5382, London, W1A 6SA

Independent Betting Arbitration Service, PO Box 44781, London, SW1W 0WR

APPENDIX B

CONTACT DETAILS FOR RESPONSIBLE AUTHORITIES

COUNCIL LICENSING

Licensing Section
Cheltenham Borough Council
Promenade
Cheltenham
GL50 9SA

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

LOCAL PLANNING AUTHORITY

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

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

THE GAMBLING COMMISSION

Victoria Square House
Victoria Square
BIRMINGHAM
B2 4BP

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

GLOUCESTERSHIRE CONSTABULARY

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

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

The main Police switchboard number is 101.

GLOUCESTERSHIRE FIRE AND RESCUE

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

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

GLOUCESTERSHIRE ACPC

~~Safeguarding Children's Partnership Gloucestershire Safeguarding Children Board~~

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

Email: ~~gsce@gloucestershire.gov.uk mail@gscb.org.uk~~

HM REVENUE & CUSTOMS

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

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

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

~~**SOUTH WALES AND BRITISH WATERWAYS**~~

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

~~E-mail enquiries.southwalessevern@canalrivertrust.org.uk~~

~~**ENVIRONMENT AGENCY**~~

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

~~**SECRETARY OF STATE**~~

~~DDCMS
2-4 Cockspur Street
London
SW1Y 5DH
Telephone: 020 7211 6200
email: enquiries@culture.gov.uk~~

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APPENDIX C

TABLE OF DELEGATIONS OF LICENSING FUNCTIONS

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

APPENDIX D

LIST OF ORGANISATIONS THAT GIVE HELP AND ADVICE ABOUT PROBLEM GAMBLING

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

Responsibility in Gambling Trust (RIGT)

10 Brick Street
London
W1J 7HQ
Tel: 207 518 0023
Fax: 207 518 0174
Email: enquiries@rigt.org.uk

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

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

Gamblers Anonymous (UK)
Birmingham 0121 233 1335

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

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

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

NHC South West
Horner Court
Statement of Principles - Gambling Act 2005 (2021)

637 Gloucester Road
Horfield
Bristol
BA7 0BJ
Tel: 01179 354 440
Fax: 01179 512 470

National Debt Line
Tel: 0808 808 4000

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APPENDIX E

Machine category	Maximum stake (from April 2019)(from January 2014)	Maximum prize (from January 2014)	Allowed premises
A	Unlimited	Unlimited	Regional Casino
B1	£5	£10,000 (with the option of a maximum £20,000 linked progressive jackpot on a premises basis only)	Large Casino, Small Casino, Pre-2005 Act casino and Regional Casinos
B2	£100 (in multiples of £10) ²	£500	Betting premises and tracks occupied by pool betting and all of the above
B3	£2	£500	Bingo premises, Adult gaming centre and all of the above
B3A	£2	£500	Members' club or Miners' welfare institute only
B4	£2	£400	Members' club or Miners' welfare club, commercial club and all of the above.
C	£1	£100	Family entertainment centre (with Commission operating licence), Qualifying alcohol licensed premises (without additional gaming machine permit), Qualifying alcohol licensed premises (with additional LA gaming machine permit) and all of the above
D money prize	10p	£5	Travelling fairs, unlicensed (permit) Family entertainment centre and all of the above
D non-money prize (other than crane grab machine)	30p	£8	All of the above.
D non-money prize (crane grab machine)	£1	£50	All of the above.
D combined money and non-money prize (other than coin pusher or penny falls machines)	10p	£8 (of which no more than £5 may be a money prize)	All of the above.
D combined money and non-money prize (coin pusher or penny falls machine)	20p	£20 (of which no more than £10 may be a money prize)	All of the above.

APPENDIX F

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

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

Response from Gloucestershire Safeguarding Children Partnership

Good afternoon louis

I'm responding to this consultation on your statement of principles

As discussed there is no such Board in existence as the GSCB. It has been disbanded and replaced under Working Together 2018 legislation with a Gloucestershire Safeguarding Children Partnership. We would need to remove all reference to the GSCB.

For the purposes of the policy I would recommend that the district name the Gloucestershire Safeguarding Children Partnership (GSCP) as a Responsible Authority regards the safeguarding of children. The GSCP Executive would consider that its represented already as both the Constabulary and Public Health are a Responsible Authority. The GSCP would then set out in their 'Published Arrangements' its arrangements under the Licensing Act and Gambling Act. I'm in the process of updating the paper I sent you to add the Public Health details too.

You may want to adopt the wording I've suggested below as this may suffice once the discussion has been had and requires the GSCP Executive to review those arrangements periodically. This then would allow for any possible change to the suggested approach

Protection of children from harm

The Licensing Authority is required by regulations to state the principles it will apply in exercising its powers (2005 Act, s.157(h)) to designate, in writing, a body which is competent to advise the authority about the protection of children from harm. The principles are:

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

In accordance with the suggestion in the Guidance the Licensing Authority has designated the Gloucestershire Safeguarding Children Partnership (GSCP), comprising of Gloucestershire Clinical Commissioning Group, Gloucestershire County Council and Gloucestershire Constabulary. The GSCP Executive will review and delegate its duties as Responsible Authority to the most suitable safeguarding partner for this purpose every three years setting out its arrangements in its own 'Published Arrangements' document.

On that basis we may need to discuss the contact details on the statement the Business Unit is not a suitable location to be listed which Cheltenham don't and with the above there is no need for any other contact other than the police and Public Health, I noticed however you don't have the public Health contact details in your appendix. If in the body of your policy you have the above wording and in our Published Arrangements we set out who the GSCP nominate the duty to, tallying with the list of Nominated Authorities in your contacts list that should square the circle.

I have this sent to FOD and Cotswolds and Stroud too and am already discussing with the constabulary.

Happy to discuss further

Hope this helps?

I followed the link to the Taxi licensing consultation, is it not up yet ? if not could you tell me when it is?

Thanks

Regards

Gloucestershire Safeguarding Children Partnership

Cheltenham Borough Council
Council – 21st February 2022
Climate Emergency Action Plan

Accountable member	Cllr Max Wilkinson - Cabinet Member Climate Emergency
Accountable officer	Mike Redman, Director for Environment Laura Tapping, Climate Emergency Programme Officer
Ward(s) affected	All
Key/Significant Decision	Yes
Executive summary	<p>In 2019, CBC declared a Climate Emergency and set out to become a carbon neutral council and borough by 2030. To achieve this ambitious target, immediate action must be taken. This purpose of this report is for Council to review the Climate Emergency Action Plan which sets out the ambitions and actions needed to meet the 2030 target.</p> <p>The climate emergency challenge cannot be underestimated and it is important to recognise that the Council will need the support of residents, communities, businesses, Government and other partners in the public sector to meet our ambitions for Cheltenham.</p> <p>This report (and the appendices) seek to provide Council with a detailed report on the nature and scope of the challenge set by the Motion to declare a climate emergency, which was approved by Cabinet in July 2019. The report sets out the emerging Climate Emergency Action Plan: Pathway to Net Zero (“the Pathway”) and resources required to support the Council and communities to strive towards net zero carbon by 2030 as indicated by the Motion.</p>
Recommendations	<p>That Council resolves to:</p> <ol style="list-style-type: none"> 1. Note the progress made to date; 2. Approve the emerging Climate Emergency Action Plan: Pathway to Net Zero (CEAP) and delegates implementation to the Director for Environment, in consultation with the Cabinet Member for Climate Emergency, and the Section 151 Officer;

3. Delegate authority to the Director for Environment in consultation with the Cabinet Member for Climate Emergency, and Section 151 Officer to commit expenditure from the allocated Climate Emergency budget;
4. Approve the 'Cheltenham Green Deal' (the Climate Change Investment Strategy);

Financial implications	<p>The resource implications to achieve net zero carbon in Cheltenham will be significant. Indicative costs to deliver the Pathway are set out in this report. Work will continue to identify the actual costs required over the coming years. Delivery of the first phase of the programme alone, as set out in the Pathway, has significant resource implications and the delivery of this plan. A number of different funding options are being explored and once the revenue and capital funding requirements are understood, work will be undertaken how these can be met whilst still ensuring other key Council priorities are managed. It is therefore intended that the resourcing of this plan will require a phased approach.</p> <p>Contact officer: Gemma Bell, gemma.bell@cheltenham.gov.uk</p>
Legal implications	<p>The overarching legislative context of the Council's Climate Emergency Action Plan: Pathway to Net Zero is the Climate Change Act 2008. This Act places a legal duty on central government to set legally binding targets to reduce UK greenhouse gas emissions to net-zero by 2050. The UK legal framework on climate change is also shaped by both caselaw and international agreements.</p> <p>Where specific projects or actions are required going forward to support the Climate Emergency Action Plan and 'Cheltenham's Green Deal' (the Climate Change Investment Strategy) further legal advice and support should be sought.</p> <p>The Council must ensure that any decisions taken must be in accordance with the Council's Constitution and Financial Rules, particularly in regard to decision making, implementation of strategy/action plans and any funding requirements.</p> <p>Contact officer: One Legal, legalservices@onelegal.org.uk</p>
HR implications (including learning and organisational development)	<p>Effectively achieving the requirements of this Pathway within the timetable agreed will necessitate significant growth of the Climate Emergency Team. Additionally, resource from other departments will be needed to deliver on the considerable number of projects outlined in the document. The HR team will work with the Council to ensure that any agreed growth in staffing capacity is recruited to in a timely manner.</p> <p>Julie McCarthy, julie.mccarthy@publicagroup.uk</p>
Key risks	<p>The most notable risks to the Council include:</p> <ul style="list-style-type: none"> - The financial implications of the Pathway are considerable and an approach to financing needs to be agreed and developed further. - The resourcing requirements to undertake systems leadership and the change programme required will be significant, requiring additional revenue investment. - Excessive capital costs in association with delivering the necessary emergency actions required to mitigate and adapt to climate change - Failure to meet the 2030 net zero target may lead to reputational damage for the Council. However, further damage would be caused by failure to demonstrate action.

Corporate and community plan Implications	The CEAP fully promotes the corporate and community objectives outlined in the Corporate Plan. This report supports sustainable development in and around Cheltenham and the delivery of wider public enhancements to continue the revitalisation and improvement of our town.
Environmental and climate change implications	This report is fundamentally committing to the steps the Council will take to provide leadership in addressing the climate emergency at a local level, including actions to mitigate carbon emissions and to support the natural world, including biodiversity.
Property/Asset Implications	<p>The council's operational buildings will require significant investment in order to make them carbon neutral, the cost of which may come from funding. As per the council's investment portfolio, environmental performance and building efficiencies are becoming more attractive to tenants. Commercial property is a main source of energy consumption, so given the size of the council's portfolio and its target to make the Borough carbon net zero by 2030, the property estates team are working closely to provide for the management and improvement of the environmental performance of our properties (it does not cover residential properties). The focus will be on both the council as landlord and tenant reducing energy, waste, and emissions. The approval of the asset management strategy for 2022/23 also includes non-financial measures on the carbon neutrality of the ownership, management and operational of the assets in our portfolio.</p> <p>Contact officer: Gemma.Bell@cheltenham.gov.uk</p>

1. Background:

- 1.1** The Intergovernmental Panel on Climate Change's (IPCC's) special report on Global Warming, published in August 2021¹, describes the enormous harm that a 2°C rise is likely to cause compared to a 1.5°C rise. The report went on to say that limiting Global Warming to 1.5°C may still be possible with ambitious action from national and sub-national authorities, civil society, the private sector, indigenous peoples and local communities. Additionally, the recent Intergovernmental Panel on Biodiversity and Ecosystem Services (IPBES) report stated that around 25% of the world's species are now at threat of extinction due to habitat loss and the effects of climate change². Humanity is facing an unprecedented combination of crises in the natural systems we rely on.
- 1.2** The motion to declare a climate emergency was unanimously supported by full Council in February 2019 and subsequently endorsed by Cabinet in July 2019. The motion called on the Council to:
- Declare a 'Climate Emergency';
 - Pledge to make Cheltenham carbon neutral by 2030, taking into account both production and consumption emissions;
 - Call on Westminster to provide the powers and resources to make the 2030 target possible;
 - Work with other governments (both within the UK and internationally) to determine and implement best practice methods to limit Global Warming to less than 1.5°C;
 - Continue to work with partners across the town, county and region to deliver this new goal through all relevant strategies and plans;
 - Report to Full Council within six months with the actions the Council will take to address this emergency.
- 1.3** This declaration was quickly followed by the Carbon Neutral Cheltenham report which provided the Council with a set of high level indicative actions to reduce its own carbon footprint to net zero, as well as that of the wider borough.
- 1.4** The development of the Carbon Neutral Report and the emerging CEAP (Appendix 2) have to date culminated in the production of a narrative description of our challenge; progress we have made previously; our existing carbon footprint; and the actions we must now take to reach our 2030 target.
- 1.5** The report and appendices stress the extent of the challenge Cheltenham faces to become net zero, and identifies what we can do in the short term as well as highlighting the challenges of scale where solutions are known but difficult to deliver and those where solutions are not yet identified.
- 1.6** It cannot be stated strongly enough that to meet our ambition by 2030 will be incredibly challenging. It is not yet clear whether it is an achievable goal, and it may prove to be impossible. However, it is an ambition the Council is prepared to pursue in good faith; endeavouring to achieve the goal will take us further than backing away from the challenge. The evidence available shows that the scale of change is unprecedented. Global and national system change will be needed to support effective local system change.
- 1.7** Our emergent programmes are related to the degree of control and influence the Council directly has and our overt acknowledgement that partnership working across Cheltenham, Gloucestershire and the UK will be essential for us to address this challenge.

¹ <https://www.ipcc.ch/assessment-report/ar6/>

²

https://ipbes.net/sites/default/files/inline/files/ipbes_global_assessment_report_summary_for_policymakers.pdf

- 1.8** The report sets out the estimated scale of resources required to support the Pathway and the method by which those resources can be obtained within 2021/22 and beyond. The Pathway sets out that this cannot be achieved by the Council on its own and the support of others is required to ensure our objectives are achieved.
- 1.9** It is important to recognise at the outset that while the rapid reduction of carbon emissions, combined with a reduction in our energy consumption, will form the main part of reaching net zero, there must also be a strong focus on adaptation (how we adapt to a changing climate) as part of the wider climate emergency. Consequently, the report details the community engagement activity undertaken to date, as well as the intended approach to be taken based on the development and implementation of the Pathway.

