

Cheltenham Borough Council Cabinet - Agenda

Meeting date: Tuesday, 14 February 2023

Meeting time: 6.00 pm

Meeting venue: Council Chamber - Municipal Offices

Membership:

Councillor Rowena Hay, Councillor Peter Jeffries, Councillor Victoria Atherstone, Councillor Flo Clucas, Councillor Mike Collins, Councillor Iain Dobie, Councillor Martin Horwood, Councillor Alisha Lewis and Councillor Max Wilkinson

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Agenda

SECTION 1 : PROCEDURAL MATTERS

- 1. Apologies**
- 2. Declarations of interest**
- 3. Minutes of the last meeting (Pages 5 – 18)**
- 4. Public and Member Questions and Petitions**

These must be received no later than 12 noon on the seventh working day before the date of the meeting

SECTION 2 :THE COUNCIL

There are no matters referred to the Cabinet by the Council on this occasion

SECTION 3 : OVERVIEW AND SCRUTINY COMMITTEE

There are no matters referred to the Cabinet by the Overview and Scrutiny Committee on this occasion

SECTION 4 : OTHER COMMITTEES

There are no matters referred to the Cabinet by other Committees on this occasion

SECTION 5 : REPORTS FROM CABINET MEMBERS AND/OR OFFICERS

- 5. Housing Revenue Account Business Plan (Pages 19 – 80)**

Report of the Cabinet Member for Housing

- 6. Housing Revenue Account - Revised Forecast 2022 and Budget 2023-24**

Report of Cabinet Member for Finance and Assets – TO FOLLOW

- 7. Final General Fund Revenue and Capital Budget Proposals 2023-24, and Quarterly Budget Monitoring Report, October-December 2022**

Report of the Cabinet Member for Finance and Assets – TO FOLLOW

- 8. Award of rent support grants to voluntary sector organisations (Pages 81-100)**

Report of Cabinet Member Finance and Assets

SECTION 6 : BRIEFING SESSION

- Leader and Cabinet Members

9. Briefing from Cabinet Members

SECTION 7 : DECISIONS OF CABINET MEMBERS

Member decisions taken since the last Cabinet meeting

SECTION 8 : ANY OTHER ITEM(S) THAT THE LEADER DETERMINES TO BE URGENT AND REQUIRES A DECISION

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Cabinet

**Tuesday, 20th December, 2022
6.00 - 7.00 pm**

Attendees

Councillors: Rowena Hay (Leader of the Council), Peter Jeffries (Deputy Leader and Cabinet Member Finance & Assets), Victoria Atherstone (Cabinet Member Housing), Flo Clucas (Cabinet Member Safety & Communities), Iain Dobie (Cabinet Member Waste, Recycling & Street Services), Martin Horwood (Cabinet Member Customer & Regulatory Services), Alisha Lewis (Cabinet Member Climate Emergency) and Max Wilkinson (Cabinet Member Economic Development, Culture, Tourism and Wellbeing)

Also in attendance: Gareth Edmundson, Paul Jones, Harry Mayo, Bev Thomas, Gemma Bell, Karen Watson and Councillor Wendy Flynn

Minutes

- 1. APOLOGIES**
Apologies were received from the Cabinet Member Cyber, Regeneration and Commercial Income.
- 2. DECLARATIONS OF INTEREST**
The Cabinet Member Customer and Regulatory Services declared a non-pecuniary interest in item 9 because he had been involved in discussions about it at the parish level.
- 3. MINUTES OF THE LAST MEETING**
The minutes of the meeting held on 6th December 2022 were approved and signed as a correct record.
- 4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS**
There were no public questions or petitions.

Member Questions (2 total)

1. Question from Councillor Wendy Flynn to Cabinet Member for Housing, and Cabinet Member for Cyber, Regeneration and Commercial Income

Many new developments include quotas for affordable housing but "affordable" housing isn't affordable for many. Homes available at social rent are in great demand, as demonstrated by the Council's housing waiting list. CBC, owning many hectares of land at Golden Valley, are in a strong position to provide

homes available for rent at social rent levels. What is the minimum number of homes, available for **social rent**, that CBC plans to build on its land as a part of the Golden Valley Development?

Response from Cabinet Members

Thank you Councillor Flynn for your question. I agree that Social Rented homes are the most genuinely affordable homes the Council can provide.

To answer your question, it may be helpful to differentiate between the separate roles of the Council.

Firstly, the Council has a Landowner function. As landowner and development partner (with HBD x Factory), the Council intends to bring forward development that reflects the housing policy requirements. The 35% Affordable Housing ambition is currently included in the financial modelling for the project and we hope to maintain this as the project develops. However, the eventual housing and tenure mix will need to be considered in the light of the prevailing economic climate when each of the development plots that make up the whole of the site comes forward. This is a 10 year plus project.

The Council also has a Housing Enabling function. On a large site such as the Golden Valley Development, the Council's Housing Strategy and Enabling Team will be seeking 35% of all homes to be Affordable Housing, as required by planning policy.

As a starting point our team would expect the Affordable Housing element to be split as follows: 70% Social Rented; 30% Affordable Home Ownership, given that it is important we take account of the broader housing needs of the Borough, as set out in our latest local housing needs assessment. This therefore means that of the rented homes that we expect to see delivered as Affordable Housing on this development, 100% of them would be let as a Social Rent.

In the event that there are financial viability issues (and we are satisfied this has been independently tested) then Officers would have to review our tenure mix. In the first instance, Officers would still prioritise delivering Social Rent across those homes where affordability is likely to be most acute – i.e. on 1 bedroom homes and 4 bedroom homes or larger, with the remaining rented homes being provided as Affordable Rent.

Councillor Flynn may be aware that Affordable Rents can be set at up to 80% of market rents, which does call into question whether these homes are truly affordable for low income households, particularly as market rents have increased significantly in recent times. As such, should it be necessary that Affordable Rents are included in the tenure mix, then Officers would seek to ensure that these rents are set at no higher than Local Housing Allowance levels. Please see the link below for details on our current Local Housing Allowance levels against different size properties.

[Current local housing allowance rates | Local Housing Allowance rates | Cheltenham Borough Council](#)

Supplementary question

An outline planning application has come in for the north part of the site, comprising 157 documents in total, with the consultation period lasting from 12th December to 9th January. It is really difficult to process this information in that time. Is there any way that this expiry date could be extended?

Response from Cabinet Member

The Cabinet Member was advised that live planning applications could not be discussed at a public meeting, and suggested taking the question offline. Cllr. Flynn was happy to do this.

2. Question from Councillor Wendy Flynn to Cabinet Member for Customer and Regulatory Services

During the Council meeting on 20th July, 2020, the then Leader, Steve Jordan, reassured me, along with members of the Hesters Way Neighbourhood Forum who were present at that meeting, of the Council's commitment to engaging with and supporting the Forum. There have been some issues with the Forum receiving support from the Council, which, along with Covid challenges, have held up the plan process. Under the Town and Country Planning Act 1990 (as amended), the Council has a statutory duty to assist communities in the preparation of neighbourhood development plans. I am happy to report that communications between the Forum and this Council have been re-established and hope that the Plan will now progress smoothly. Will the Leader ensure that, going forward, the Council meets its obligations with regards to the Hesters Way Neighbourhood Forum and will she also reassure the Forum that it has her support, as the previous Leader did?