2. Reasons for recommendations

- 2.1** The requirements of reaching net zero carbon by 2030 present a highly complex challenge and will not be achieved through Council action alone. Reducing greenhouse gas emissions will require 'systemic leadership' across multiple sectors, strong communications and behavioural change that will result in adapted lifestyles. This will potentially include fundamentally different patterns of development and travel over a longer time horizon and our benchmarks for success will also need to evolve over time. As a Council, we have a responsibility to lead in this area, to ensure that Cheltenham plays a pivotal role in meeting this challenge to reduce our local impact on global warming, while also being aware of the major changes in weather-vulnerability and climate-sensitivity that will affect the services we deliver. We also need to acknowledge our role in adapting to an already changed and changing climate and the fundamental leadership role the council has in ensuring Cheltenham is fit for the future.
- 2.2** It is worth remembering that as a Council we are not starting from scratch. The CheltenhamZero Partnership, the Golden Valley Supplementary Planning Document and the Public Sector Decarbonisation Scheme are examples of strategic leadership that have put Cheltenham in a strong position to meet the challenges of climate change. . The formation of Climate Leadership Gloucestershire in late 2021 has set the foundation for a countywide approach. However, there is much more that we need to do to join up each of these and other strategies, under the banner of the Climate Emergency.
- 2.3** Whilst this report is a significant milestone, we know that further planning work is required to provide a robust and evidence-based plan for tackling our challenges. We also know that, if we want to be successful, wider engagement will be necessary with communities, businesses, schools, and our public sector partners. The voluntary sector and others will also be critical in gaining input to and support for our collective programme to deliver net zero by 2030. We are aware of growing public support for environmental action and such views have contributed to the Council's priority to create a green and thriving Cheltenham.
- 2.4** During the first phase of the programme we will continue to work with stakeholders to fully evaluate the options and the associated benefits, impacts, risks and barriers for each of the actions outlined in the Pathway. In parallel we will mobilise a delivery programme to accelerate the planning and delivery of priority projects, a number of which will sit within the Climate Emergency Team. However, we recognise that the majority of delivery will sit across other service areas, such as Green Space and Planning. The indicative allocation for such projects/initiatives can be seen in Appendix 4 (Actions for Stakeholders)
- 2.5** In addition, we will work with Cheltenham Borough Homes to ensure that grant funding opportunities are explored and utilised to best effect, in order to improve the energy efficiency and sustainability of our council properties and homes (including new build). Given the relatively narrow timelines associated with applying for grant funding, and the complexities associated with pulling together a funding bid, particularly if undertaken in collaboration with other local authorities, the Council needs to be as agile as possible. For this reason, it is proposed that authority is delegated to the council's section 151 Officer, in consultation with the Cabinet Members for Housing and for Climate Change, to apply for and accept any future grant funding

that will help to make publicly owned housing stock (including new build) more energy efficient and sustainable.

- 2.6** There will be multiple benefits to the net zero journey; to do nothing would itself come at a significant cost, which will be more fully demonstrated through further work beyond this report on the climate change impacts on Cheltenham. There will be considerable health benefits from better air quality, improved green spaces, warmer homes, an increase in walking and cycling and healthier lifestyles. This can in turn have financial benefits, through reduced health inequalities and reduced the demand on the NHS and social care. There is an opportunity to create a more resilient economy through better energy security and there will be opportunities to stimulate the economy with new green industries and practices. These are opportunities that Cheltenham is already advancing and will continue to, within the wider framework of the net zero journey.
- 2.7** This Pathway and its emerging actions need to be approved and delivered with the urgency expressed by the Climate Emergency declaration passed in 2019.

3. Progress to date:

3.1 While the Council has rightly been focused on supporting residents, communities and businesses through the Covid-19 Pandemic, we have still been able to progress a number of important actions as part of our climate response, including:

- With Vision21, we have established the CheltenhamZero Partnership with over 60 Cheltenham businesses and community organisations having signed up to the shared ambition to reduce carbon emissions;
- We have provided over £50,000 of grant funding to community groups across Cheltenham through the Climate Community Fund to deliver a range of climate mitigation initiatives. These innovative carbon saving schemes can be used as best practice examples and encourage others to follow suit;
- We have secured over £380,000 of funding through the Public Sector Decarbonisation Scheme to install electricity and gas sub-meters across our property estate, including the Pittville Pump Rooms and Leisure at Cheltenham. This will provide improved energy use across the portfolio and enable us to identify, and act upon, opportunities for decarbonisation.
- We have approved the use of HVO fuel for the Ubico refuse fleet and provided funding for a new storage tank for this fuel, which offers the potential for up to 90% savings in carbon emissions, while improving air quality.
- We have delivered biodiversity enhancements in the form of reclaimed wooden planters to Regent Street through the Government's Welcome Back Fund, which will also ensure visitors have sufficient space on the footpath, whilst businesses retain the ability to provide outdoor dining options to their customers.
- We have secured planning permission at 320 Swindon Road for 24 highly energy efficient new council homes. These affordable homes will include solar panels and green roofs and will also be built using low carbon construction techniques. Going forward, we are planning to meet our aspiration of providing new, affordable council homes to a carbon neutral standard as they are delivered in the coming years and beyond.
- Secured funding to improve fuel efficiency in 61 homes as part of the Social Housing Decarbonisation Fund.
- The production of a Supplementary Planning Document on climate and nature has begun, with consultation due in spring 2022.

- Approved the first planning application for a net zero housing development proposed by a private sector developer.

4. Cheltenham's Green Deal

- 4.1** The Pathway sets out the need for many initiatives to support both the Council and the borough to become net zero, but if we are to achieve our aims we will require a significant and sustained commitment of funding and investment. With the growth in new green technologies and other green initiatives, there are likely to be opportunities for the Council to invest in carbon reduction initiatives whilst also contributing to the Council's Medium Term Financial Strategy (MTFS).
- 4.2** By having a Climate Change Investment Strategy in place (appendix 3) we can ensure the Council is well placed to quickly and effectively take forward opportunities that are identified. This strategy sets the framework to guide investment decisions, manage risk and ensure value for the taxpayer, but most importantly it will provide a vital tool in support of the wider #cheltenhamzero objective for a clean and green borough.
- 4.3** The Council will invest in carbon reduction initiatives within its own property portfolio and will consider investment opportunities in the wider borough, providing they meet the investment criteria. Investment criteria pertaining to carbon reductions are set out in the document
- 4.4** Council approval of the Investment Strategy, will give Cabinet the ability to consider and decide on full business case investment opportunities that:
- Total no more than £10 million;
 - Are in Cheltenham, or within a radius of 5 miles of the town; and
 - Meet the investment criteria and agreed risk profile.
- 4.5** This strategy only applies to projects or initiatives that yield a return, as any borrowing will need to ensure a financial return on investment, as well as an environmental benefit. The delivery of other climate change projects or initiatives that do not yield a return will be covered by other strategies and approaches, including bids for external funding and work with partners in both the public and private sectors, as set out in the CEAP.
- 4.6** This builds on the Council's track record and experience of astute commercial investments and will create an opportunity to enable further investment in Cheltenham for the benefit of the people of Cheltenham.
- 4.7** The investment strategy has been reviewed by the Council's Executive Director for Finance & Assets, One Legal, the Local Government Association, Publica Procurement, Cheltenham Borough Homes, the Monitoring Officer and CommercialGov (a specialist commercial consultancy for the public sector).

5. Contributing to the corporate plan

- 5.1** The principles outlined in the Corporate Plan are woven throughout the Pathway document.
- 5.2** The published Golden Valley supplementary planning document (SPD) is already making a significant impact on securing Cheltenham as the Cyber Capital of the UK (Key Priority 1), whilst ensuring the development is sustainable and with climate consciousness and biodiversity to the fore. This document will also provide the basis of future planning and policy documents that help drive mitigation and adaptation to climate change.
- 5.3** A number of the actions outlined in the Pathway will deliver wider public enhancements to continue the revitalisation and improvement of our town, working towards Key Priority 2. These

include the introduction of 'safe cycle hubs' and the development of new green spaces, along with our flagship projects boosting biodiversity at the Minster Gardens and Clarence Fountain.

- 5.4 Key Priority 3 will be met by a wide array of actions set out in the Pathway, including the ambition to send zero waste to landfill and to increase the circularity of the economy. Additionally, improvements to the fleet of vehicles used at the Ubico depot will reduce the environmental impact of the waste facility, whilst improving air quality in the borough. This will help to achieve a cleaner and greener environment for residents, businesses and visitors.
- 5.5 The strengthening of the partnership between the Council and Cheltenham Borough Homes (CBH) will be vital to ensuring an inclusive approach, providing equal access to the benefits of investment and climate mitigation through retrofit activities and sustainable new developments, supporting Key Priority 4.
- 5.6 There are various elements to the Pathway that will help deliver against Key Priority 5. These include: ensuring our communities benefit from green investments via the Climate Change Investment Strategy, which will contribute to inclusive growth and support the Council to become financially self-sufficient; delivering a breadth of climate change resources, support services and more to communities and businesses through the CheltenhamZero Partnership and our relationship with Vision21; helping to develop our people within the Council and in the wider Borough to meet the opportunities and challenges ahead through training and addressing the skills gap in the climate sector.
- 5.7 Beyond the Corporate Plan, collective action, a thread running throughout the Pathway, will be critical to our success. That is why it is vital that we change how we involve citizens in our decision making and allow the voices of the most vulnerable to be heard and acted upon; this will ensure what we are doing is appropriate and empowering. Furthermore, partnerships with third sector organisations such as Vision 21 will provide an authentic non-council means of communication with communities and community groups. Understanding the needs of residents in the community, and providing opportunities for networks to develop will enable the creation of tightly-knit neighbourhoods who know where to turn in an emergency, helping to build more climate resilient communities.

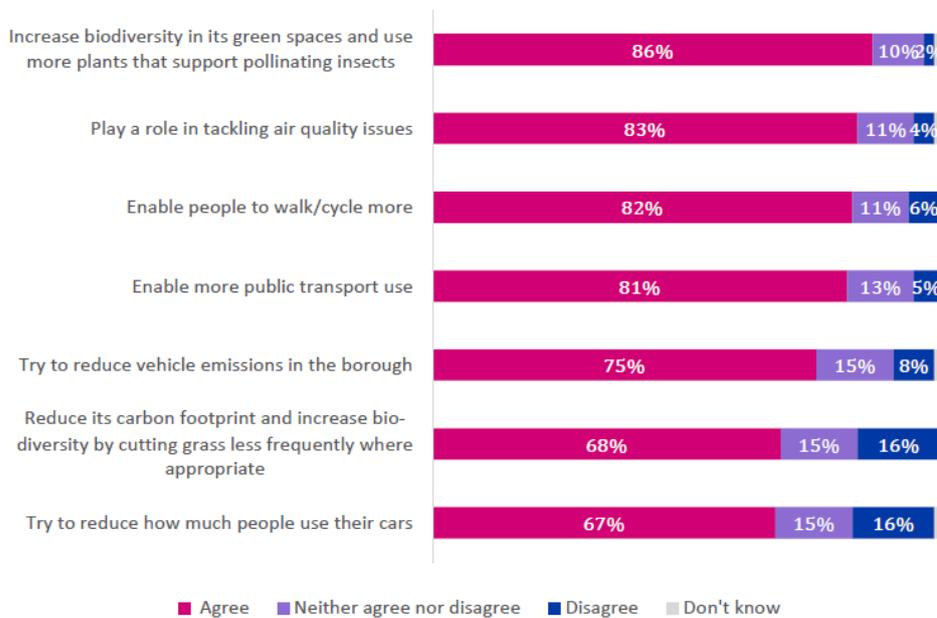
6. Consultation and feedback

- 6.1 Getting to net zero carbon will require significant changes to the way we do things, from the energy we use, to the products and food that we buy. This will be relevant to all residents of Cheltenham. Not all suggestions and decisions will be popular, but if we are to be successful they are unavoidable. We need to ensure a prosperous and sustainable society that recognises individual needs for travel for work or leisure activities and by harnessing society's appetite for future technological advances, carbon neutrality will be easier to achieve.
- 6.2 We welcome feedback from all interested parties and look to continually improve the Pathway year-on-year.
- 6.3 There is no official public consultation intended on the Pathway itself, but the public will be involved in consultative processes for the emerging projects and future iterations of the Pathway. There is also a proposal to undertake an annual review of our progress to net zero which will be made public and presented at Overview and Scrutiny Committee, giving members of the public the chance to review, discuss, challenge and question our progress and aspirations.
- 6.4 Relevant stakeholders within CBC have been consulted as the key actors in the delivery of the Pathway. Without their support and input to the feasibility of the actions for which they will be responsible, the Pathway will not be successful or sustainable.
- 6.5 Achieving the ambition of the climate emergency declaration and adapting to an already changed climate will require significant action from every service within Cheltenham Borough Council. It will also need action from every person, community group and business across the town, and they

will need to be part of designing the solutions. As such, collective action and forming partnerships is an important part of delivering the Pathway. We hope to leverage such partnerships to establish a clear line of communication with residents. During this initial phase of the Pathway roll-out, we will be working with stakeholders to identify the short and long term opportunities within their sectors and any barriers to delivery.

- 6.6 The high attendance rates at the Cheltenham Climate Change Conference, held in January 2021, proved that there is a demand from the community and businesses for things to change in the borough and for climate action to be taken. We continue to develop the Cheltenham Zero Partnership, which was established with Vision21 in May 2021 as a result of the conference, to gauge public opinion of our efforts and to monitor the direction of travel in the public realm.
- 6.7 Cheltenham Borough Council 2019 independent resident survey included questions to provide up to date insight into the role Cheltenham residents feel that the Council should play in tackling environmental issues. These statistically reliable results showed only a small minority of residents actively disagree that their Council should take actions or support policies that help the environment, as shown by the diagram below:

Figure 10: Perceptions of CBC’s role in tackling environmental issues (All valid responses)



- 6.8 It is impossible to predict the exact mix of technologies and behaviours that will best meet the challenge of reaching net zero. Our planning and analysis will involve the following scenarios:

- Resource and energy efficiency that reduce demand for energy across the economy
- Societal choices that lead to lower demand for carbon intensive activities
- Electrification, particularly of transport and heating
- Expansion of renewables
- Carbon capture and storage
- Change in the way we use our land and the pattern of development

- 6.9 It is recommended that a Climate Change Programme Board is established to act as a steering committee for the actions emerging from the Climate Change Mitigation Pathway. This would be chaired by Mike Redman, Director for Environment, comprising Cllr Max Wilkinson, Cabinet Member responsible for Climate Change and other relevant political leads and officers.

7. Financial Implications

- 7.1** Both the capital and revenue implications to achieve net zero carbon in Cheltenham will be significant. Many actions set out in the Pathway signify the need for exploratory pieces of work, such as feasibility studies and scoping exercises, before delivery can proceed. Moreover, technologies are advancing exponentially, legislation is further changing and the availability of grants for climate related action is increasing. Therefore, it is not practical at this stage to provide even indicative costs required to deliver on the capital projects set out in the Pathway, although continued work and delivery experience will more accurately identify the investment requirements for the coming years.
- 7.2** The revenue requirements, in terms of staff resource, needed to deliver this Pathway will be substantial. The Council has made a start with a newly created Climate Emergency Team but resources will need to grow to deliver even a portion of the Pathway. It is also acknowledged that training for officers and members is needed as part of a process of cultural change in which everyone in the organisation is able to take responsibility for this area of policy. It is critical that the Council appreciates the enormity of the task ahead and both the capability and capacity required to facilitate the successful planning and delivery to reach net zero. Opportunities will continue to be maximised to identify external funding wherever possible, build partnerships across public and private sectors and as and when the Council's financial position improves further plans over resourcing will be considered.
- 7.3** It is proposed that delivery of the Pathway and its resourcing is set out in phases to 2030. This will support more accurate identification of both the capital and revenue needs in alignment with the specific actions set within that given period, whilst also being able to more effectively react to changes in legislation, funding or technologies.
- 7.3.1** Phase one: The Climate Pathway is a tangible and achievable action plan. In order for the Council to deliver against this plan and achieve our commitment to net zero by 2030, we strongly advise that investment is made to grow the 'core' Climate Team as a first priority during 2022/23. Phase one will enable the development of a needs assessment that identifies the skillset required for a baseline core team that will underpin the delivery of the entire Pathway to 2030, supporting other service areas and creating a 'whole-Council approach' to tackling the climate emergency. A funding strategy will complement this in the same period, to determine a range of funding mechanisms that ensure the 'core' resource costs can be sufficiently met, without a detrimental impact on the delivery of core statutory council services.
- 7.3.2** Phase two: The actions identified as a priority for early implementation during 2022-24, will require both capital and revenue funding. This is likely to come in the form of the existing allocated capital budget, as well as through new money, such as the proposed Climate Investment Strategy (as outlined in point 4.2 and in Appendix 3), as well as applications to available national funding schemes.
- 7.3.3** Phase three and four: The latter two periods in our Pathway breakdown will also require funding – these periods are 2025-27 and 2028-30. As legislation, government funding and technologies change, this is likely to bring further significant opportunities and challenges for the Council. It will therefore be important that these phases have their financial needs determined closer to the time of delivery, in advance of the annual budget review and informed by the suggested annual performance management report to Overview & Scrutiny Committee (as outlined in point 6.3).

8. Risk Implications

- 8.1** Our commitment to reaching net zero carbon by 2030 brings with it many challenges and we may find it is not fully achievable. However, we must demonstrate our ambitions and truly strive towards the 2030 goal. Failure to demonstrate action may lead to a damaged reputation for the Council and justifiable criticism from future generations.
- 8.2** There are significant risks from climate change to residents and visitors to Cheltenham as

outlined in the Climate Pathway, and if the emerging actions from this Pathway are not delivered, the risks will remain and increase over time. The Government published its third UK Climate Change Risk Assessment³ on 17th January 2022. This sets out overarching risks to the country which inevitably impact the Council, the borough, its residents and businesses. The broad risks include:

- A changing climate is likely to lead to more frequent flooding, high temperatures and high winds, causing damage to homes, communities and businesses, as well as to our infrastructure services, including energy, transport, water and Information and Communication Technologies (ICT).
- Increasing high temperatures will have a negative impact on people's health and wellbeing, with changes in household energy demand due to seasonal temperature changes.
- The natural environment will lead to pressures on our local native species, increased disease and invasive species, including terrestrial and freshwater ecosystems, woodland and agriculture.
- Damage to our cultural heritage assets is likely as a result of temperature, precipitation, storms, groundwater and landscape changes.

8.3 Addressing climate change requires a change in our whole way of life, presenting complex and grand challenges. Therefore, we must make careful assessments and decisions on actions to mitigate and adapt to climate change locally, whilst also considering the balance between the different timescales of potential interventions, their relative cost and impact on emissions.

8.4 There are mixed perceptions of climate change within communities across Cheltenham that manifest themselves in a spectrum of views which the council is expected to navigate in the development of the Pathway, the prioritisation of resources and communication with our residents.

8.5 The resourcing requirements to undertake systems leadership and the change programme required will be significant. The scale of change required is unprecedented.

8.6 The cost implications of the Pathway are considerable and an approach to financing needs to be agreed and developed further, bearing in mind that the council is only one of many organisations that need to play their part in addressing the challenge

9. Performance management –monitoring and review

9.1 The progress of the Pathway will be reviewed on a regular basis via the Council's project and performance management systems, which will track the progress of projects and initiatives, as well as developing key indicators to measure the outcomes and benefits achieved,

9.2 Progress against the Pathway will be reported to Overview & Scrutiny on at least an annual basis. This will provide opportunity for transparency, public oversight and constructive questioning.

9.3 The Council's Carbon Footprint will continue to be published annually.

³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1047003/climate-change-risk-assessment-2022.pdf

Report author	Contact officer: Laura Tapping, laura.tapping@cheltenham.gov.uk
Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Climate Emergency Action Plan: Pathway to Net Zero 3. Cheltenham’s Green Deal: Climate Change Investment Strategy 4. Actions for Stakeholders
Background information	<ol style="list-style-type: none"> 1. Carbon Neutral Cheltenham: Leadership through Stewardship⁴

4

https://www.cheltenham.gov.uk/downloads/download/1781/carbon_neutral_cheltenham_leadership_through_stewardship

Risk				Original risk score			Current risk metrics				Managing risk		
CBC Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible Officer
Capacity and reputation													
1.1	If there is insufficient staffing capacity to progress and coordinate priority workstreams within the climate change pathway, the credibility of the programme will suffer with adverse reputational consequences for the authority.	Mike Redman	01/02/22	5	5	25	5	5	25	Reduce	Develop a funding strategy to enable growth of the climate team to help address the range of actions for which CBC will accept responsibility within the proposed climate pathway.	30/10/2023	
1.2	If there is an inability to effectively progress or coordinate priority workstreams within the climate change pathway, there is a risk that climate team staff will feel unsupported and disempowered, impacting on staff morale and potentially, recruitment and retention.	Mike Redman	01/02/22	4	4	16	4	4	16	Reduce	Develop a funding strategy to enable growth of the climate team to help address the range of actions for which CBC will accept responsibility within the proposed climate pathway.	30/10/2023	
Financial													
1.3	The financial implications of the Pathway are considerable and an approach to resourcing needs to be developed further and approved. If insufficient capital and revenue funding is secured to progress the actions within the climate pathway, progress will be slowed and the council's 2030 net zero ambitions will be put at risk.	Mike Redman	01/02/22	3	4	12	4	3	12	Reduce	Develop a funding strategy to enable growth of the climate team to help address the range of actions for which CBC will accept responsibility within the proposed climate pathway. Identify and bid for external funding opportunities to support the delivery of actions within the climate pathway.	30/10/2023	
1.4	If global heating continues unchecked, there will be significant financial implications, including the revenue and capital costs associated with delivering more frequent emergency responses, repairs and mitigation actions to respond to the consequences of failing to address carbon emissions.	Mike Redman	01/02/22	5	5	25	5	5	25	Reduce	Progress identified leadership and mitigation actions within the climate pathway to move the council and the borough towards a net zero carbon emission future by 2030.		
Local energy resilience and security													
1.5	If the authority is unable to show effective leadership in relation to carbon reduction, there is a risk that local businesses, the voluntary sector and the general public will do less to reduce their own emissions, impacting negatively on local energy demand in an uncertain future supply environment.	Mike Redman	01/02/22	5	4	25	5	4	20	Reduce	Progress identified leadership and mitigation actions within the climate pathway to move the council and the borough towards a net zero carbon emission future by 2030.		
		Mike Redman	01/02/22	4	2	8	4	2	8	Reduce			
Environment and biodiversity													
1.5	If we fail to address our local contribution to global heating, there will be an on-going negative impact on weather patterns which will affect the whole environment, including food and water supply, building and cultural assets, landscape, trees and biodiversity.	Mike Redman	01/02/22	4	2	8	4	2	8	Reduce	Progress identified leadership and mitigation actions within the climate pathway to move the council and the borough towards a net zero carbon emission future by 2030.		
Health and well-being													

1.6	If we fail to address our local contribution to global heating, there will be an on-going negative contributory impact affecting human health and wellbeing, as temperatures and other climate-related impacts continue to rise at an unsustainable level. This has the potential to seriously disrupt the availability of health and social care services.	Mike Redman	01/02/22	5	6	30	5	6	30	Reduce	Progress identified leadership and mitigation actions within the climate pathway to move the council and the borough towards a net zero carbon emission future by 2030.	Mike Redman
1.7	If we fail to address our local contribution to global heating, there will be a disproportionate impact on those vulnerable groups least able to adapt to the impacts of climate change.	Mike Redman	01/02/22	3	4	12	3	4	12	Reduce	Progress identified leadership and mitigation actions within the climate pathway to move the council and the borough towards a net zero carbon emission future by 2030.	

[Link to risk scorecard](#)

This risk register was last updated on: 1st February 2022

20 **CHELT**
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CHELTENHAM BOROUGH COUNCIL'S

Climate Emergency Action Plan

Pathway to Net Zero

Our 2030 action framework to become a net zero
Council and Borough



Foreword

From Cheltenham's Cabinet Member for Climate Emergency

Our planet is precious. Climate change is the biggest challenge we all face. That's why Cheltenham has joined hundreds of local areas around the country in declaring a climate emergency and setting an ambitious Net Zero goal. But in this discussion we cannot afford to lose sight of why we must act. It's because we are all obliged to leave a better future for our children, grandchildren and everyone in future generations. The consequences of failing to act are often presented in negative terms, with the threats of extreme weather, migration crises, widespread poverty and much more besides. I like to point out the positives of taking the necessary action. If we have more plentiful clean energy supplies and energy efficient homes, fuel poverty will fall. If we promote and protect nature, our world will be more beautiful. If we switch short car journeys for walking and cycling or onto clean buses, people will be healthier and air quality will improve – and urban areas will become more social places too.

That's at the heart of our Climate Emergency Action Plan: Pathway to Net Zero. Cheltenham Borough Council's document sets out a wide range of actions that we must undertake to reach Net Zero. Some of these will be achievable by the Borough Council alone, but nearly all of them rely on the involvement of others. In many areas it's partnerships with the County Council. In other areas, it's a reliance on funding from the government. In nearly all, the involvement of local people and businesses will be crucial. Some of the changes to our everyday lives will barely be noticed, but others will be more revolutionary.

Whatever the scale of change, we must all bear in mind that we cannot afford not to act. But also that we can all contribute to a brighter future for all. Cheltenham can make a difference.

Councillor Max Wilkinson

Cabinet Member for Climate Emergency

February 2022

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1. Introduction

Cheltenham Borough Council (CBC) declared a climate emergency in July 2019 and committed to becoming a carbon neutral council and Borough by 2030. The motion received unanimous support and committed the Council to:

- Declare a 'Climate Emergency';
- Pledge to make Cheltenham carbon neutral by 2030, taking into account both production and consumption emissions;
- Call on the Government to provide the powers and resources to make the 2030 target possible; Work with other governments (both within the UK and internationally) to determine and implement best practice methods to limit Global Warming to less than 1.5°C;
- Continue to work with partners across the town, county and region to deliver this new goal through all relevant strategies and plans;
- Report to Full Council within six months with the actions the Council will take to address this emergency.

This declaration was quickly followed by our Carbon Neutral Cheltenham¹ report, published in October 2019, which provides the council with a set of indicative actions to reduce its own carbon footprint to net zero, as well as that of the wider borough. The council recognises that it cannot achieve this change alone

and welcomes the opportunity to pursue a collaborative cross-community approach to achieving net zero carbon emissions by 2030.



In recent times, our lives have been dominated by the economic and health impacts of the COVID-19 pandemic. In response, councils across the UK are implementing recovery plans to kick-start local businesses and look after the welfare of their communities. However, we know that the climate and nature crises haven't gone away and the urgency to act is now more important than ever.

The production of Cheltenham Borough Council's 'Climate Emergency Action Plan: Pathway to Net Zero' (CEAP or 'Pathway') sets out our aim to achieve the 2030 target by acting holistically as a town, not just as a council working in isolation. It is well evidenced that climate action has a range of wider benefits for the health, equity and prosperity of towns and their citizens. This plan therefore also considers the wider advantages of achieving net zero carbon and how we can ensure these benefits are engrained in the fabric of our aspirations.

Outlined here are the key steps needed to push forward this vast agenda and strive to achieve the 2030 goal. We have collated our actions based on eight categories to help provide focus to the broad impact of the climate emergency. The emerging programme from CEAP will be monitored on an annual basis up to 2030, with interim milestones, to ensure that the targets remain on track whilst the council continues to be dynamic to adapt quickly to market changes alongside any relevant new research, insights and innovations.

This pathway goes above and beyond the ambitions set out in the 2008 Climate Change Act, which committed the UK to reducing its greenhouse gas (GHG) emissions by 80% by 2050, compared to 1990 levels. Although, this target was made more ambitious in 2019 when the UK committed to reaching 'net zero' carbon by 2050, CBC's aim is to reach this target 20 years earlier than this.

However, since Cheltenham's Climate Emergency declaration called for the devolution of power and funding to local areas, financial pressures on local areas, specifically Local Authorities, have significantly increased.

¹ www.cheltenham.gov.uk/info/61/sustainability/1622/climate_emergency/3



2. Purpose of the Climate Emergency Action Plan

We strive for Cheltenham to be a thriving and equitable town, ensuring a good life for everyone within the Earth's natural boundaries. We want to be a town in which prosperity and wellbeing for everyone comes first. The aspiration for 2030 fulfils the Council's vision for Cheltenham to be a place:

Where everyone thrives:

- **Where all our people and the communities they live in thrive**
- **Where culture and creativity thrives, and is celebrated and enjoyed throughout the year**
- **Where businesses and their workforces thrive**

In line with the Carbon Neutral Cheltenham² report, and in support of the above commitments set out in the Cheltenham Place Vision³, this CEAP has been developed as a framework, to help shape the Council's priorities for climate action across the borough for the period 2022-30. As set out in the Council's Corporate Plan 2019-2023, achieving a cleaner and greener environment for residents, businesses and visitors is a key priority⁴. The CEAP gives us the opportunity to:

- **Communicate our response to the climate and ecological emergency and share good practice**
- **Influence and shape the development of strategy and policy for climate at county, regional and national levels**
- **Make a positive impact towards the national effort to address climate change**
- **Work in partnership to take forward projects and initiatives that reduce the impacts of climate change**
- **Set an example to other Local Authorities yet to set a goal and pathway for becoming net zero.**

We know that waiting to take action is not an option and this pathway focuses on the actions we can take now, and over the coming years, to reach our 2030 target, as well as sharing what we have already achieved.

We expect that further adaptation and changes will be needed as climate innovation and advances in technologies improve our ability to achieve our goals in new and potentially revolutionary ways.

We aim to be at the forefront of these advancements wherever possible and see this as a key element of our climate pathway.

There will be further developments which we cannot yet foresee, such as changes in government policy, the emergence of new technologies and lessons learned through experience. Therefore, although the main goal of the 2030 CEAP will remain the same (i.e. to become a net zero council and borough by the year 2030), the action plan will remain flexible and be reviewed and updated annually, taking account of new research, developments, technologies, community needs, and funding opportunities.

² www.cheltenham.gov.uk/info/61/sustainability/1622/climate_emergency/3

³ www.cheltenham.gov.uk/downloads/file/6343/cheltenham_place_vision

⁴ www.cheltenham.gov.uk/downloads/file/7401/corporate_plan_2019-23



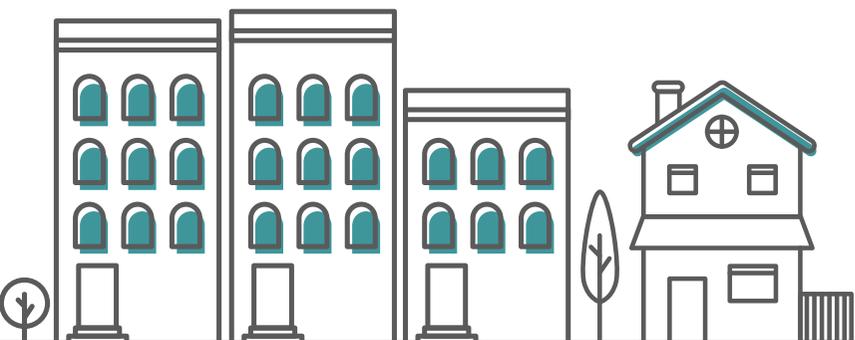
In addition to the benefits that achieving net zero carbon emissions will have on climate change, a well-managed carbon reduction programme will also offer substantial positive effects, known as co-benefits, on a wide range of other interrelated issues, including fuel poverty, air quality, health and wellbeing and economic growth.