Response from Cabinet Member

The Council is mindful of its statutory duties and recognises the need to support communities in the preparation of Neighbourhood Development Plans. Support has and will continue to be provided which will include, amongst other aspects, whether applications relating to the designation of a neighbourhood forum satisfy the statutory requirements; consideration of Neighbourhood Plan areas; and assistance with the production of producing Neighbourhood Development Plans such as publicising plan proposals. With regard to the Hesters Way Neighbourhood Forum designation, the Neighbourhood Forum was designated on 5 December 2017. The designation of the Neighbourhood Forum expires by law after 5 years so has now expired. Therefore, the designation of the Neighbourhood Forum will need to be considered again by Cabinet, in a similar way that it was previously considered in December 2017. Officers are in the process of considering a potential date for Cabinet in early 2023. Should Councillor Flynn wish to discuss the detail of the Hesters Way neighbourhood plan or any part of the process, the planning policy team will be very happy to assist.

Supplementary question

The Hesters Way Neighbourhood Forum has met more than 40 times in the last 12 months and put a lot of energy and time into the Neighbourhood Plan. On the 23rd November, the forum contacted the council realising that their designation was going to run out, and submitted an application on 2nd December. We had notification on the 14th December that the application would need Cabinet approval. My understanding is that it needs to be decided within 13 weeks of submission, including a 6 week period of public consultation. With that in mind, the last Cabinet meeting it could go to is 14th February. Working back from that, six weeks' notice is getting very close considering the Christmas period. Can the Cabinet Member confirm that this will be going out for public consultation imminently?

Response from Cabinet Member

Thank you for your question. It might have been helpful to include those dates in the original question because I don't have the answers immediately to hand, but I want to be completely clear that we recognise the time and effort that goes into the forum. The draft Neighbourhood Plan is very impressive, and this council absolutely supports the principle of neighbourhood planning and will do everything required of us to support this. You raise an interesting point about the designation, and it might have been wise to have notified the council earlier than a few weeks before the imminent expiration of the designation. I am sure officers will work as fast as practicable to do this. There may be a gap as the designation has now expired, but I am not anticipating any particular difficulty regarding re-designation, although we cannot pre-determine the result. We have to follow the proper process determined by statute.

5. HOUSING REVENUE ACCOUNT - REVISED FORECAST 2022-23 AND INTERIM BUDGET PROPOSALS 2023-24 FOR CONSULTATION

The Cabinet Member Finance, Assets and Regeneration presented the report, noting that the cost of living crisis and financial turbulence had had a major impact on the HRA, with excess cost inflation, increased interest, energy costs and additional compliance costs increasing the overall expenditure in the HRA by £2.5m next year. While the budget proposal was for rents to increase, this had been capped at 7%, resulting in the budgeted operating surplus falling from over £1m to just £70,000 in 2023/24.

This high inflation and capped rent had a substantial impact on the 30-year projections, with capacity in the HRA being reduced by an estimated £92m. This reduced capacity in the HRA meant that the scale and pace of investment in existing and new homes needed to be carefully managed in order to ensure that vital services to residents in our communities were protected.

He added that while the scale and pace of investment needed to be managed appropriately, the 2023/24 budget proposals in this report demonstrated the council's commitment to its ambitious plans for delivering new homes, improving the quality of existing homes and protecting services for residents and communities for the benefit of Cheltenham. This included £63m over 3 years for additional affordable homes, £32m investment in improving existing

homes and £6m specifically in energy improvement measures for the least efficient homes.

He summarised that the interim budget proposals for 2023/24, including the focus on supporting residents through the cost-of-living crisis, investing in their homes and delivering more net zero homes, would help improve outcomes for all residents and communities, reduce inequality and support the economic recovery of Cheltenham through this challenging period.

The Cabinet Member Housing thanked him for bringing the budget proposals forward, and reiterated the financial pressures faced. It was testament to CBC and CBH colleagues that they were able to continue delivering their £180m housing investment plan and improving existing homes. The report also outlined how they were working towards making Cheltenham Net Zero by 2030, investing in communities, working towards raising standards in line with the Social Housing White Paper, and providing additional support during the cost of living crisis.

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

RESOLVED THAT:

1. The interim HRA budget proposals for 2023/24 (shown at Appendix 2) for consultation including a proposed rent increase of 7% and changes to other rents and charges as detailed within the report be approved;
2. The proposed HRA capital programme for 2023/24 as shown at Appendix 3 and Appendix 4 be approved for consultation;
3. The revised HRA forecast for 2022/23 be noted;
4. Authority be delegated to the Executive Director Finance, Assets and Regeneration, in consultation with the Cabinet Member for Finance and Assets, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for consultation;
5. Consultation responses be sought by 31st January 2023.

6. GENERAL FUND REVENUE AND CAPITAL - INTERIM BUDGET PROPOSALS 2023-24 FOR CONSULTATION

The Cabinet Member Finance, Assets and Regeneration presented the report, which outlined the General Fund Revenue and Capital Interim Budget Proposals for 2023/24. He reflected on the economic changes of the last twelve months, which provided the background for setting this interim budget. Last December, inflation had already been at a 40 year high of 4.2%, but it now stood at 11.1%. Interest rates had increased eight times since last year, whereas in December 2021 they were paying about 15p for a unit of electricity and 3p for a unit of gas. This now cost 40p and 10p respectively, even with the government's caps on pricing. Across the year, there had been three Prime Ministers and four Chancellors.

Throughout this turbulence, the challenge had been to continue to drive forward with the goals outlined in the November 2020 Covid-19 Recovery Strategy and the Corporate Plan. These included making Cheltenham the cyber capital of the UK, investing in sustainable economic growth in the town centre, supporting the most vulnerable communities through No Child Left Behind, delivering more

housing across the town, and continuing with their commitment to make the council and town net carbon zero by 2030.

He stressed that this had not been easy. With the latest budget monitoring report for 2022/23 reporting a £2.39m overspend against what was a reasonable and prudent budget this time last year, they were placing reliance on general balances to balance the budget this year. These balances were finite, and this was not a long term strategy to rely on.

The Local Government Provisional Finance Settlement setting out the level of government funding for consultation had just been released, with only a 3% increase in core funding against inflation of 11.1%, and just one year's funding guaranteed. It placed greater reliance on local tax generation and CBC's own commerciality to enable them to balance the budget for 2023/24. He was pleased to be able to do that by recommending an interim budget proposal that allowed them to continue to work towards their corporate goals whilst protecting financial sustainability and resilience.

The Cabinet Member Climate Emergency described it as incredible budget against all odds, especially considering the instability in central government throughout the year. It was a tough time for local authorities across the country, and they had managed to maintain essential services while continuing investment in climate change, housing and other corporate priorities. In the current climate, it was an impressive budget.

The Cabinet Member Safety and Communities added that she had been shocked to find out that councils were once again only receiving a one year funding settlement, giving them no way to plan ahead for the next five or ten years. Other councils were finding this virtually impossible to cope with and having to make major cuts. She found it really cheering that CBC was continuing to invest and create opportunities, especially for children and families. They were generating funding from other areas rather than taking cash from residents' pockets to pay for this.

The Leader added that at the LGA Conference in July of this year, the Secretary of State for Levelling Up, Housing and Communities had promised a two-year budget settlement. This promise had not made it to December.

The Cabinet Member Finance, Assets and Regeneration thanked colleagues for their warm words and highlighted the work of the finance team, who had done incredibly well considering the backdrop of uncertainty in central government and the lack of a longer settlement period. The proposals would go out for consultation now.

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

RESOLVED THAT:

1. The interim budget proposals be approved for consultation, including a proposed council tax for the services provided by Cheltenham Borough Council. The proposed Council tax for 2023/24 represents an increase of 2.99% a year for a Band D property, subject to conclusion of the consultation on the Local Government Provisional Finance Settlement;
2. The schedule of target savings and income generation at Appendix 3 be noted;
3. The proposed capital programme at Appendix 5, as outlined in Section 13, be approved;

4. Authority be delegated to the Executive Director Finance, Assets and Regeneration, in consultation with the Cabinet Member for Finance and Assets, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for public consultation;
5. Consultation responses be sought by 31st January 2023.

7. INFRASTRUCTURE FUNDING STATEMENT 2022

The Cabinet Member Customer and Regulatory Services presented the report, noting that there was a significant volume of paperwork attached to it. The council was obligated to report on how it raised, allocate and spent its Community Infrastructure Levy (CIL) funding within the borough. This had been in place for a couple of years now, and this was the second IFS he had presented.

He clarified a number of the documents that had been circulated. The IFS itself set out funds raised and allocated, in a thorough but not very user-friendly format decided by parliament. The Infrastructure List was also attached, setting out a list of projects on which the money could be spent, though it was not set in stone. The next part was the CIL Rate Summary, which was agreed alongside Gloucester and Tewkesbury district councils as part of the Joint Core Strategy, and could not be tweaked very easily. As ever, they needed to be transparent about what they were charging for different kinds of development.

He highlighted page 43 of the main pack, which contained a summary by officers of exactly what was coming in and where it was going. If possible, this would be made into an infographic for the website, giving a much more user-friendly look at the flow of funding. He thanked Tracey Birkinshaw, Liam Jones, Paul Hardiman and the rest of the officer team for the enormous amount of work it had taken to pull all this together.

In terms of the broad financial headlines, the total receipts between April 2021 and March 2022 were £980k. CIL expenditure by the borough council was £9,958, which represented roughly 5% of receipts to that point, as was allowed by statute. Just over £11k had been passed to parish councils, which was an automatic requirement, but they had retained just over £1.2m in total, made up of the leftover receipts plus money carried forward from the previous year. Of that £1.2m, roughly £49k was allocated to administration going forward, while £86k in Neighbourhood Funding collected by the council would go to parish councils on the 28th April.

He further highlighted the £77k in Neighbourhood Funding collected for unparished areas, made up of around £49k receipts from this reporting year and £28k from the previous year. He noted that roughly half of Cheltenham was unparished, and that this was relevant to the next agenda item as it would be prioritised for spending under the Neighbourhood Panel.

This left just over £1m in strategic infrastructure spending, or roughly 80% of total CIL receipts. This would be used for major infrastructure projects to offset and mitigate the impact of development and support their strategic objectives. It was not a vast pot of money for infrastructure projects, and they were in consultation with the JCS partner authorities and the county council.

He added that there had been some discussion on how this impacted on the previous system of S106 agreements, and he reassured colleagues that the county council had been consulted on this. The list of infrastructure projects provided earlier was effectively the county council's shopping list, and consisted of some £50m-£60m worth of road projects. He pointed out last year that this wasn't really what was expected from an infrastructure list, considering climate change and other key objectives like education and health.

A process had been put in place by the JCS councils to review this list going forward, and this was also detailed in the papers. He hoped that this would lead to a list more reflective of their priorities, like health and education infrastructure, and transport measures that didn't just include roads but also more environmentally friendly modes of transport. Ongoing conversations with the JCS councils and county would continue.

He highlighted last year that properly transparent governance mechanisms, and these were adopted in June. The Neighbourhood Panel prioritising funds for unparished areas now had Terms of Reference, whereas the governance process for the strategic funding would feature a Memorandum of Understanding formally agreeing how much to pool with the JCS and if they wanted to take a Cheltenham-specific percentage. This process would be approved by Council, as would the final infrastructure list will also come to Council. There were separate administration governance process keeping an eye on the 5% of funds allocated to administration.

He commended officers for the work they had put in, and hoped it would serve the borough and the wider JCS area by both supporting developments and mitigating their impact on communities, while tackling deprivation and mitigating the effects of climate change.

The Cabinet Member Finance, Assets and Regeneration clarified that if the county council were to request some of the £1m pot, this would be released. From his point of view, the community spend was key, and this all offered a real opportunity to invest in communities.

The Cabinet Member Customer and Regulatory Services added that at its best, this process would demonstrate how the local councils collaborated and listened to their communities. He hoped it would reduce the gap between parished and unparished areas, so the town's less well-represented areas were properly reflected in its outcomes. Local ward councillors would have a key role in bringing forward funding bids.

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

RESOLVED THAT:

1. The publication of the Infrastructure Funding Statement (IFS) relating to the financial year ending 31st March 2022 by 31st December 2022 be approved;
2. It be noted that the Annual CIL Rate Summary Statement will be published alongside it by 31st December 2022;
3. It be noted that the Cheltenham Neighbourhood Panel for the allocation of the unparished borough neighbourhood element of CIL will be in place by the end of this financial year;

4. It be noted that a further report will be presented by spring 2023 to include the Memorandum of Understanding for the allocation of the CIL Strategic 'Infrastructure Fund'.

8. COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD PANEL

The Cabinet Member Customer and Regulatory Services presented the report, noting that it specifically concerned the smaller portion raised that had to be spent on local neighbourhoods, and the areas which were not automatically handed over to parish councils. They wanted an open and transparent process, and so were constituting a Neighbourhood Panel made up of five members. If the political balance of the council were to be strictly replicated, there would be four Lib Dem members and one opposition member, but instead they were taking a more pluralist approach with three Lib Dems and two others. The various members of the panel would be nominated by group leaders.

The panel was expected to advertise two funding rounds each year, although he noted that with only £77k in the pot at the moment, this was the default option for now. It aimed to be an open and transparent process, where the panel would prioritise the most deserving projects with officer support, taking into account corporate objectives and the impact of development. As a fall-back, the allocations would finally be approved by Cabinet, as it was public money that needed to be spent in a way that aligned with their corporate priorities.

The Terms of Reference differentiated between smaller projects requiring a less onerous process and larger projects that might need the county council as delivery agent, and would require a stricter process. He commended it to Cabinet and other authorities as a model for how to involve communities and ward councillors in a democratic, transparent process for spending what would hopefully in the future be a significant amount of money.