The work required to meet our climate obligations also means developing climate resilience, which will include:

- **Mitigating flood risk**
- **Considering adaptations that reduce vulnerability to climate change impacts**
- **Developing a more tightly-knit community**
- **Planning for more green and natural space for both people and wildlife.**

This presents a great opportunity and necessity for the CEAP to set out a collaborative approach across the borough – a time for multiple partners to join forces to support the Council and the town in reaching its ambitious target.

This Pathway was prepared by the Council's Climate Emergency team and developed in conjunction with relevant stakeholders. Climate action plans from local authorities are already paving the way on the climate agenda and served as a basis for this Pathway, but a special thanks must be made to Friends of the Earth for their 'Climate Action Plan for Councils' 50-point plan⁵, which has been instrumental in guiding the development of this Pathway.



3. Jargon-busting and achieving Carbon Net Zero

3.1 What is the Climate Emergency?

There is a climate emergency because our climate is warming and changing faster than nature can adapt to it. Scientists have calculated that by the middle of this century, the world has to reduce emissions to as close to zero as possible so that the earth has a chance to recover and stabilise. We therefore have to take action now.

A climate emergency declaration, or declaring a climate emergency, is an action taken by governments and scientists to acknowledge humanity is currently heading towards climate catastrophe.

The climate is the long-term pattern of day to day weather. Our food and water supplies depend on stable seasonal patterns of temperature, rain and wind, both in the UK and elsewhere. In the last 100 years, the earth's average temperature has increased faster than previously seen – this is known as global warming or global heating. This heating of the planet is causing our global and local climates to change and is therefore putting our ecosystems⁶ at risk, which may no longer be able to support our current way of life, or those plants and animals that live among us. This includes the production and provision of food and water for instance.

It is clear from the Intergovernmental Panel on Climate Change (IPCC) report⁷, that human activity plays a significant role in this increase in temperature. Our use of fossil fuels like petrol, diesel, gas and coal is widely accepted by scientists to be the main cause of global warming. When these fuels are burned, they release greenhouse gases which trap heat in the earth's atmosphere, causing the air and seas to heat up, which in turn changes the climate. The GHG produced when we burn these fuels contain a lot of carbon and so the term 'carbon emissions' is often used when talking about tackling the climate emergency. These emissions are rising at such a rate that our climate is changing much more rapidly than earth's ecosystems and lifeforms can adapt.

We have already witnessed evidence of the climate emergency happening right now, with an increase in the prevalence of floods, droughts and fires around the world, including devastating climate events across the UK this year too. It is likely that these events will get more frequent and fierce if carbon emissions continue unchecked. Preventing this requires urgent action on a global scale.

This mitigation pathway is paving the way for Cheltenham to play its part in limiting the catastrophic impacts caused by climate change, harnessing the potential of our own residents, businesses, visitors and communities, to contribute locally to the national and global commitment required.

You can find further information and useful links on our climate change webpages if you would like to know more: www.cheltenham.gov.uk/climate

⁶ An ecosystem is where plants, animals, and other organisms, as well as weather and landscapes, work together to form a sphere of life.

⁷ www.ipcc.ch/report/ar6/wg1



3.2 Climate implications for Cheltenham

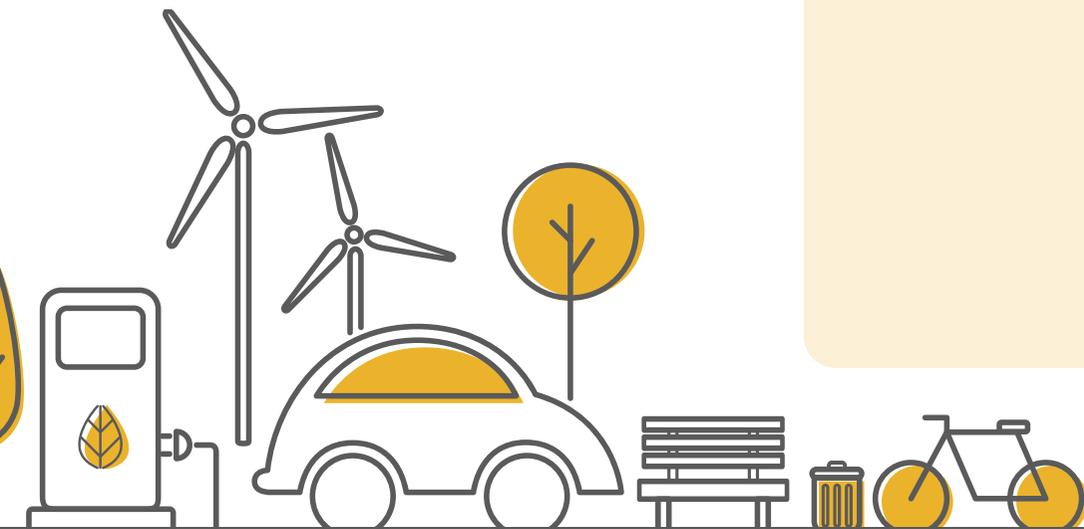
At a local level, we have already started to feel the impacts of climate change. Increased flooding in the area has posed a risk to transport infrastructure, damaging our roads and causing disruption. An increase in impermeable surfaces such as concrete and tarmac, and a reduction in natural flood mitigation, for example due to land drainage schemes, has resulted in flash flooding which can impact health, wellbeing and livelihoods.

The 'Urban Heat Island' effect, where towns and cities experience higher summer temperatures than the surrounding rural areas, has been noticed in Cheltenham. Higher building density, less green infrastructure and air pollution from traffic, all increase the likelihood of heat becoming trapped or stored and lead to a disproportionate rise in local temperatures. Since the start of temperature recording, 10 of the warmest years have been since 2002 and there is a trend of increasing temperatures. Higher temperatures result in an increase in heat-related illness and death, particularly in vulnerable groups, including the elderly and very young.

As time goes on, we will notice more changes to our environment and an increase in extreme weather events. Some of these are hard to predict accurately, such as shortages of public water supply and problems with food production.

However, this mitigation pathway will consider how we can become a more closely-knit community which knows where to turn in the face of an extreme event and how we will prepare and adapt to changes that come our way.

Not only will climate mitigation and adaptation help to address the global issue, it will bring improvements in our local area. Co-benefits such as enhanced access to green spaces, job creation, improved mental and physical health, together with increased biodiversity, **will make Cheltenham a better place to live for all of us.**



3.3 The Jargon: What is the difference between ‘carbon-neutral’ and ‘net-zero’?

It is important that we ensure there is clarity surrounding our targets and the terminology we use. Therefore, we have outlined the difference between the various terms you may hear across the press, social media and other publications, to help with the narrative and related aspirations.

Greenhouse Gases (GHG)

are gases in Earth’s atmosphere that trap heat. They let sunlight pass through the atmosphere, but they prevent the heat that the sunlight brings from leaving the atmosphere. This warms and creates the ‘greenhouse effect’. The main greenhouse gases are water vapour, carbon dioxide, methane, ozone, nitrous oxide. When we measure GHG, we usually refer to them as carbon dioxide equivalents (CO2e) to allow us to easily compare their impact on global warming⁸.



Net-Zero emissions means not adding any greenhouse gases to the atmosphere through an organisation’s activities. Becoming net-zero starts with a plan to rapidly reduce GHG emissions to zero by a specified date. However, most organisations find that some emissions can’t be reduced to zero. These are expected to be small and are usually then offset by initiatives aimed at removing an equivalent amount of GHG from the atmosphere. The UK became the world’s first major economy to set a target of being net zero by 2050. **Cheltenham has set a more ambitious target of being net zero by 2030.**

In October 2021, the Government stated that to reach their Net Zero target, the task is to “reduce emissions to as close to zero as possible, with the small amount of remaining emissions absorbed through natural carbon sinks like forests, and new technologies like carbon capture.”⁹

Carbon neutral means that any carbon dioxide (CO2) released into the atmosphere from an organisation’s activities is balanced by an equivalent amount being removed. Typically, this would be achieved by determining the organisation’s **carbon footprint** and deciding how best to counteract these emissions via renewable energy generation or **carbon offsetting**, and sometimes carbon emissions reductions. An organisation can demonstrate carbon neutrality, whilst still increasing its own carbon emissions.



Carbon footprint is the calculated amount of CO2 released into the atmosphere as a result of the activities of a particular individual, organisation, or community.



Carbon offsetting is the action or process of compensating for the CO2 emissions arising from an organisation’s or individual’s activity by participating in schemes designed to make equivalent reductions of CO2 in the atmosphere. It is suggested that CO2 has the same impact on the climate no matter where it is emitted and, therefore, it is considered that a tonne of CO2 absorbed from the atmosphere in one part of the world, through carbon capture or tree planting, for example, can cancel out a tonne of CO2 emitted in another.

Scope 1 emissions cover an organisation’s GHG emissions which are produced directly by their activities. This is usually through the burning of fossil fuels, whilst running gas boilers or diesel vehicles, for instance.

Scope 2 emissions cover GHG emissions produced indirectly by an organisation, for example the electricity used to heat a building which has been produced by burning fossil fuels elsewhere.

Scope 3 emissions include all other indirect emissions that are produced by an organisation’s activities, such as the disposal of waste, employee commuting and the supply chain.

⁸ [ecometrica.com/assets/GHGs-CO2-CO2e-and-Carbon-What-Do-These-Mean-v2.1.pdf](https://www.ecometrica.com/assets/GHGs-CO2-CO2e-and-Carbon-What-Do-These-Mean-v2.1.pdf)

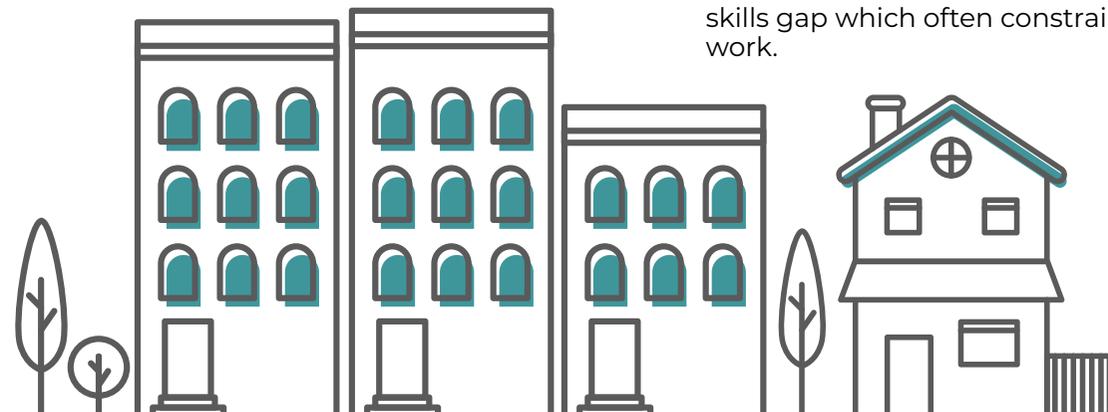
⁹ assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1028157/net-zero-strategy.pdf

3.4 What do we want to achieve?

CBC has set an ambitious target to become **Net Zero** by 2030. Primarily, this involves a plan to reduce our Scope 1 and 2 emissions to almost nothing and to explore the viability of compensating for the remaining emissions through mechanisms such as carbon-offsetting. Although we will endeavour to reduce our Scope 3 emissions as much as possible, for example, by looking at how our officers travel to work and where our waste is generated and disposed of, much of our Scope 3 emissions come from those across our supply chain, from the builders we use, to the manufacturers of our office pens. This presents a significant challenge for us to reach net zero, as we will need to consider the carbon impact of our procurement activity across the board, i.e. where products come from, how they are made and what they are made of, as well as the business activities of service providers. Therefore, although we plan to tackle our Scope 3 emissions head on, we recognise that this may be a longer process than reaching net zero for our Scope 1 and 2 emissions.

As well as becoming a net zero Council, we have also committed to reach net zero carbon emissions as a Borough. This is a challenge that will require support and change from all those living and working in Cheltenham, as well as businesses, partner organisations like the County Council and LEP, and the Government.

CBC recognises its role as one which necessitates leadership, facilitation and signposting to make it easier for others to follow on the journey to net zero. We know that there are requirements for input and support from others to help us achieve our net zero ambitions. For example, to help us deliver our vision of how transport could work better in the borough, we will work with others who have the crucial statutory powers and resources, such as GCC. To align with our ambition, central Government will need to enhance legislation and funding so that the necessary policies and structures are in place for us to drive change. We must continue to motivate the construction sector to 'gear up' in order to meet the coming demands for the retrofitting of homes and commercial buildings, and support the education sector in reducing the skills gap which often constrains our work.



4. Carbon Footprint Calculations

4.1 CBC Carbon Footprint 2019-21

Table 1.0 below shows CBC’s carbon footprint in tonnes of carbon dioxide equivalent (CO₂e). We have striven to be as thorough as possible when calculating the carbon footprint and widened the scope in 2020/21 to include emissions from both waste and water. This means that some of the reductions in gas consumption resulting from the reduction in the use of buildings during the Covid-19 pandemic were partially mitigated. This is presented next to our base year of 2019/20 as originally calculated, and the revised base year, which was calculated using the updated approach.

	2021/22	2019/20 (base year)	2019/20 (revised)
Scope 1	2,954	3,620	3,650
Scope 2	1,047	868	1,279
Scope 3	1,069	1,134	1,178
TOTAL GROSS EMISSIONS	5,070	5,622	6,106

4.2 Cheltenham Borough Carbon Footprint

Table 2.0 below shows the annual carbon footprint, in CO₂e, of the Borough. These figures comprise data from various sources including from the Department for Environment, Food & Rural Affairs (DEFRA)¹⁰ and the Department for Business, Energy and Industrial Strategy (BEIS)¹¹, as well as some of our own data collection and extrapolation. The calculations include emissions from sources such as waste disposal, transport, and energy consumption in homes and businesses.

	2020	2019	2018
TOTAL GROSS EMISSIONS	539,856	555,568	570,993

¹⁰ www.gov.uk/government/statistical-data-sets/env23-uk-waste-data-and-management

¹¹ data.gov.uk/dataset/4b7b7f64-0b97-4a6e-8e45-1218b9a81876/sub-national-total-final-energy-consumption-data



5. Topics

Outlined below, are 8 key areas of focus we believe are needed for us to become a net zero Council and Borough by the year 2030. The ambition for each topic is broadly covered, together with a list of the actions we will take to help reach our net zero goal. This list will remain fluid to keep up with changes in government policy, the emergence of new technologies and lessons learned through experience.

Moving forward, an annual progress report will be produced by our Climate Emergency team to monitor and evaluate our progress against the list of actions set out here.



**Priority in
2021-23**



**Priority in
2024-26**



**Priority in
2027-28**



**CBC taking a
leading role**



A. LEADING BY EXAMPLE

Overview

CBC strongly believes that in order to ask others to make the necessary changes to their organisations and lives, we must be seen to be leading on making these changes ourselves. By seeking to set ever higher standards, we can offer advice and share best practice to make it easier for others to follow, signposting to other leaders along the way.

Ongoing & Completed

We are already on our way to understanding how our staff travel to and from work and will proceed by promoting lift-sharing and public transport options. We have introduced a staff cycle purchase scheme through salary sacrifice, to encourage modal shift and help reduce our commuter transport emissions. We continue to consider flexible and home-working options to reduce the emissions from commuting and building use.

In addition to this, charging points for the Mayors electric car will be installed at Swindon Road in 2022, coinciding with the arrival of the first two electric vehicles as part of the Ubico fleet, as we begin our transition away from fossil fuel consuming vehicles. In support of this, during 2022, we will be changing some of our UBICO fleet to run on Hydrotreated Vegetable Oil (HVO), a fuel with much lower carbon emissions.