The Cabinet Member Housing thanked him for bringing this report forward, and recalled when it was first mentioned a year or so ago. Officers had been key to this, and she highlighted Tracey Birkinshaw's work. Unparished areas lacked the voice that parished areas had, and it was notable that the map showing parished and unparished areas correlated strongly with the map of social deprivation in Cheltenham. She looked forward to the panels being created and hoped that bids could be submitted as early as spring 2023. She advocated community-enhancing projects, focusing on supporting wellbeing and play through infrastructure.

The Cabinet Member Customer and Regulatory Services noted that the list of wards with parished and unparished areas might need to be slightly amended. He agreed that a number of wards in unparished areas had suffered historic deprivation, and it was good to have a pot of money focused on helping those communities.

The Cabinet Member Safety and Communities noted that some areas were only partly parished, which made it a confusing system. In terms of timescale, she asked whether it would be possible for an unparished area to put a bid in for funding that covered more than one year. The Cabinet Member Customer and Regulatory Services responded that the Neighbourhood Panel couldn't prioritise funds that hadn't been raised yet, so there were some constraints there. However, they could approve funding in principle before it was necessarily secured, in order to enable organisations to raise more money. The panel itself would look at these issues, supported by the relevant officers.

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

RESOLVED THAT:

1. The Terms of Reference of the Cheltenham CIL Neighbourhood Panel be agreed;
2. Consultation with the relevant Group leaders in respect of the named representatives be delegated to the Corporate Director and Monitoring Officer;
3. The operational establishment of this panel be delegated to the Head of Planning, to be in place to review the first round of expressions of interest by spring 2023.

9. CONSTRUCTION & LEASE OF STORAGE UNIT AT BURROWS PLAYING FIELD

The Cabinet Member Finance, Assets and Regeneration presented the report, noting that Leckhampton Rovers had been granted a lease for the Burrows pavilion and a further licence for the use of the playing pitches, following the recent refurbishment project. A significant amount of work had been carried out by the Council to improve the condition of the pitches and address long standing issues of flooding, requiring ongoing maintenance for which Leckhampton Rovers had taken on responsibility. They had entered into a service agreement with the Council to cover the required elements.

The storage unit proposed in the report would enable the club to fulfil the obligations of the service agreement. Cabinet approval was required as the procurement for a contractor to undertake the work in a public open space would be undertaken by the council but funded by the football club. Once completed, the Council would grant a lease of the unit to Leckhampton Rovers, who would take on responsibility for maintenance and management of the site. He emphasised that to date, this project had been a great example of how the council could work with groups and organisations to deliver benefits for local communities.

The Cabinet Member Waste, Recycling and Street Services welcomed the report as the latest small step in a multi-year program of substantially council-led work improvements to Burrows Playing Field. These improvements had been achieved through cooperation between three levels of councils, alongside Leckhampton Rovers FC and local businesses. Both the building of the BMX track and the installation of the compacted gravel footpath had been led by citizens' initiatives and were now hugely popular. Now the sports field itself had benefitted from a massive investment in levelling and drainage. It was a great success story for the Leckhampton community, and he thanked all those involved.

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

RESOLVED THAT:

1. A contract be awarded to the preferred bidder of the Invitation to Tender, using the recommended CBC Procurement route – subject to adequate funding being in place to cover all costs associated with the build;
2. A Public Notice be placed, pursuant of Section 123(2A) of the Local Government Act 1972, in respect of the granting of a new lease of the completed unit;

3. Should no objections or representations be received, the Head of Property be authorised to prepare and grant a new lease of the storage unit to Leckhampton Rovers Football Club for a peppercorn rent, to run co-terminously with their existing lease and licence.

10. HOUSEHOLD RECYCLING CENTRE SERVICE CHANGES

The Cabinet Member Waste, Recycling and Street Services presented the report, noting that provision of Household Recycling Centres (HRCs) was a statutory requirement for the county council under the Environmental Protection Act of 1990. GCC provided five HRCs across the county, with the site at Wingmoor Farm in Bishop's Cleeve being the closest to Cheltenham borough. While the borough council had no statutory requirement to provide an HRC, they continued to entirely fund the Swindon Road site for the sole use of residents. CBC was the only district council in Gloucestershire, and maybe the only one nationally, to provide a discretionary and high quality HRC, enhancing the offer for Cheltenham residents, supporting corporate priorities related to the environment and encouraging residents to recycle and reduce waste.

Following the pandemic, much had changed for residents and for the council. Given the reduction in site usage and increasing budgetary pressures, it was appropriate to review the HRC and its post-pandemic usage, along with cost of providing its services. The results of previous public consultations and site usage data had informed the report, which recommended a reduction in site opening hours to deliver the financial savings required. The proposed changes to opening hours would reduce energy costs to support the climate emergency and relieve budget pressures by approximately £35k per year.

He added that exploring the introduction of a wider range of recycling opportunities at the HRC would support their ambition to reduce amount of residual waste disposed of at the site, and provide opportunities with partners to promote behaviour change around waste reduction and reuse as well as recycling.

The Cabinet Member Economic Development, Culture, Tourism and Wellbeing reiterated that the borough council provided the HRC on a discretionary basis, and was going above and beyond as the only council in the county and maybe the country to do so. The proposed changes were sensible in the current circumstances.

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

RESOLVED THAT:

1. The opening times of the household recycling centre set out below be approved, to better reflect post-pandemic site usage with effect from 1 February 2023 with no summer or wintertime variations:

Monday – 8.30am – 4pm
Tuesday – 8.30am – 4pm
Wednesday – CLOSED in line with Gloucestershire County Council sites
Thursday – 8.30am – 4pm
Friday – 8.30am – 4pm

Saturday – 8.30am – 3pm

Sunday – 9am to 12 noon

2. Authority be delegated to the Director-Place and Communities, in consultation with the Cabinet Member for Waste, Recycling and Street services, to:
 - a) take all necessary steps to implement recommendation 1, these measures may include the introduction of a booking system for HRC users;
 - b) implement initiatives to maximise waste reduction, re-use and recycling opportunities for residents in Cheltenham to support its climate emergency priority.

11. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Economic Development, Culture, Tourism and Wellbeing congratulated 288 Bar and Wok for hosting their first community lunch on the 20th December. Everyone paid what they could afford, up to £5, and there had been a wonderful atmosphere with a diverse section of the local community coming together just before Christmas. He had found it heartwarming and looked forward to attending again in the New Year, and noted that it helped people cope with both isolation and the cost of living crisis.

The Cabinet Member Housing thanked CBH and CBC colleagues for their help throughout the year in her new portfolio, and wished everyone a very happy festive period and all the best for 2023.

Decisions of Cabinet Members

The Cabinet Member Waste, Recycling and Street Services had taken two decisions on 15th December, the first to award a contract to Marshall Peugeot Peterborough for the supply of two 3.5 tonne Peugeot Boxer Chassis Cabs, and the second to award a contract for the supply of two refuse collection vehicles. These purchases were part of their strategic vehicle replacement program, the finances for which had already been approved by the Cabinet Member Finance, Assets and Regeneration.

The Cabinet Member Customer and Regulatory Services had taken a decision on 20th December to approve the Draft Statement of the Graffiti Policy for Consultation, and consisted of a set of tweaks rather than a drastic rewrite. He added that on one level, graffiti policy seemed like a simple question – it was a menace that ought to be gotten rid of as soon as possible – but the reality was more nuanced than that. The existing policy was sensitive to the need for particularly offensive or threatening graffiti to be removed as a matter of priority, but it also needed to consider the potential difficulties in removing graffiti from important heritage buildings. The draft policy was also sensitive to town values like those of the Paint Festival, and made a clear distinction between unwelcome graffiti and street art. He highlighted notable works of street art in the town, and looked forward to hearing the responses to the consultation.

12. LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS

Members resolved to move into exempt session.

13. EXEMPT MINUTES

The exempt minutes of the meeting held on 6th December 2022 were approved and signed as a correct record.

Chair

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Cheltenham Borough Council

Cabinet – 14th February 2023

Housing Revenue Account (HRA) Business Plan 2023-2028

Accountable member:

Cabinet Member for Housing, Councillor Victoria Atherstone

Accountable officer:

Housing Strategy and Partnerships Manager, Martin Stacy

Accountable scrutiny committee:

n/a

Ward(s) affected:

All

Key/Significant Decision:

No

Executive summary:

Our proposed Housing Revenue Account (HRA) Business Plan sets out our key priorities over the next 5 years. It is informed by a 30-year financial model, which is maintained and updated regularly in order to ensure the HRA remains financially viable over the long term.

This HRA Business Plan has been developed in partnership with Cheltenham Borough Homes (CBH) and in consultation with our tenants and a wide range of stakeholders. It has also been shaped by the Council's Corporate Plan (2023-27), and set in the context of significant regulatory change (following on from the government's Social Housing White Paper) and economic challenges arising from the Covid-19 pandemic, the war in Ukraine and subsequent cost of living crisis.

Our HRA Business Plan sets out how we will support our tenants, and their families, to live in well maintained and sustainable homes, which will be safe, secure, and of a high quality. It also sets out how we will increase the provision of affordable homes by delivering an additional 450 affordable homes over the next 5 years, in line with our Corporate Plan.

Developing stronger, more resilient communities will continue to remain at the heart of what we do. We

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will work with tenants and partners to reduce social isolation, provide cost of living support, and improve life opportunities for our tenants. We will also ensure that existing communities benefit from the economic opportunities generated by the Golden Valley development.

A key priority within our Corporate Plan is for Cheltenham to be carbon net zero by 2030. The HRA Business Plan will support this by:

- Delivering carbon net zero new homes on Council (CBC) owned land-led sites;
- Investing in the retrofit of existing homes so that all our CBC-owned homes have an EPC C rating or higher by 2030 (currently over 800 CBC-owned homes have an EPC rating of D or lower);
- Supporting our communities to become more environmentally conscious by reducing waste and increasing recycling;
- Reducing CBH carbon emissions so that CBH is carbon net zero by 2030.

In order to deliver against our priorities, CBH will continue to drive value for money throughout its business. In particular, CBH has targets to deliver high performance and satisfaction levels, whilst maintaining costs at median cost per property levels, or better, against a range of Key Performance Indicators and Tenant Satisfaction Measures, as benchmarked against similar housing organisations across the country. These performance indicators are set out in Appendix 2a of this report.

Further synergies and efficiencies will also continue to be explored as part of CBC and CBH's Stronger Partnership Programme, details of which are captured within our HRA Business Plan.

Subject to Council's approval of our HRA Business Plan, CBC will ensure that further approvals are obtained, as required, to support the delivery of key projects and initiatives arising from this plan.

Recommendations

That Cabinet:

Approves the strategy as set out in the HRA Business Plan 2023-28, and as detailed in Appendix 2 of this report

1. Implications

1.1 Financial implications

The Housing Revenue Account (HRA) is a ring-fenced account within the Council's General Fund, which is used for all transactions relating to Cheltenham's council homes. In almost all instances, with the exception of regeneration, income generated from these council homes has to be kept in the HRA and used for the purpose of maintaining and investing in existing homes, building new homes and delivering services to tenants and leaseholders.

The aims and priorities over the next five years, as set out in this HRA Business Plan, are modelled over a 30-year term to understand the financial impact of the investment aspirations within this plan, and to ensure that the HRA remains financially viable. The assumptions within the model are updated annually as part of the budget setting process. This financial model is also used to stress test the HRA to understand the key financial risks, which need to be managed both in the medium and in the long term to ensure the HRA remains viable. For more detailed information, please refer to Section 4.1 of this report, and to the Finances section within the HRA Business Plan at Appendix 2.

Signed off by:

Paul Jones, Executive Director Finance, Assets and Regeneration; 01242 264365;
paul.jones@cheltenham.gov.uk

1.2 Legal implications

There are no legal implications arising as a direct result of this report. There will be legal implications resulting from the actions required to deliver the business plan and further approvals will also be required. Legal advice should be sought at an early stage.

Signed off by One Legal; legalservices@onelegal.org.uk

1.3 HR implications

There are no HR implications as a direct result of this report

1.4 Environmental and climate change implications

The HRA Business Plan is key in supporting CBC's ambition to reduce Cheltenham's carbon emissions to net zero by 2030. This ambition runs throughout the aims, and the period, of this Business Plan.

A Climate Impact Assessment has been completed detailing the impact the delivery of the plan will have on emissions. Please see Appendix 3 of this report. In addition, any specific projects and initiatives that are developed as a result of HRA Business Plan will, where applicable, be evaluated using our Climate Impact Assessment toolkit.

Signed off by: Laura Tapping, Climate Emergency Programmed Officer; 01242 264263;
laura.tapping@cheltenham.gov.uk

1.5 Property/asset implications

As set out in this report and in the HRA Business Plan. Separate approvals will be sought, as required, for any specific initiatives/proposals that impact on our assets.

Signed off by: Gemma Bell, Director of Finance and Assets (Deputy s151 Officer), 01242 264124; gemma.bell@cheltenham.gov.uk

1.6 Corporate policy framework implications

The HRA Business Plan will support a number of key priorities within our Corporate Plan. This includes:

- Delivering 450 new affordable homes as part of our £180m housing investment plan;
- Delivering net carbon zero homes on development schemes that are within our control;
- Retrofitting our existing CBC housing so that all our homes have a EPC rating of C or above;
- Alignment to our Golden Valley Development and embedding social value into new and existing communities;
- Creating stronger, more resilient communities, and in particular supporting communities through the cost of living crisis; and
- Improving efficiencies and creating opportunities for income generation.

A fuller breakdown of the HRA Business Plan's alignment with our Corporate Plan is set out in Appendix 2 b 'Shaping the Plan'.

Signed off by: Ann Wolstencroft, Head of Performance, Projects & Risk 01242 264158
ann.wolstencroft@cheltenham.gov.uk

2. Promoting equality and reducing discrimination

Projects and initiatives taken forward from the HRA Business Plan will be subject to equality impact assessments (where applicable) to ensure decision makers fully understand the impact of any decisions made. A high level impact assessment is provided at Appendix 4, which concludes that the Business Plan will not discriminate, either directly or indirectly.