In order to improve our ways of engaging with communities, we are trialling two different platforms which encourage democratic participatory processes and stakeholder involvement, one of which is under the Cheltenham Zero Partnership. We have already had many positive interactions through haveyoursay.cheltenham.gov.uk and cheltenhamzero.org and continue to explore ways to get the most out of these sites. These sites not only allow us to hear the views of Cheltenham residents and businesses, but also provide a platform for us to share updates and case studies from ourselves and other organisations. In this way, we hope to inspire and encourage others to join us on the journey to net zero.

Actions

1. Report our carbon footprint annually and encourage others to follow suit. Endeavour to be more thorough and precise over time and include more of our impact year on year.



2. Commit to lobbying higher levels of government for stronger climate action and greater support to local authorities to help facilitate them making a difference.



3. Introduce compulsory 'Carbon Literacy Training' to the Council and partners and commit to 100% of the Council's officers, staff and elected members gaining a Carbon Literacy certification.



4. Develop case studies to share our experience in implementing climate initiatives, learnings and success stories, to help others learn from our actions, replicate, or ideally, do better.



5. Keep the public informed about our progress in meeting or missing our climate targets.



6. Develop, or help facilitate through the Local Resilience Forum, a strategy for locally addressing epidemics and pandemics as part of our wider climate actions.

7. Leverage our position as 'The Festival Town' to drive change through the development of a more sustainable and carbon friendly events strategy.



B. DECISION MAKING, POLICIES, PLANS AND STRATEGIES

Overview

We know there is a need for the climate agenda to be a strong policy thread across the council. Without climate being a focus for all our officers and members, woven through each of our departments, we will fail to embed a Net Zero culture. Thus, we will ensure all our decisions help to meet national and local net zero carbon targets, improve air quality and protect and restore nature, as well as delivering on COVID-19 recovery.

Ongoing & Completed

The Council has been working hard since declaring a climate emergency and throughout the pandemic, to deliver action that will lead to a seismic shift in our approach to reaching net zero.

First and foremost, we have employed and committed future annual budgets for two dedicated climate emergency officers - a team we expect will need to grow to achieve our goal of becoming a net zero, climate resilient council and borough by the year 2030. This team is complemented by a new, dedicated climate emergency Cabinet Lead to drive positive change among our members and help challenge leadership and decision-making. Furthermore, we have established a core multi-disciplinary group of officers from across the Council, to help ensure climate change is not just delivered by one team, but is woven throughout the business across everything we do.

Additionally, the Council is part of the Government's Kickstart Scheme¹² which will allow for the 6-month hire of a Climate Action Support Officer, providing additional resource to the Climate Emergency Team in delivering the actions from this Pathway, but specifically, will employ someone claiming Universal Credit and in the 16 to 24 year old age bracket.

The creation of a 'Climate Change Programme Board' will help to keep us on the right track throughout our journey to 2030, ensuring we are focusing resource and efforts in the most important areas. The Board, led by an appropriate Cabinet Member, will consist of other political representatives and the Countywide Climate Change Coordinator, meeting on a quarterly basis to steer the programme of works stemming from this pathway.

¹² www.gov.uk/government/collections/kickstart-scheme

Actions

1. Report our carbon footprint annually and encourage others to follow suit. Endeavour to be more thorough and precise over time and include more of our impact year on year.



2. Commit to lobbying higher levels of government for stronger climate action and greater support to local authorities to help facilitate them making a difference.



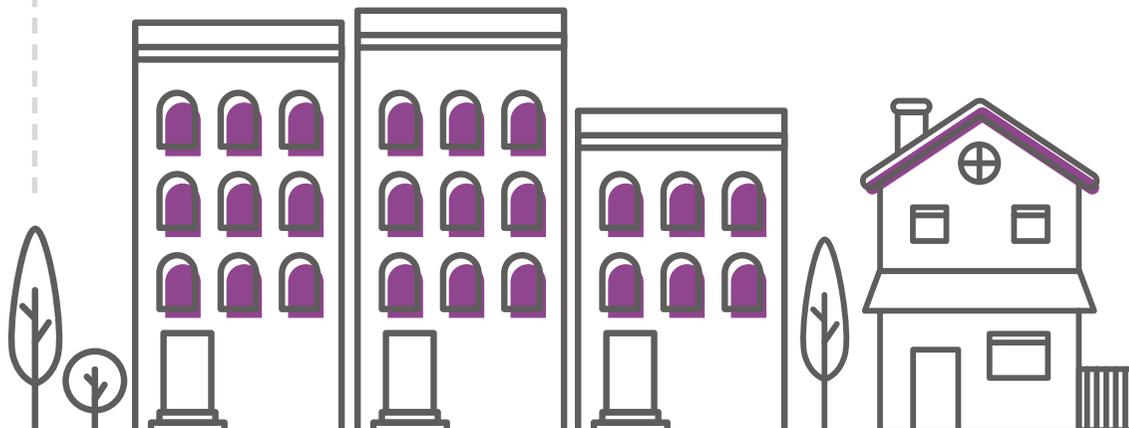
3. Introduce compulsory 'Carbon Literacy Training' to the Council and partners and commit to 100% of the Council's officers, staff and elected members gaining a Carbon Literacy certification.



4. Develop case studies to share our experience in implementing climate initiatives, learnings and success stories, to help others learn from our actions, replicate, or ideally, do better.



5. Align our council statutory and non-statutory plans, policies and guidance with our climate, nature and green economy goals, including corporate areas such as procurement and infrastructure development.



C. FINANCE, FUNDING, INVESTMENT AND PROCUREMENT

Overview

Both public and private investment is crucial to the success of reaching our targets for 2030. How we invest is fundamental to facilitating change. We cannot overestimate the power that our purchasing decisions across the borough can have on encouraging, supporting and driving the green revolution and forcing markets to change for the better. Currently, the Government's Procurement Policy Note¹³ requires that any suppliers bidding for goods, services or works, with an estimated contract value of over £5 million, must provide a Carbon Reduction Plan confirming their commitment to achieving Net Zero by 2050. This also has to outline the environmental management measures that they have in place for the project/works. Policy such as this can incentivise climate action through the supply chain, however, we hope to be more ambitious by introducing suitable criteria for much lower contract values. .

Ongoing & Completed

CBC has developed its own Climate Investment Strategy with a view to source funds using various financing options. This investment strategy will provide a wider pool of funding to help tackle the climate emergency by supporting and activating carbon reduction projects. This strategy is expected to be published in early 2022 and will enable the council to act quicker and respond better to investment opportunities, grants and private investment projects. A Green Investment Strategy Board is to be established to evaluate and authorise decisions for investments under £500,000.

We know that working closely with our fellow districts across Gloucestershire will be an important part of our effort to reach shared carbon reduction targets. Financial contribution has therefore been made by CBC to employ a County-wide Climate Change Coordinator, a role hosted by Gloucester City Council and financed by public bodies and district Councils within Gloucestershire. This officer will help ensure that the districts and county work collaboratively, learnings are shared and economies of scale are drawn upon wherever appropriate.

We are committed to reducing our investment in oil and gas whilst understanding the continued need to balance this commitment with making the right financial decisions to safeguard our residents, businesses and communities.

¹³ assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991622/PPN_0621_Taking_account_of_Carbon_Reduction_Plans_2_.pdf

Actions

1. Develop a Climate Investment Strategy known as 'Cheltenham's Green Deal' that approves and enables money to be raised for investment in green projects, using various means such as grants, bonds, or Community Municipal Investments (CMI) to speed up carbon emission reductions and increase resilience to climate change and to support the Council's Medium Term Financial Strategy (MTFS).



2. Introduce an annual 'Climate Community Fund' that helps to finance smaller scale, community climate initiatives and projects, which can be used as best practice exemplars to encourage the take up of similar schemes.



3. Ensure all future investment decisions take into account our climate emergency objectives. As the Council recovers from the impact from the pandemic, we will look at the earliest opportunity to review our modest investment portfolio, as part of our commitment of divestment from funds which support the burning or extraction of fossil fuels.



Actions continue on next page



4. Encourage suppliers to measure and report on their Scope 1 and 2 emissions, to help improve the level of detail of our Scope 3 emissions reporting, focusing first on the highest expenditure areas of repair and construction.



5. Review our Procurement Policy to ensure all purchases properly consider climate-related impacts and add greater weight to purchasing from sustainable local businesses and those which add social value.

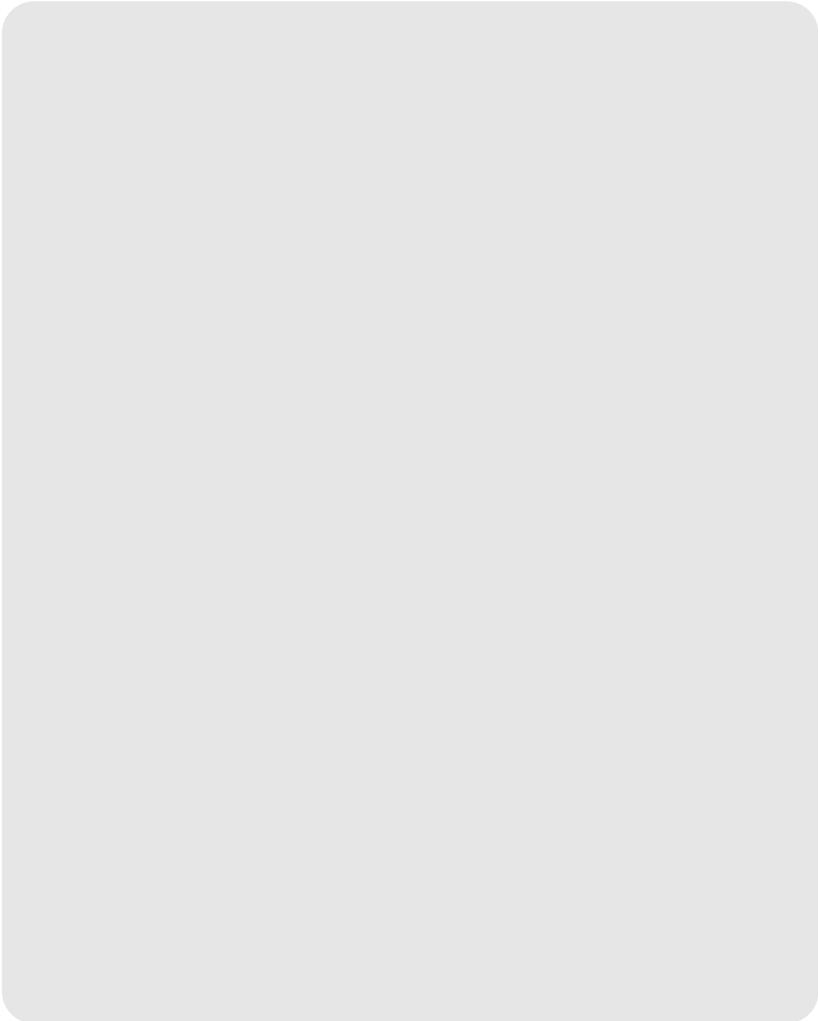


6. Look to invest in low-carbon and climate-resilient infrastructure that reap multiple environmental benefits wherever possible. This may range from small Sustainable Urban Drainage Systems (SuDS) and rain gardens, to solar farms and green roofs.

7. Work with Gloucestershire's Local Enterprise Partnership (GFirst LEP) and other authorities and organisations to rapidly grow the green economy, by investing in economic activities that promote reduced carbon emissions and pollution, enhanced energy efficiency and prevention of the loss of biodiversity.

8. Use legal and planning mechanisms, such as Section 106 agreements, the Community Infrastructure Levy (CIL) and others to help fund climate actions and nature restoration projects.

9. While acknowledging that the County Council is the lead transport authority, explore opportunities to introduce economic nudge mechanisms to help disincentivise car use, particularly for shorter journeys. Further encourage the County Council to use such mechanisms to enable and encourage sustainable transport, particularly measures that allow people to use active and collective forms of transport to travel to work, such as segregated cycle ways and public transport.



D. BUILDINGS & ENERGY

Overview

Heating for homes and workspaces currently makes up almost a third of all UK carbon emissions. Excessive use of energy due to inefficiencies and sourcing from fossil fuels also contributes significantly to climate change. Improvements drastically need to be made on improving the energy efficiency of housing and non-domestic properties, ensuring they require less energy to heat, making them cheaper to run and more comfortable to live and work in, whilst reducing our dependence on imported energy. In turn, we hope to tackle fuel poverty and thereby improve the health and wellbeing of residents that struggle to cover the costs of energy, particularly during the winter months. This needs to apply to both new and existing housing stock and other types of assets that utilise energy.

Ongoing & Completed

In spring 2021, CBC was awarded over £380k to install an integrated utility metering platform with works commencing November 2021 and an expected completion date in March 2022. The platform brings together all the available energy and water data for some of our biggest buildings, via mechanisms such as a network of sub-meters providing real time data on energy usage. The data and ensuing analysis will inform a programme of behavioural change, to target a reduction in our energy wastage in these buildings.

This project has also generated a decarbonisation plan for each of the identified buildings, such as Leisure@ and the Pittville Pump Rooms, which have considered the viability of removing gas heating and cooking elements from each building and explored the required funding and permissions necessary for the Council to proceed with such actions.

The continued strong partnership between the Council and Cheltenham Borough Homes (CBH) will be vital in ensuring an inclusive approach, ensuring that the benefits of investment and climate mitigation through retrofit activities and sustainable new developments are far reaching. Collaboration to deliver shared climate priorities is already underway between CBC and CBH.

A 'fabric-first' approach is being taken with the existing homes managed by CBH which include the Council housing stock of around 4,500 dwellings. Many of these homes are heated by GHG emitting gas boilers and improving the insulation and reviewing low carbon heating options will ensure that the homes are as energy efficient as possible. CBC and CBH have already been successful in a bid to the Social Housing Decarbonisation Fund (SHDF) for a deep retrofit scheme¹⁴. This will demonstrate the potential of our existing homes in becoming energy efficient through fabric improvements and low carbon heating. We continue to bid for future waves of these funds and, where beneficial, strengthen bids through partnerships with other local authorities.

New social housing developments in Cheltenham will seek to achieve the very highest standards of energy efficiency. CBC is working together with CBH to regenerate existing redundant sites, as part of the commitment to provide 500 affordable homes delivered or in the pipeline by 2026, made possible by £180m investment by CBC to provide quality homes and support thriving communities. The work is a direct delivery of CBC's key priority to increase the supply of housing and investment to build resilient communities and CBH's priority to provide great homes to make Cheltenham a better place to live. CBH will also strive to make the best use of land in the interests of enhancing biodiversity performance, with insightful design for long-term ecological impact. The development of 320 Swindon Road¹⁵ is an early example.

¹⁴ www.gov.uk/government/publications/social-housing-decarbonisation-fund-demonstrator-successful-bids

¹⁵ www.cbh.org/proposed-development-of-320-swindon-road/

Actions

1. Measure the energy usage of CBC owned properties and develop a heating and energy efficiency strategy to set out actions needed to actively reduce energy consumption and move away from the use of fossil fuels. Introduce behaviour change programmes to reduce energy consumption in council owned buildings. Support businesses and residents to similarly reduce their consumption.



2. Retrofit council-owned social housing, focusing first on the homes most at risk of fuel poverty.

3. Develop a new 'Sustainability Design Code' for the Golden Valley Development, as a vision for integrated living in West Cheltenham that promotes a low carbon lifestyle. Our aspiration is for this thinking to then be replicated across the town, or within other districts and regions.