3. Performance management – monitoring and review

Key activities identified within this Business Plan will be captured within our Housing, Homelessness and Rough Sleeping Strategy Action Plan, which is scheduled to be approved by Cabinet in July 2023. This Action Plan will be updated annually. Progress against our HRA Business Plan, both in terms of meeting targets and key activities, will be reported to Cabinet and to Council annually via the HRA budget setting process.

In addition, there will be regular strategic and operational meetings throughout the year between CBC and CBH to oversee progress and to ensure our priorities are delivered.

Within CBH, performance will be monitored via its Board, and where relevant and appropriate, both its Audit & Risk Committee and Tenant Scrutiny and Improvement Panel.

More details of the monitoring and review arrangements are provided in the HRA Business Plan at Appendix 2.

4. Background

4.1. The HRA Business Plan sets out our strategic plans for CBC's housing stock over the next 5 years. It is informed by a 30 year financial model, and this is maintained and updated regularly in order to ensure the HRA remains financially viable over the long term.

- 4.1.1 The current cost-of-living crisis and financial turbulence has had a major impact on the HRA. Excess cost inflation, increased interest payable, energy costs and additional compliance expenditure will increase overall expenditure in the HRA by £2.5m in 2023-24. Whilst rental income will also be increasing, it has been capped at 7% for 2023/24 resulting in an effective breakeven position in Year 1 of the plan and then projected operating surpluses, which are reinvested back into the HRA in future years, based on the development of new homes during the plan period.
- 4.1.2 The long-term impact of this high inflation and capped rent is substantial on the 30-year outlook with capacity in the HRA reducing by an estimated £92m.
- 4.1.3 This reduced capacity in the HRA means that the scale and pace of investment in existing and new homes needs to be carefully managed over the plan period to ensure that vital services to customers and communities are protected.
- 4.1.4 Whilst the scale and pace of investment needs to be managed appropriately, the HRA Business Plan demonstrates the Council's commitment to our ambitious plans for delivering new homes, improving the quality of existing homes and protecting services for our customers and communities for the benefit of Cheltenham through this challenging period.

4.2. This HRA Business Plan will play a significant role in supporting CBC's priorities as set out in our Corporate Plan. It has also been shaped by significant customer and stakeholder engagement, as outlined in section 9 of this report (below), and as detailed in Appendix 2 b 'Shaping the Plan'. In addition, this Business Plan has been set in the context of a significantly changing regulatory environment, following the publication of the government's social housing white paper. Nationally, these new regulatory changes will both strengthen building safety and improve standards for tenants, whilst also increasing transparency and providing clearer accountability.

4.3. Given that our ambitions for Cheltenham are against a backdrop of significant regulatory reform and financial challenges, our HRA Business Plan will need to work even harder to find more efficiencies whilst maintaining high levels of performance and satisfaction. To do this, CBC and CBH will continue to embed and strengthen our partnership to find even more effective ways of working together. This could be through, for example, the delivery of shared community priorities, improving our procurement processes, and by exploring other synergies such as ICT provision, as set out in our HRA Business Plan.

4.4. In addition, CBH will continue to drive other efficiencies by:

- Embracing technology to enhance further our customer focussed services by making them more efficient and accessible; and
- Identifying funding and income generation opportunities by exploring new business services.

5. Private Rented Accommodation (non-HRA, income-generating activities)

5.1. In October 2018, Council gave approval for CBC to enter into a loan facility agreement with CBH to enable the delivery of both affordable and private rented accommodation within the Borough. This

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was an important decision as it enabled CBH to expand into the private rented sector, via the use of this loan facility with CBC. Our ambition to expand into this sector is based on the recognition that CBH is well placed to provide, and manage, quality homes in the private rented market on a long-term letting basis. (Typically, homes in the private rented sector are let on a short term basis, meaning that many households lack security of tenure and are therefore unable to feel settled in their communities.)

- 5.2. In December 2020, CBH were successful in securing its first private rented venture: a block of flats; refurbished and reconfigured to provide a total of 13 one and two bedroom homes. Going forward, we will continue to explore the delivery of more PRS homes, via individual and/or bulk property acquisitions, as well as through direct delivery on future mixed tenure developments developed on CBC-owned land.
- 5.3. This income generating initiative has the potential to benefit the HRA in that any surpluses could be used to reduce CBH's Management Fee.
- 5.4. Appendix 2c sets out our strategic position in more detail, and commits to reviewing current financial assumptions, with a view to increasing our PRS delivery further.

6. Reasons for recommendations

- 6.1. Our HRA Business Plan must remain relevant, taking account of current challenges and opportunities that have arisen both locally and nationally, whilst ensuring alignment with CBC's Corporate Plan 2023-27.

7. Alternative options considered

- 7.1. Without this HRA Business Plan, CBH will be operating without an up to date framework of priorities and objectives. It is, therefore, an important document that sets out our strategic direction and prioritisation of our resources.

8. Consultation and feedback

- 8.1. A comprehensive consultation exercise with key stakeholder involvement has been run by CBH to help inform the strategic aims and objectives of the HRA Business Plan.

These include:

- Customer focus groups;
 - Engagement with a wide range of local partners, such as GARAS (Gloucestershire Action for Refugees and Asylum Seekers), Family Space / Feed Cheltenham, Young Gloucestershire and The Cheltenham Trust;
 - Ward Councillor and Cabinet members, CBH Board and key officers within CBH;
 - Collation of 2 years of tenant 'insight' data, from which 2,000 tenants were asked, 'What can CBH do to improve?' These insights from tenants have been used to inform CBH's core business activities on an ongoing basis, and have also been instrumental in helping to provide insight into some of the priorities within this HRA Business Plan.
- 8.2. Key messages include: building more homes; strengthening the repairs and maintenance service; further improving the quality of our homes; supporting the delivery of carbon net zero; enhancing our

community engagement mechanisms; and increasing digital access to services, all of which have been built into our updated HRA Business Plan.

8.3. For more details of the Consultation, and feedback, please see Appendix 2 b of this report entitled, 'Shaping the Plan.'

9. Key risks

9.1. Please see Appendix 1 of this report.

Report author:

Martin Stacy, Housing Strategy and Partnerships Manager, martin.stacy@cheltenham.gov.uk

Stafford Cruse, Head of Finance and IT, stafford.cruse@cbh.org

Appendices:

1. Risk Register
2. HRA Business Plan 2023-2028
 - a. KPIs by VFM theme
 - b. Shaping the Plan
 - c. PRS approach
 - d. Glossary
3. Climate Change Impact Assessment
4. Equality Impact Assessment

Background information:

n/a

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
CBH 15	If the HRA business plan becomes financially unviable, then the scope and level of services delivered will require reviewing, the ability to provide new build properties will be restricted and scope and timing of the capital programme will need to be reviewed.	Martin Stacy	5	3	15	Reduce	Performance reporting Robust financial viability assessments Active asset management strategy in place Up to date HRA business plan Stress testing of business plan Up to date capital programme Annual budget and planning exercise	Executive Director (Finance & Resources) (CBH)	Ongoing
CBH 27	If there are less effective systems, structures and processes ensuring H&S	Martin Stacy	5	2	10	Reduce	Big 6 specialist audit programme in place	Executive Director (Property &	Ongoing

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	and property compliance, then there will be a danger to employees, customers and general public leading to injuries and or death with potentially significant fines and prosecution.						Corporate risk assessments up to date Health, wellbeing and safety annual policy statement Use of personal safety devices H&S managers current assessment of H&S & compliance	Communities) (CBH)	
CBH 9	If the partnership between CBC/CBH is not positive and collaborative, then this will reduce both partners' ability to deliver key aims of the HRA Business Plan.	Martin Stacy	3	3	9	Reduce	Management agreement and schedules Annual budget and planning exercise CBC-CBH Meeting protocol CBC Member attends CBH Board	CEO (CBH)	Ongoing

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
							Share business performance information with CBC		
CBH 11	If we do not maintain mechanisms to seek out and act on customer engagement and maintain the quality of services shaped by that feedback, then there will be falling levels of customer satisfaction and reputational impact, costs will increase and targets will fail to be met, with increasing scrutiny from the Regulator for Social Housing.	Martin Stacy	3	3	9	Reduce	Regular tenancy visits Annual costs and performance exercise Business performance reporting Regular performance benchmarking Business monitoring system in place Customer service standards in place Tenant Scrutiny Improvement Panel in place	Executive Director (Property & Communities) (CBH)	Ongoing



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HRA Business Plan

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Foreword

The long-term Vision for this Housing Revenue Account (HRA) Business Plan is to build a better future for Cheltenham by providing great homes and stronger communities. This plan will ensure there are more affordable and increasingly sustainable homes available, that council tenants will live in high quality homes with excellent services, and that communities are supported to increase opportunity and resilience. This is underpinned by the need to ensure the ongoing viability of the HRA, and the council's ambition for Cheltenham to be CarbonNetZero by 2030.

This five-year HRA Business Plan is part of a 30-year financial plan and will be delivered by our arms-length management organisation, Cheltenham Borough Homes Ltd (CBH). CBH has a record of high-quality delivery and tenant satisfaction, making a difference to the lives of thousands of people across the town. We maintain a strong collaborative relationship with CBH, a trusted local partner and employer with very positive local and national recognition. This plan has been developed with CBH in response to insight gained from our tenants and stakeholders and has been informed by national and local pressures and opportunities to ensure that the right outcomes are being aspired to.

Victoria Atherstone
Cabinet Member
for Housing

CBH maintains a significant and influential position in the lives of thousands of residents across Cheltenham and has developed a high level of trust and satisfaction with our tenants, not only because of what it delivers but how this is done. CBH has a clear sense of purpose that places people at the heart of its activities, inviting their feedback and acting on that, supporting them to maintain their homes and take advantage of opportunities to enhance their lives.

It will be vital that CBH continues to listen closely to the needs of tenants and act appropriately, that it works hand in hand with the council to deliver change and takes advantage of opportunities to add value in support of wider local agendas, whilst ensuring regulatory compliance.

This is a time of significant and ongoing macroeconomic and operating environment change for CBC, CBH and our tenants, and this is predicted to continue for several years. As such careful and ongoing assessment is required to ensure that the pace and scale of the aspirations captured within this document are adjusted so that the longer-term viability of the HRA is protected for our tenants, whilst excellent landlord services and wider support for our tenants during a time of need is delivered.

Steve Slater
CBH CEO

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Introduction

Cheltenham Borough Council (CBC) has developed this five-year Housing Revenue Account (HRA) Business Plan for 2023 to 2028 together with Cheltenham Borough Homes Ltd (CBH), and in partnership with other key stakeholders through a collaborative consultation approach. It sets out the strategic Vision and Aims for our Arms-Length Management Organisation (ALMO) CBH to deliver on our behalf for the next five years of the thirty year financial plan for the HRA



This HRA Business Plan identifies how, together with CBH, we can continue to evolve in response to a rapidly changing national environment and social housing sector, understand and meet customers' needs, and continue to provide more affordable, sustainable and high-quality homes, and create stronger and more resilient communities, building a better future for Cheltenham. CBH will continue to achieve high performance and satisfaction levels, ensuring 100% legislative compliance, and maintaining a HRA that is viable in the long term. The HRA Business Plan is well placed to support the five CBC key priorities from the Corporate Plan (2023-2027) and has been developed to ensure the outcomes contribute to and support the wider strategic aims for Cheltenham. This plan is key in supporting the ambitions to reduce Cheltenham's carbon emissions to net zero, to build a better future by leaving a legacy of sustainability for future generations. This ambition runs throughout the three aims of the business plan and is a focus for the next five years, to work with CBH to make Cheltenham net zero.

It has been produced at a time of unprecedented and ongoing change for social housing, which includes substantial regulatory changes as a consequence of the Social Housing White Paper; and socio-economic impacts following the Covid-19 pandemic, and as a consequence of the emerging cost of living crisis. The ambitions of this plan must be balanced against this challenging backdrop, and we are committed to proactive and ongoing dialogue with CBH during the delivery of the plan to get the scale and pact of investment in the HRA right. CBH will maintain a clear forward look across the priorities and challenges to inform those discussions and be flexible and agile to respond to changes where necessary.

It is vital customers' voices are at the centre of service development and delivery and CBH will ensure customers have opportunities to make their voices heard, listen carefully to what they have to say about their needs, or what CBH has got right or wrong, and then act on that feedback. CBH has the privilege of working daily in peoples' homes and communities and being an important part of their lives, helping them overcome challenges and provide contact and wider support. It is vital they remain people-focused, treat people well and foster openness and trust, and demonstrate a caring and proactive approach.