4. Explore the viability of a shared low-carbon heat network, to help reduce borough-wide emissions.

5. Retrofit council-owned properties with sustainable, energy-efficient solutions where feasible.



6. Help owner-occupiers to create more energy efficient homes. For example, by supporting energy companies to provide fuel-poor or vulnerable households with insulation, or by helping influence the retrofit market to ensure there is effective demand for energy efficient measures by those that are classified as "able to pay". This may include supporting the provision of skills-training for local workers, actively encouraging applications for new installations, and facilitating the applications of funding bids from home owners.

7. Seek to invest in renewable energy generation by identifying suitable areas in the future Planning Policy documents, such as the Cheltenham Plan and Joint Core Strategy. Review the feasibility of alternative energy sources, new technologies and innovations and the potential to be a net contributor.



8. Commit to using 100% renewable electricity across council owned assets, including those operated by key partners. Support businesses and residents to do the same. Encourage developers to commit to renewable energy by stipulating requirements in a new Supplementary Planning Document (SPD)



9. Engage with landlords to improve energy efficiency of homes in the private rented sector and commercial properties and encourage them to achieve good insulation.

10. Look for potential to align Conservation Area policies with climate emergency goals.



E. ACTIVE TRAVEL, TRANSPORT AND AIR QUALITY

Overview

An estimated 70% of car journeys within Cheltenham are under 2km; many of these journeys could be made on foot or by bicycle. A modal shift to more active transport is needed to reduce emissions from privately owned vehicles. For those unable to make these journeys without a vehicle, public transport needs to become a more attractive option and fossil fuel consuming cars need to be phased out as soon as possible. The Government has already started this journey by committing to ban the sale of new petrol and diesel cars and vans by 2030¹⁶. Policies such as this will lead to reduced carbon emissions, a reduced number of petrol and diesel cars on the road, and will help to improve Cheltenham's air quality.

Ongoing & Completed

Whilst we are not the Highways Authority and therefore have limited control over this element of the pathway, CBC has a vision for how transport could work better in the borough. To deliver this vision, we must work with others who have the statutory powers and resources to help us.

In 2019, we published our Connecting Cheltenham¹⁷ report, to seek to influence GCC's new Local Transport Plan, as well as articulating a clear aspiration of how Cheltenham wanted and needed to change.

Positive engagement has progressed with partners to look to develop a cycle hub in the heart of Cheltenham with secure, covered cycle parking, which is also suitable for cargo bikes. We hope this project will start taking shape in the first quarter of 2022, along with proposals for additional cycle parking provision across the town more widely.

Plans are underway to extend the Honeybourne Line beyond its current boundary at the underpass of the Queens Road Bridge, Lansdown towards the Lansdown Bridge. Developed by Great Western Railway and maintained by CBC, this key link to the existing Honeybourne Line will provide Cheltenham residents and our local communities with a much better connection between three key sustainable transport networks: the train station, the Cheltenham to Gloucester 94 bus network, and the Honeybourne cycle and pedestrian network into the heart of the town. This seemingly small link will play a big role in supporting CBC's climate agenda, promoting modal shift and public transport, reducing pollution and car use, and encouraging walking and cycling which leads to healthier and happier communities.

CBC is required to produce an Air Quality Action Plan (AQAP), relating to an Air Quality Management Area (AQMA) declared around an area of High Street / Poole Way in 2020. This document is likely to be completed and submitted to DEFRA in early 2022. Our formal AQAP will be published as part of a town-wide strategy for improving air quality, backed by existing policies drawn from other documents.

To reduce the carbon footprint of our own CBC fleet, we are in the process of transitioning our heavy goods vehicles used for environmental services away from fossil fuels to Hydrotreated Vegetable Oil (HVO), a fuel with much lower carbon emissions.

¹⁶ assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1005301/transitioning-to-zero-emission-cars-vans-2035-delivery-plan.pdf

¹⁷ www.cheltenham.gov.uk/info/61/climate_and_sustainability/1649/connecting_cheltenham

Actions

1. Work with GCC to prioritise transport investment in cycling and walking, with a priority of installing segregated cycleways, increasing space for pedestrians and introducing a 20mph speed limit in urban areas. Seek to safeguard routes for a future mass transport system to enhance and improve the sustainability of Cheltenham's public transport offering.

2. Introduce new 'safe cycle hubs' across the town, working with businesses to help facilitate these, as well as installing more cycle racks, wherever it is suitable and safe to do so.



3. Enable a shift to electric vehicles by installing electric vehicle charging points within Council owned car parks and support GCC with the delivery of their Local Transport Plan (LTP).



4. Deliver a policy that will require all taxis to be electric, or another form of zero carbon as technology evolves, and support the provision of required infrastructure.



5. Transition the council's own fleet to electric vehicles. Explore interim measures such as the use of Hydrotreated Vegetable Oil (HVO) fuel in place of traditional diesel in instances where electrification is not yet a viable option, particularly for the Council's heavy goods vehicles delivering environmental services across the borough.



6. Reduce the use of private vehicles used for commuting by council officers through a reinvigorated green staff travel strategy, including progressive flexible and home-working options.



7. Reduce car use through measures available to the Borough such as promoting car-sharing schemes, supporting the continuation of the county e-scooter trial, introducing staff incentive schemes such as 'Cycle to Work' and reducing or removing direct car parking benefits.

8. Work with GCC to develop and implement a "last mile" strategy that encourages greener deliveries across the area by setting up an area-wide distribution centre. This will help remove large delivery vehicles from the central road network and facilitate the introduction of efficient cargo bikes to Cheltenham, whilst creating new jobs and economic growth.

9. Review our existing car parking strategy. We will continue to explore ways to ensure alternative travel options to car use are viable and seen to be more favourable than driving. Town centre parking charges will need to reflect this policy choice. Repurposing some car parking spaces (i.e. by creating urban gardens or for car share schemes) will be necessary to demonstrate the council's ambition to remove priority for privately-owned vehicles and to amplify services and support for active travellers.



10. Reduce the need to own and use a car by requiring that the location and design of new developments means they are demonstrably accessible by safe cycling, walking routes and good quality public transport and situated close to essential services.

11. Explore the feasibility of introducing Clean Air Zones within Cheltenham town centre, similar to schemes recently introduced in other areas such as Bath and Birmingham.



F. NATURAL ENVIRONMENT AND BIODIVERSITY

Overview

We are not only experiencing a climate emergency, but an ecological emergency too. Our wildlife, biodiversity and ecosystems are at just as much a risk of catastrophe as we are as human beings if action is not taken to protect our natural environment and halt climate change. We must acknowledge our planetary boundaries. Planting more trees, protecting and extending wild spaces for nature, increasing biodiversity, restoring our land to sequester carbon and building our resilience to flooding, will all contribute to mitigating the climate emergency.

Ongoing & Completed

Over the last year, CBC has planted 1,200 trees across our parks, gardens and other land-based assets. We'll be looking to work closely with GCC as they undertake their new tree planting programme¹⁸ in association with the Woodland Trust, whilst looking to produce a robust tree planting strategy of our own.

We continue to protect our existing green spaces and locally designated nature sites and endeavour to ensure public access to local authority-owned green spaces.

In March 2021, CBC resolved to support the Climate and Ecological Emergency Bill which aims to 'to actively restore biodiverse habitats, and to stop damaging our natural world through the production, transportation and disposal of the goods we consume'¹⁹. Moreover, new legally binding environmental targets are to be set and enforced as part of the Environment Act which became UK law in 2021²⁰. This legislation will protect and enhance our environment for future generations and aims to halt the decline in species by restoring natural habitats.

¹⁸ <https://www.gloucestershire.gov.uk/gloucestershire-county-council-news/news-september-2021/open-call-for-land-trees-need-you/>

¹⁹ <https://www.ceebill.uk/>

²⁰ <https://bills.parliament.uk/bills/2593/publications>

²¹ <https://naturalcapital.gcerdata.com/>

Actions

1. Update local planning strategies and work closely with other authorities, including GCC, to significantly increase tree cover across the borough and ensure existing trees are properly protected, in order to store carbon, support nature, aid flood protection and deliver health and wellbeing benefits. Increased canopy cover can also provide shade for people and buildings, cooling the air and ground temperatures in extreme heat. 
2. Manage council-owned land to increase biodiversity and reduce carbon pollution, i.e. through reduced pesticide use and mowing and increased planting of wildflowers and perennials. 
3. Focus on nature-based solutions for climate mitigation and adaptation. For example, work with a range of partners to develop opportunities for Natural Flood Management (NFM) schemes across the borough to help mitigate flooding and adapt to climate change, using nature to hold and slow water run-off.
4. Seek to actively restore and expand ecosystems in line with the Environment Act 2021, with a focus on enhancing biodiversity and natural carbon sinks. This could be through market based mechanisms that improve and safeguard our natural environment, for example the development of a habitat bank for biodiversity net gain credits.
5. Work with the Gloucestershire Local Nature Partnership and their Natural Capital Mapping²¹ project to help identify nature and ecosystem restoration opportunities across Cheltenham, to reverse and restore habitats, support species and promote ecosystem quality and function.
6. Encourage and influence the uptake of green roofs on roof-tops with green roof potential to help support urban greening in the community.
7. Identify demand for allotments with a view to increasing allotment utilisation and developing land for community spaces and provide opportunities for those that may not have access to their own garden.

G. WATER AND WASTE

Overview

Water is often a forgotten limited resource in the UK, with easy access via our taps for a seemingly endless supply as and when we need it. However, climate change affects water management in multiple ways, ranging from changes in rainfall and therefore seasonal and annual patterns of floods and droughts which can affect water quality and availability. This can have related impacts on our health, economic activities and on freshwater dependent ecosystems. Discarded plastic and other pollutants, along with an over-use of herbicides and pesticides, are also damaging us and the environment and reducing biodiversity across land and sea. The Environment Act 2021²² will drive new business behaviour for waste and recycling, and CBC will continue to work with the business community as well as residents to make sure that we move towards a circular economy, improve resource efficiency through measurement and ensure that the Act is translated into action.

Ongoing & Completed

A new 'pocket forest' of 300 trees will be created thanks to a new coffee pod recycling service. The pioneering 'Podback'²³ scheme has resulted in the kerbside collection of nearly 1 million coffee pods.

While we continue to raise recycling rates, which are up 52.05% at the end of 2020/21, we will also seek to promote the reduction of waste being produced. Waste is no longer sent to landfill, and goes to Gloucestershire County Council's Javelin Park Energy from Waste facility²⁴. This facility produces electricity, but does produce emissions. Our successful behaviour change campaigns aim to educate and raise awareness, ultimately diverting resources from the waste stream into the recycling stream.

Actions

1. Continue to work with communities and businesses to promote food waste reduction, local food sourcing, sharing of unwanted good to eat food within the community. Continue to promote home composting and sustainable food waste.
2. Promote community sharing and reuse to reduce waste and unnecessary consumption, including water.
3. Develop an incentive strategy for all staff, including our partners, to help drive down energy consumption and waste across our buildings. 
4. Reduce the use of single-use plastic in council offices and premises and work with local businesses to help influence reduction in their plastic use and waste. 
5. Encourage businesses and other organisations within the borough to seek waste and recycling solutions which send zero waste to landfill.
6. Following the new requirements set out within the Environment Act 2021, ensure adequate recycling and food waste facilities are provided across all Council-owned and operated buildings and community centres. Support small businesses to recycle, as well as seeking to expand the 'on the go' recycling bin provision across our public realm. 
7. Reduce water consumption at CBC owned sites. 
8. Leverage the new climate-focussed Supplementary Planning Document to encourage the provision of better waste and recycling facilities in developments. Continue to look to the future for innovative ways of dealing with our waste collections such as underground bins to maximise land use and provide more opportunities for biodiversity.
9. Adopt circular-economy waste policies in relevant plans and contracts. 
10. Work with Gloucestershire County Council and other partners to increase the uptake of water butts and grey water recycling in new and existing homes and non-domestic properties as well as continue to promote sustainable food waste disposal across the county as part of Gloucestershire County Council's contract arrangement for anaerobic digestion.

²² <https://www.legislation.gov.uk/ukpga/2021/30/contents/enacted>

²³ <https://www.podback.org>

²⁴ <https://www.ubbgloucestershire.co.uk>

H. COLLECTIVE ACTION - INFLUENCING, ENGAGING, CAMPAIGNING AND BEHAVIOUR CHANGE

Overview

Addressing the climate emergency goes beyond simply reducing our GHG emissions and the council knows it cannot achieve the 2030 target alone. We need a tight-knit community that can adapt to coming changes and knows where to turn in the face of a crisis. By working in partnership with organisations and residents across the borough, we can have greater power to influence others and bring about the necessary behaviour change and action needed to achieve our collective global goal.

Ongoing & Completed

In recognition of the need for cross sector and district working to tackle the climate emergency, we have joined the new 'Climate Leadership Gloucestershire' group. Working with other districts in the county to share best practice and learning whilst endeavouring to solve the most challenging of climate actions. The group will work to increase our available spaces for nature, reduce CO2 and ensure a strong focus on improving the health and wellbeing of Gloucestershire's residents.

The council has established the "CheltenhamZero" partnership²⁵ with the borough's leading climate change charity, Vision21. As an active partner, Vision21 will lead our campaign to reach out to communities and businesses, supporting them to make the transition to net zero and tackle the climate emergency collectively. As a precursor to the partnership, we launched a CheltenhamZero 'Climate Community Fund' offering grants totalling above £50k to community groups, to enable meaningful carbon reduction and climate action initiatives that can be used to showcase best practice to others.

Positive interactions with higher education institutions, has already resulted in collaborative work across numerous departments of the council, including Green Space and Climate Emergency teams. We recently secured funding as part of the Local Government Association's 'NetZero Innovation Programme', to deliver a project in partnership with the University of Gloucestershire and continue to utilise their expertise where we can.

Actions

1. Drive the wider adoption of the CheltenhamZero Partnership across businesses, communities and residents, influencing behaviour change, collaboration and the sharing information and best practice.
2. Establish 'Climate Champions' among our communities, schools and businesses – building capacity for local people to be involved in helping meet our climate targets, inspiring communities and enterprises to find and implement solutions. Climate Champions will also be established within CBC and our key partner organisations to drive change from within.
3. Through mechanisms such as the CheltenhamZero Partnership, provide support to small and medium-sized enterprises, working closely with partners such as GFirst LEP, access funds and expertise, so that they are able to contribute to carbon reduction and nature restoration plans.



Actions continue on next page



4. Explore partnership opportunities for setting up 'zero carbon hubs' – decentralised futureproof centres promoting zero emission lifestyles, that help to educate, inform and advise on 'all things climate' for individuals and communities. We continue to support the Planet Cheltenham²⁶ initiative in their fight against climate change and social inequality.

5. Regularly update the council's web content²⁷ to ensure the most relevant and up to date information is available to the public.



6. Create or signpost to toolkits available for businesses, community groups, individuals and families, relating to topics such as energy, transport, waste reduction and children's climate education activities.

7. Work closely with the University of Gloucestershire to help support local climate-based research, which not only helps to identify opportunities for the Council and the Borough, but also develops the skills needed for our future workforce, enhancing student experience and employability.

8. Use influence with others, such as schools and other private businesses and organisations, to help ensure their buildings are zero-carbon, purchasing is green and the environment they supports nature wherever possible.

9. Work with businesses to seek to introduce local incentive schemes that may help influence visitor and resident behaviour change towards more sustainable lifestyles, such as walking and cycling, reduced waste and healthier eating.

²⁶ planetcheltenham.org

²⁷ www.cheltenham.gov.uk/climate

6. Monitoring Progress

For Cheltenham to become net zero and climate resilient, and to leverage maximum impact from those around us, this mitigation pathway should provide a roadmap for our town and for those with similar ambitions to follow. We know that it isn't perfect and it will need to be adapted and improved as we learn. This overarching strategy is designed to be flexible and will be reviewed as the national context and technology evolve. We commit to being reflective, innovative and transparent on the journey to 2030 and beyond.

There is a need for us to develop a stringent monitoring process and the creation of a 'Climate Change Programme Board' will help to build this rigour. The Board, led by an appropriate Cabinet Member, will consist of other political representatives and the Countywide Climate Change Coordinator, meeting on a quarterly basis to steer the programme of works stemming from this pathway.

We have a baseline to start from and improve upon and will continue to monitor and report on progress. Continuously reviewing and revising this pathway and our delivery plans will enable us to be agile and increase co-benefits.

This CEAP will be reviewed and reported against on an annual basis to inform of our progress in relation to both climate mitigation and adaptation. These reports will be made publicly available. Internally, the monitoring of projects and initiatives will be reflected on 'Clearview', an internal strategy and performance system. We will look to take the annual review of the CEAP to the CBC Overview and Scrutiny committee once a year. The scrutiny committee looks at any issues affecting local people and makes recommendations based on evidence, therefore the annual review of the Pathway and the emerging actions will be of particular interest to the committee. Alongside this, we will improve our carbon footprinting, so that our calculations become more thorough and our reporting more transparent.

As the year 2030 comes nearer, we will continue to ramp up our climate action efforts and strive to create a place where community, culture, business and environment thrive.

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CHELTENHAM'S GREEN DEAL

CLIMATE CHANGE - *INVESTMENT STRATEGY*

The motion to declare a climate emergency was proposed to full council on 18 February 2019 and called on the cabinet to:

- declare a 'climate emergency'
- pledge to make Cheltenham carbon neutral by 2030, taking into account both production and consumption emissions
- call on Westminster to provide the powers and resources to make the 2030 target possible;
- work with other governments (both within the UK and internationally) to determine and implement best practice methods to limit global warming to less than 1.5 degrees centigrade
- continue to work with partners across the town, county and region to deliver this new goal through all relevant strategies and plans
- report to full council within six months with the actions the council will take to address this emergency

The motion received unanimous support and a climate emergency was officially declared by the council's cabinet on 9 July 2019. In declaring a climate emergency, the council joined over 300 district, county, unitary and metropolitan councils and combined authorities/city regions with similar ambitions to become carbon neutral.



"Climate change is the biggest challenge facing Cheltenham people, our country and our planet. Our climate emergency declaration sets a deliberately ambitious target to ensure action is taken and resources are found to make our council and our town carbon neutral. That includes backing our actions with investments."

Cllr Max Wilkinson
Cabinet Member for Climate Emergency

Why is a Climate Change Investment Strategy needed?

The Council is progressing many initiatives to support both the Council and the borough to become carbon neutral, yet to achieve our aims it will require significant cost and investment. With the growth in new green technologies and other green initiatives, there is likely to be opportunities for the Council to invest in carbon reduction initiatives whilst also contributing to the Council's Medium Term Financial Strategy.

By having an investment strategy in place it will ensure the Council is well placed to take forward opportunities that are identified quickly and effectively. This strategy sets the framework to guide investment decisions, manage risks, ensures value for the taxpayer but most importantly will provide a vital tool in support of the wider #cheltenhamzero objective for a clean and green borough.

The Climate Change Mitigation Pathway is our 2030 action framework to become a net zero Council and Borough and the Climate Change Investment Strategy is a key component of the Pathway. In October 2021, the Government stated that to reach their Net Zero target, the task is to “reduce emissions to as close to zero as possible, with the small amount of remaining emissions absorbed through natural carbon sinks like forests, and new technologies”. The Pathway sets an ambitious target to become **Net Zero** by 2030. **Net-Zero emissions** means not adding any greenhouse gases to the atmosphere through an organisation's activities. Becoming net-zero starts with a plan to rapidly reduce GHG emissions to zero by a specified date. However, there are almost always some emissions that can't be reduced to zero. These are expected to be small and are usually then offset by initiatives aimed at removing an equivalent amount of GHG from the atmosphere. The UK became the world's first major economy to set a target of being net zero by 2050

Investment Principles:

The Council:



Will invest in carbon reducing initiatives within its own property portfolio



Will consider investment opportunities in the wider borough providing they meet the investment criteria



Prides itself on only investing in Cheltenham for the benefit of the people in Cheltenham and will therefore not invest outside of a five mile radius of the borough



Is prepared to consider investing in carbon reduction initiatives that total no more than £10m



The Strategy does not apply to non-financially yielding investments or projects.



Investment criteria:

All investment decisions will require a full business case and will need to align to the following investment criteria:

Investment Criteria – Financial:



Yield:

Investments will need to yield a minimum of 3%/5% (depending on funding arrangements)



Return on Investment:

Maximum twenty year pay back



Risk Profile:

Low/medium



Investment locations:

Cheltenham Borough or within a 5 mile radius



Total finance:

Initiatives totalling up to £10m

Investment Criteria – Carbon:

A key feature of this investment strategy is the need to be able to verify that the project has produced the environmental benefits set out in its original business case.

The measurement and verification process can take a number of forms, but all should be clear, transparent and auditable. For some schemes there are national or international accreditations that would be a key part of demonstrating environmental benefit, such as:

- Renewable Energy Generation of Origin (REGO) certificates
- The Woodland Carbon Code (WCC)
- Biodiversity Net Gain (BNG)

For other schemes where there is no accredited verification this investment strategy will still look for clear and straightforward means of verification of the impact on climate change. This will include:

- Changes in units of fuel consumed
- Changes to waste and recycling rates
- Units of energy generated



Financing:

The Council will not be tied to one financing route but will consider a range of financing options depending on the investment decision, market conditions and the Council's MTFs.

Financing options will generally include:

- Public Works Loan Board - <https://www.dmo.gov.uk/responsibilities/local-authority-lending>
- Green Investment Bonds - <https://www.greenfinanceinstitute.co.uk/local-climate-bonds-a-cost-effective-way-to-raise-billions-for-councils-green-plans-says-new-campaign/>
- Use of Capital Receipts
- Bidding for external funding

Decision making:

Investment decisions with a business case will be evaluated by a Green Investment Board which will consist of:



Cabinet Member for Climate Emergency



Commercial Lead



Director lead for Climate Change



Governance Manager



Countywide Climate Change Coordinator



Independent advisors (where needed)



Finance Business Partner



Procurement Business Partner

The role of the Board will be to undertake an initial consideration and evaluation of all business cases received and to make recommendations to the Cabinet for decisions on such proposals.



Public Consultation and Involvement:

The Council's 2019 Resident Survey indicated that the majority of residents felt

- The Council should play a role in tackling environmental issues
- The council should be making investments in the borough to reduce pressure on the tax payer

The Council will look to engage and consult with residents, communities and businesses around possible investment opportunities where applicable and will welcome expressions of interest for investment opportunities that can contribute to making Cheltenham Net Zero by 2030.

Risks:

Whilst each investment decision will have its own business case and risk assessment there are three key risks identified:

- **Risk:** Not achieving expected carbon reductions: Some initiatives may not achieve the expected carbon reductions.
- **How mitigated:** Depending on the investment opportunity independent external advice may be sought to aid decision making or recommendations.

-
- **Risk:** Not achieving return on financial investment: No investment is free from risk but through well researched and evaluated business cases will help to ensure decisions are risk based.
 - **How mitigated:** This risk will be managed through the Green Investment Strategy Investment Board to ensure the right mix of experience is involved in evaluating investment decisions.

Depending on the investment opportunity independent external advice may be sought to aid decision making or recommendations.

-
- **Risk:** New technologies becoming quickly obsolete: Over the coming years there will be more and more new technologies coming to the market, which could make other technologies obsolete quickly.
 - **How mitigated:** Where needed, independent external advice may be sought to reduce the risk of investing in the wrong technology.



How success will be measured:

Each investment decision will have a business with a projected return investment in terms of carbon reduction and financial return. Following an implementation of an investment decision, Key Performance Indicators will be established via Clearview's balanced scorecard to track the investment benefits against the projection outlined in the business case.

Climate Change projects or initiatives that do not yield a return:

This strategy only applies to projects or initiatives that yield a return. The delivery of other climate change projects or initiatives that do not yield a return, will be covered by other strategies and approaches, including bids for external funding, work with partners in both the public and private sector as set out in the Council's Climate Change Mitigation Pathway.

Our work will be guided by our organisational values:

TOGETHER, WE:



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Action	CBC Role	Owner
Report our carbon footprint annually and encourage others to follow suit. Endeavour to be more thorough and precise over time and include more of our impact year on year.	Lead	Climate Emergency/
Commit to lobbying higher levels of government for stronger climate action and greater support to local authorities to help facilitate them making a difference.	Lead	Cllr Wilkinson
Introduce compulsory 'Carbon Literacy Training' to the Council and partners and commit to 100% of the Council's officers, staff and elected members gaining a Carbon Literacy certification.	Lead	Learning & Development
Develop case studies to share our experience in implementing climate initiatives, learnings and success stories, to help others learn from our actions, replicate, or ideally, do better.	Lead	Comms Team/ Cheltenham Zero
Identify both a councillor at cabinet level and a lead officer as Climate Champions, who are required to publish an annual public report on progress against meeting the targets set out in the CCMP.	Lead	Climate Emergency
Issue a new climate-focused Supplementary Planning Document (SPD) that addresses the limitations within the existing Local Plan and Joint Core Strategy. This will set a new 'Cheltenham Standard' for developers and aid our planners in their decision making. The SPD may include the necessity to develop using Natural Flood Management (NFM) techniques, the requirement to achieve Biodiversity Net Gain, installing sustainable energy solutions, driving adoption of the 'Building with Nature' benchmark and the use of Passivhaus standards.	Lead	Climate Emergency/ Planning
Introduce a tool to ensure that climate implications are adequately considered at the early stages of each project, initiative or decision. This tool should be used to develop initiatives that the lowest possible impact on the environment whilst still meeting the needs of the Council.	Lead	Climate Emergency
Develop a Climate Investment Strategy that approves and enables money to be raised for investment in green projects, using various means such as grants, bonds, or Community Municipal Investments (CMI) to speed up carbon emission reductions and increase resilience to climate change.	Lead	Finance & Assets
Introduce an annual 'Climate Community Fund' that helps to finance smaller scale, community climate initiatives and projects, which can be used as best practice exemplars to encourage the take up of similar schemes.	Lead	Climate Emergency

Adopt a policy of divestment from any funds which support the burning or extraction of fossil fuels .	Lead	Finance & Assets
Measure the energy usage of CBC owned properties and develop a heating and energy efficiency strategy to set out actions needed to actively reduce energy consumption and move away from the use of fossil fuels. Introduce behaviour change programmes to reduce energy consumption in council owned buildings. Support businesses and residents to similarly reduce their consumption.	Lead	Property/ Engagement Officer
Retrofit council-owned social housing, focusing first on the homes most at risk of fuel poverty.	Support	CBH
Develop a new 'Sustainability Design Code' for the Golden Valley Development, as a vision for integrated living in West Cheltenham that promotes a low carbon lifestyle. Our aspiration is for this thinking to then be replicated across the town, or within other districts and regions.	Support	HBD X Factory/ GVD
Explore the viability of a shared low-carbon heat network, to help reduce borough-wide emissions.	Support	Climate Emergency
Work with GCC to prioritise transport investment in cycling, walking, and public transport, with a priority of installing segregated cycleways, increasing space for pedestrians and introducing a 20mph speed limit in urban areas.	Support	Climate Emergency
Introduce new 'safe cycle hubs' across the town, working with businesses to help facilitate these, as well as installing more cycle racks, wherever it is suitable and safe to do so.	Lead	Climate Emergency/ Townscape
Enable a shift to electric vehicles by installing electric vehicle charging points within Council owned car parks and support GCC with the delivery of their Local Transport Plan (LTP).	Support	Property/ Climate Emergency
Deliver a policy that will require all taxis to be electric and support the provision of required infrastructure.	Lead	Licensing
Transition the council's own fleet to electric vehicles. Explore interim measures such as the use of Hydrotreated Vegetable Oil (HVO) fuel in place of traditional diesel in instances where electrification is not yet a viable option, particularly for the Council's heavy goods vehicles delivering environmental services across the borough.	Lead	Environmental Services
Reduce the use of private vehicles used for commuting by council officers through a reinvigorated green staff travel strategy, including progressive flexible and home-working options.	Lead	Climate Emergency

Reduce car use through measures available to the Borough such as promoting car-sharing schemes, supporting the continuation of the county e-scooter trial, introducing staff incentive schemes such as 'Cycle to Work' and reducing or removing direct car parking benefits.	Support	Climate Emergency/ Cheltenham Zero
Update local planning strategies and work closely with other authorities, including GCC, to significantly increase tree cover across the borough and ensure existing trees are properly protected, in order to store carbon, support nature, aid flood protection and deliver health and wellbeing benefits. Increased canopy cover can also provide shade for people and buildings, cooling the air and ground temperatures in extreme heat.	Lead	Environmental & Regulatory Services/ Green Space
Manage council-owned land to increase biodiversity and reduce carbon pollution, i.e. through reduced pesticide use and mowing and increased planting of wildflowers and perennials.	Lead	Green Space
Continue to work with communities and businesses to promote food waste reduction, local food sourcing, sharing of unwanted good to eat food within the community. Continue to promote home composting and sustainable food waste disposal	Support	Environmental Services/ Planet Cheltenham
Promote community sharing and reuse to reduce waste and unnecessary consumption, including water.	Support	Environmental Services/ Planet Cheltenham
Develop an incentive strategy for all staff, including our partners, to help drive down energy consumption and waste across our buildings.	Lead	Property/ Climate Emergency
Reduce the use of single-use plastic in council offices and premises and work with local businesses to help influence reduction in their plastic use and waste.	Lead	Climate Emergency
Drive the wider adoption of the CheltenhamZero Partnership across businesses, communities and residents, influencing behaviour change, collaboration and the sharing information and best practice.	Support	Cheltenham Zero
Establish 'Climate Champions' among our communities, schools and businesses – building capacity for local people to be involved in helping meet our climate targets, inspiring communities and enterprises to find and implement solutions. Climate Champions will also be established within CBC and our key partner organisations to drive change from within.	Lead	Climate Emergency
Through mechanisms such as the CheltenhamZero Partnership, provide support to small and medium-sized enterprises, working closely with partners such as GFirst LEP, to access funds and expertise, so that they are able to contribute to carbon reduction and nature restoration plans.	Support	Cheltenham Zero

Explore partnership opportunities for setting up 'zero carbon hubs' – decentralised futureproof centres promoting zero emission lifestyles, that help to educate, inform and advise on 'all things climate' for individuals and communities.	Support	Climate Emergency/ Planet Cheltenham
Regularly update the council's web content[1] to ensure the most relevant and up to date information is available to the public.	Lead	Climate Emergency
Create or promote toolkits available for businesses, community groups, individuals and families, relating to topics such as energy, transport, waste reduction and children's climate education activities.	Lead	Cimate Emergency
Work closely with the University of Gloucestershire to help support local climate-based research, which not only helps to identify opportunities for the Council and the Borough, but also develops the skills needed for our future workforce, enhancing student experience and employability.	Support	Climate Emergency

Action	CBC Role	Owner
Keep the public informed about our progress in meeting or missing our climate targets.	Lead	Climate Emergency
Annually review the existing and additional workforce needed to deliver the actions set out in this pathway and swiftly prioritise the decisions and investment needed to recruit the necessary capacity and expertise.	Lead	Climate Emergency
Align our council statutory and non-statutory plans, policies and guidance with our climate, nature and green economy goals, including corporate areas such as procurement and infrastructure development.	Lead	Climate Emergency
Encourage suppliers to measure and report on their Scope 1 and 2 emissions, to help improve the level of detail of our Scope 3 emissions reporting, focusing first on the highest expenditure areas of repair and construction.	Lead	Procurement
Review our Procurement Policy to ensure all purchases properly consider climate-related impacts and add greater weight to purchasing from sustainable local businesses and those which add social value.	Lead	Procurement
Look to invest in low-carbon and climate-resilient infrastructure that reap multiple environmental benefits wherever possible. This may range from small Sustainable Urban Drainage Systems (SuDS) and rain gardens, to solar farms and green roofs.	Lead	Climate Emergency
Retrofit council-owned properties with sustainable, energy-efficient solutions where feasible.	Lead	Property
Help owner-occupiers to create more energy efficient homes. For example, by supporting energy companies to provide fuel-poor or vulnerable households with insulation, or by helping influence the retrofit market to ensure there is effective demand for energy efficient measures by those that are classified as “able to pay”. This may include supporting the provision of skills-training for local workers, actively encouraging applications for new installations, and facilitating the applications of funding bids from home owners.	Support	Climate Emergency
Seek to invest in renewable energy generation by identifying suitable areas in the future Planning Policy documents, such as the Cheltenham Plan and Joint Core Strategy. Review the feasibility of alternative energy sources, new technologies and innovations and the potential to be a net contributor	Lead	Climate Emergency
Commit to using 100% renewable electricity across council owned assets, including those operated by key partners. Support businesses and residents to do the same. Encourage developers to commit to renewable energy by stipulating requirements in a new Supplementary Planning Document (SPD).	Lead	Property/ Cheltenham Zero
Work with GCC to develop and implement a “last mile” strategy that encourages greener deliveries across the area by setting up an area-wide distribution centre. This will help remove large delivery vehicles from the central road network and facilitate the introduction of efficient cargo bikes to Cheltenham, whilst creating new jobs and economic growth.	Lead	Public Protection

Focus on nature-based solutions for climate mitigation and adaptation. For example, work with a range of partners to develop opportunities for Natural Flood Management (NFM) schemes across the borough to help mitigate flooding and adapt to climate change, using nature to hold and slow water run-off.	Lead	Townscape
Work with the Gloucestershire Local Nature Partnership and their Natural Capital Mapping[1] project to help identify nature and ecosystem restoration opportunities across Cheltenham, to reverse and restore habitats, support species and promote ecosystem quality and function.	Lead	Climate Emergency
Encourage businesses and other organisations within the borough to seek waste and recycling solutions which send zero waste to landfill.	Support	Cheltenham Zero
Following the new requirements set out within the Environment Act 2021, ensure adequate recycling and food waste facilities are provided across all Council-owned and operated buildings and community centres. Support small businesses to recycle, as well as seeking to upgrade the 'on the go' recycling bin provision across our public realm.	Lead	Townscape/ Environmental Services
Reduce water consumption at CBC owned sites.	Lead	Property/ Engagement Officer
Leverage the new climate-focussed Supplementary Planning Document to encourage the provision of better waste and recycling facilities in developments. Continue to look to the future for innovative ways of dealing with our waste collections such as underground bins to maximise land use and provide more opportunities for biodiversity.	Lead	Planning
Use influence with others, such as schools and other private businesses and organisations, to help ensure their buildings are zero-carbon, purchasing is green and the environment they supports nature wherever possible.	Support	Cheltenham Zero
Work with businesses to seek to introduce local incentive schemes that may help influence visitor and resident behaviour change towards more sustainable lifestyles, such as walking and cycling, reduced waste and healthier eating.	Support	Cheltenham Zero

Action
Leverage our position as 'The Festival Town' to drive change through the development of a more sustainable and carbon friendly events strategy.
Work with Gloucestershire's Local Enterprise Partnership (GFirst LEP) and other authorities and organisations to rapidly grow the green economy, by investing in economic activities that promote reduced carbon emissions and pollution, enhanced energy efficiency and prevention of the loss of biodiversity.
Use legal and planning mechanisms, such as Section 106 agreements, the Community Infrastructure Levy and others to help fund climate actions and nature restoration projects.
While acknowledging that the County Council is the lead transport authority, explore opportunities to introduce economic nudge mechanisms to help disincentivise car use, particularly for shorter journeys. Further encourage the County Council to use such mechanisms to enable and encourage sustainable transport, particularly measures that allow people to use active and collective forms of transport to travel to work, such as segregated cycle ways and public transport.
Engage with landlords to improve energy efficiency of homes in the private rented sector and commercial properties and encourage them to achieve good insulation.
Look for potential to align Conservation Area policies with climate emergency goals.
Review our existing car parking strategy. We will continue to explore ways to ensure alternative travel options to car use are viable and seen to be more favourable than driving. Town centre parking charges will need to reflect this policy choice. Repurposing some car parking spaces (i.e. by creating urban gardens or for car share schemes) will be necessary to demonstrate the council's ambition to remove priority for privately-owned vehicles and to amplify services and support for active travellers.
Reduce the need to own and use a car by requiring that the location and design of new developments means they are demonstrably accessible by safe cycling, walking routes and good quality public transport and situated close to essential services.
Explore the feasibility of introducing Clean Air Zones within Cheltenham town centre, similar to schemes recently introduced in other areas such as Bath and Birmingham..
Encourage and influence the uptake of green roofs on roof-tops with green roof potential to help support urban greening in the community.
Identify demand for allotments with a view to increasing allotment utilisation and developing land for community spaces and provide opportunities for those that may not have access to their own garden.
Adopt circular-economy waste policies in relevant plans and contracts.
Work with Gloucestershire County Council and other partners to increase the uptake of water butts and grey water recycling in new and existing homes and non-domestic properties as well as sustainable food waste disposal, such as anaerobic digestion, across the county.

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**Cheltenham Borough Council
Council – 21 February 2022
Council Order of Precedence**

Accountable member	Leader, Councillor Rowena Hay
Accountable officer	Chief Executive, Gareth Edmundson
Accountable scrutiny committee	n/a
Ward(s) affected	None directly
Significant Decision	No
Executive summary	<p>In accordance with the requirements of the Constitution, the Council will be asked to elect its Mayor and Deputy for the forthcoming Council year at its annual meeting on the 16th May 2022. In this respect the Council, as in previous years, has maintained an Order of Precedence for fulfilling these ceremonial roles which recognises the length of service a Councillor has provided to the communities of Cheltenham. The Order of Precedence is attached at Appendix 1.</p> <p>The final confirmation of the Councillors proposed to take up these roles will not be known until the results of the local elections in May are declared and so, at present, the Council is asked to note the Order of Precedence and the proposed post holders will be appointed after the results of the May elections.</p>
Recommendations	<p>That Council note</p> <p>The Order of Precedence in Appendix 2</p>

Financial implications	The allowances for Mayor and Deputy Mayor have been included in the budget for 2022/23. Contact officer: Gemma Bell, gemma.bell@cheltenham.gov.uk
Legal implications	Whilst the authority operates the Rules Relating To Order Of Precedence Of Members as a local convention, the Council has final discretion as to which Members it appoints as its Mayor and Deputy Mayor (Council chairman and vice-chairman). Contact officer: One Legal – legal.services@onelegal.org.uk
HR implications (including learning and organisational development)	None Contact officer: Julie McCarthy, julie.mccarthy@publicagroup.uk
Key risks	None
Corporate and community plan Implications	The Mayor and Deputy Mayor promote the corporate and community objectives in carrying out their role as civic heads.
Environmental and climate change implications	There are no direct implications; however, the Mayor and Deputy Mayor will have a role to play in promoting the council's commitment to becoming a net zero carbon council and borough by 2030, and supporting the emerging Climate Emergency Action Plan: Pathway to Net Zero. Contact officer: Laura Tapping@cheltenham.gov.uk

1. Background

- 1.1 The rules relating to order of precedence of Members were amended by Council on 17 March 2008 and are attached as Appendix 1 and are set out in Appendix J in the Council's Constitution.
- 1.2 As part of that change it was agreed that once a councillor has achieved the office of Mayor they should remain at the bottom of the Order of Precedence in date order and should not be eligible to hold the office again unless all those above them on the Order of Precedence have chosen not to accept the honour or do not qualify for selection.
- 1.3 In addition it was agreed that a Member would not be eligible for consideration as Mayor unless they had a minimum of four years service prior to taking up office and a minimum of 3 years service prior to becoming Deputy Mayor.

2. Reasons for recommendations

- 2.1 The Council's Constitution provides that the Mayor and Deputy Mayor shall be elected at the Annual Council Meeting.
- 2.2 The Constitution also provides that in order to assist the Council the Chief Executive will maintain a list of members (called the "Order of Precedence") showing members' total service on the authority and, if appropriate their period of service since they served the Borough as its Mayor. This list is attached as Appendix 2.
- 2.3 Whilst the Council must formally make these appointments at the Annual Council Meeting, in accordance with the Constitution, the Order of Precedence is presented to the first Council meeting in the calendar year.

3. Alternative options considered

3.1 Some councillors with longer service may formally decline to have their names put forward for the position of Deputy Mayor.

4. Consultation and feedback

4.1 Not applicable.

Report author	Contact officer: Bev Thomas, Democratic Services Team Leader Beverly.Thomas@cheltenham.gov.uk, 01242 264246
Appendices	<ol style="list-style-type: none"> 1. Rules relating to order of Precedence of Members 2. Order of Precedence
Background information	Council 14 April 2003 and 17 March 2008

THE RULES RELATING TO THE ORDER OF PRECEDENCE OF MEMBERS

1. The Chief Executive (or the Monitoring Officer on his or her behalf) will maintain a list of all members showing their precedence in terms of:
 - their service on Cheltenham Borough Council,
- and this list will be referred to as “The Order of Precedence”. It is only of relevance in the determination of the succession of the posts of Mayor and Deputy Mayor.
2. To be eligible for consideration as Mayor a member must have had a minimum of four years service prior to taking up office.
 3. To be eligible for consideration as Deputy Mayor a member must have had a minimum of three years service prior to taking up office.
 4. The Deputy Mayor appointed to serve as such in a particular municipal year will be elected Mayor for the following municipal year provided he or she is willing, and remains eligible, to accept that office.
 5. If the Deputy Mayor is unwilling or ineligible to accept nomination as Mayor, the nomination will be offered by the Chief Executive , following consultation with the Monitoring Officer, to members in accordance with The Order of Precedence until a member is able to accept the nomination.
 6. Not later than 31st December in any year the Chief Executive (or the Monitoring Officer on his or her behalf) will approach the member at the head of The Order of Precedence (other than the Deputy Mayor) to ascertain if he or she is willing to accept nomination as Deputy Mayor for the next municipal year.
 7. If the member approached by, or on behalf of, the Chief Executive is unwilling or unable to accept the nomination, the Chief Executive (or the Monitoring Officer on his or her behalf) will approach members in accordance with The Order of Precedence until a member is able to accept the nomination.

The Chief Executive will inform the Council of the member’s willingness to accept nomination at its first ordinary meeting in the new calendar year.
 8. The fact that a member approached by, or on behalf of, the Chief Executive is unwilling or unable to accept nomination as Deputy Mayor for a particular municipal year, shall not prevent that member being approached again in accordance with The Order of Precedence.
 9. Where members have equal periods of service, a member with unbroken service on Cheltenham Borough Council will take precedence over a member with broken service.
 10. Members who have served the borough as Mayor will be moved to the bottom of the Order of Precedence and will only be considered for selection if no other member is interested in taking on the position of Deputy Mayor/Mayor or is eligible to do so.

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11. The precedence between members who notwithstanding paragraph 9 have equal periods of service on Cheltenham Borough Council shall be decided by lot conducted prior to the first ordinary meeting of the Council following municipal elections.
12. Any questions arising as to the application of these rules shall be determined by the Chief Executive, following consultation with the Monitoring Officer, and in consultation with the Group Leaders.

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Councillor	Ballot	Ward	Political party	Next up for election	Eligible service for Mayor 2022	Mayor
McKinlay, Andrew	A	Up Hatherley	Lib Dem	2022	31	0
Holliday, Sandra		St. Mark's	Non Aligned	2022	26	0
Seacome, Diggory		Lansdown	Conservative	2024	22	0
Britter, Nigel		Benhall & The Reddings	Lib Dem	2022	20	0
Baker, Paul		Charlton Park	Lib Dem	2022	17	0
Hay, Rowena		Oakley	Lib Dem	2024	16	0
Jeffries, Peter	C	Springbank	Lib Dem	2022	12	0
Williams, Suzanne	A	Springbank	Lib Dem	2024	10	0
Harman, Tim	B	Park	Conservative	2024	10	0
Clucas, Flo	C	Swindon	Lib Dem	2022	8	0
Wilkinson, Max	D	Oakley	Lib Dem	2022	8	0
Mason, Chris	E	Lansdown	Conservative	2022	8	0
Payne, John	F	Prestbury	PAB	2022	8	0
Babbage, Matt	H	Battledown	Conservative	2022	8	0
Savage, Louis		Battledown	Conservative	2024	7	0
McCloskey, Paul	A	Charlton Kings	Lib Dem	2024	6	0
Oliver, Tony	B	Warden Hill	Lib Dem	2024	6	0
Collins, Mike	D	Benhall & The Reddings	Lib Dem	2024	6	0
Willingham, David	F	St. Peter's	Lib Dem	2024	6	0
Hegenbarth, Alex		All Saints	Lib Dem	2022	5	0
	A	Warden Hill	Lib Dem	2022	4	0
Dobie, Iain						
Brownstein, Jonny	B	St. Paul's	Lib Dem	2022	4	0
Barrell, Dilys	C	Park	Lib Dem	2022	4	0
Atherstone, Victoria	D	St. Peter's	Lib Dem	2022	4	0
Horwood, Martin,	E	Leckhampton	Lib Dem	2022	4	0
Stafford, Jo	G	Pittville	Lib Dem	2022	4	0
Boyes, Angie	H	Charlton Kings	Lib Dem	2022	4	0
Clark, Barbara	A	All Saints	Lib Dem	2024	1	0
Fifield, Stephan	B	Pittville	Conservative	2024	1	0
Bassett-Smith, Ian	C	Prestbury	PAB	2024	1	0
Nelson, Emma	D	Leckhampton	Conservative	2024	1	0
Pineger, Richard	E	St Marks	Lib Dem	2024	1	0
Lewis, Alisha	F	St Pauls	Lib Dem	2024	1	0
Sankey, Julie	G	Up Hatherley	Lib Dem	2024	1	0
Maughfling, Guy	H	College	Lib Dem	2024	1	0
Barnes, Garth		College	Lib Dem	2022	18	2003/04
Flynn, Wendy		Hesters Way	Lib Dem	2024	8	2013/14
Wheeler, Simon		Hesters Way	Lib Dem	2022	7	2014/15
Fisher, Bernard	C	Swindon	Lib Dem	2024	14	2018/19
Harvey, Steve	C	Charlton Park	Lib Dem	2024	10	2021/22

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