Shaping the plan

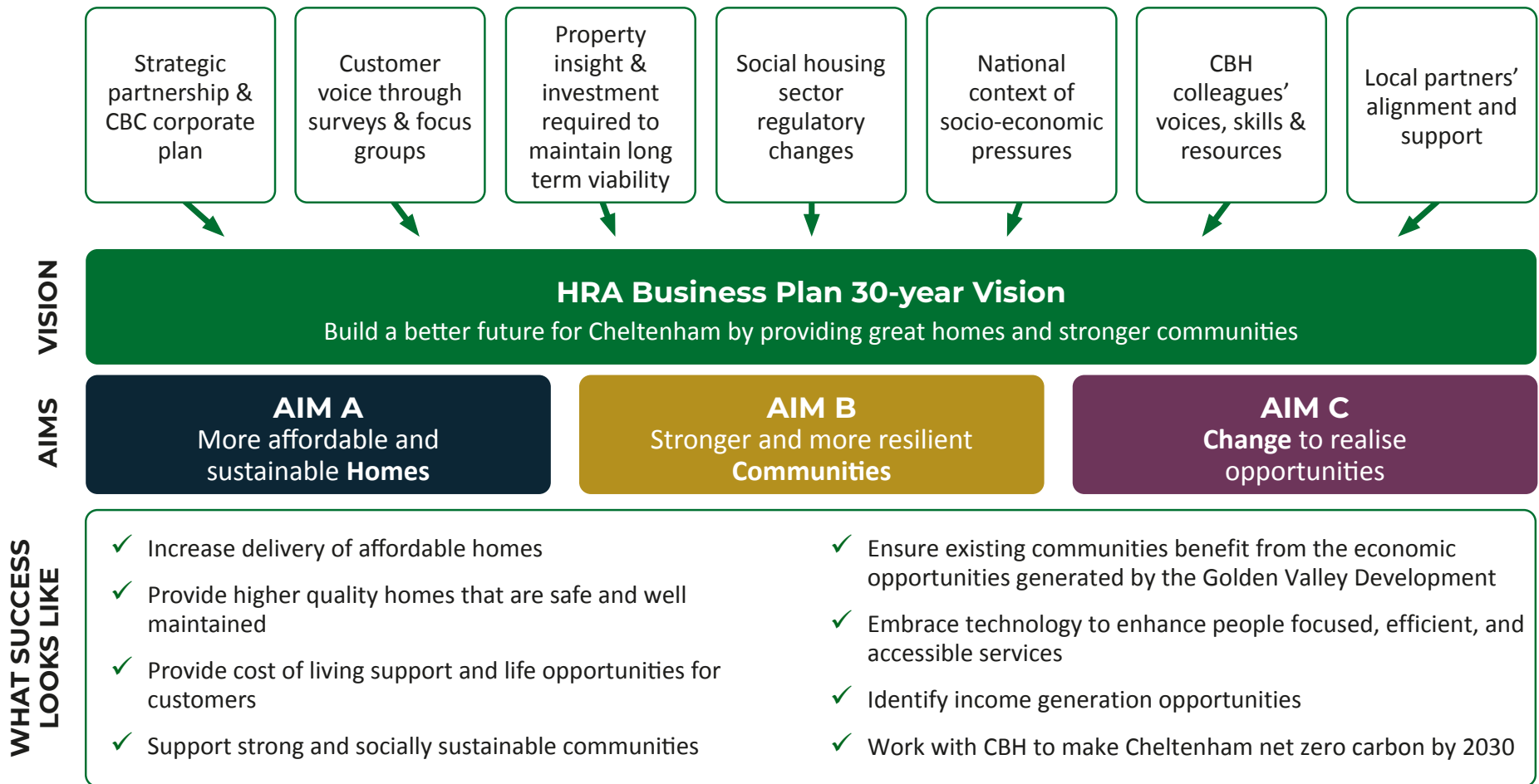
The strategic aims and outcomes of the HRA Business Plan have been arrived at with key stakeholder involvement and have been shaped by insight and considerable input by listening to the views across our partnerships. This includes alignment to;

- the Corporate Plan
- Climate emergency Supplementary Planning Document (SPD)
- customer consultation feedback
- property insight linked to the CBH Asset Management Plan,
- CBH colleague feedback
- local priorities for our partners in Cheltenham
- housing sector specific insight specifically around regulatory changes and increased scrutiny
- national policy changes and consideration of the socio-economic pressures and understanding their financial impact for Cheltenham

Appendix B provides detail on each of these insight areas, demonstrating the consultative and collaborative journey behind the detail within this HRA business plan, ultimately giving assurance of our ability to deliver services, investment and support, where it is needed most in our communities.

Delivery Plan

The aims and outcomes of the HRA Business Plan will be implemented and delivered over the course of the next five years. Most of the identified outcomes are either in progress or will be progressed within year one of the plan. The journey towards achieving each measure of success will be reported upon in the annual monitoring process. Any outcomes that have not progressed in year one will be highlighted through the same reporting mechanisms.





DELIVERING AIM A:

More affordable and sustainable homes

We will support tenants and their families to live in well maintained and sustainable homes. These will be safe, secure, and of a high quality. In partnership with CBH we will proactively seek to increase the delivery of more affordable and sustainable homes for the town, by delivering a multifaceted approach through council owned land-led schemes wherever possible to enable better place shaping, good design, stronger communities and to meet the council's net zero carbon delivery target, as well as progressing Section 106 with developers and other acquisitions.

What success looks like

- ✓ Increase delivery of affordable homes
- ✓ Provide higher quality homes that are safe and well-maintained
- ✓ Work with CBH to make Cheltenham net zero carbon by 2030

Measures of success

- ✓ Delivered 450 additional affordable homes (over 5 years)
- ✓ Invested a further £80m of the £180m Housing Investment Plan
- ✓ Maintained 100% decent homes (of the current decent homes standard)
- ✓ Delivered 100% compliance on building safety Tenant Satisfaction Measures (TSMs)
- ✓ Worked towards delivering 100% of EPC C by 2030
- ✓ Delivered carbon net zero new homes on 100% of CBC land-led sites

Increase delivery of affordable homes

- ✓ Working in partnership with CBH, we are increasing the number of affordable homes through our £180m housing investment plan, which will continue to increase the number of affordable net zero carbon homes on CBC owned sites and seek to achieve additionality on these sites.
- ✓ Continue to work in close collaboration with CBH to deliver affordable homes on the Golden Valley Development, as part of CBC's overall land led development
- ✓ Acquisition of homes for sale, such as ex-council homes, for conversion into affordable housing.
- ✓ Work in partnership with CBH to seek to reduce long-term empty homes across Cheltenham e.g. through Compulsory Purchase Order.
- ✓ Explore opportunities to secure 'additionality' on s.106 schemes by working with private developers to acquire additional affordable homes over and above that which would be delivered through the s.106 agreement alone.
- ✓ Maximise opportunities for regeneration and redevelopment of housing estates and other sites across Cheltenham, which could include investigating changes in the use of land around the town.

Provide higher quality homes that are safe and well-maintained

- ✓ Respond to new and existing legislation, meeting property compliance and health and safety standards, including embracing a new pending Decent Homes Standard (DHS).
- ✓ Enhance the responsive repairs and maintenance service to increase customer satisfaction through the delivery of excellent services, alongside ensuring maximum value for money through process, cashable and non cashable efficiencies.
- ✓ Review our void standard for all new customers who move into our properties by involving customers, colleagues and partners to share ideas for improvement.
- ✓ Develop the net present value (NPV) analysis of homes by including wider active asset management principles within the modelling exercise.

Work with CBH to help make Cheltenham carbon net zero

- ✓ Invest in the retrofit of existing homes to EPC C through a fabric first approach, to make them as energy efficient as possible for the benefit of customers and reduce fuel poverty, while also increasing biodiversity and green initiatives to mitigate the climate emergency.
- ✓ Deliver net zero carbon homes on 100% of CBC owned land-led sites.
- ✓ Seek to improve the specification of our S106 affordable homes acquisitions from private developers to help further secure our aspirations to achieve carbon net zero homes.

DELIVERING AIM B:

Stronger and more resilient communities

We will support strong, healthy, and socially sustainable communities by working with customers and local partners to bring people together, reduce social isolation, increase resilience, and support all individuals within the community who need it. This will be enabled through improvement initiatives and joint community priorities, delivered through shared community investment plans with CBH which will improve customer and community outcomes

What success looks like

- ✓ Provide cost of living support and life opportunities for customers
- ✓ Support strong and socially sustainable communities
- ✓ Ensure existing communities benefit from the economic opportunities generated by the Golden Valley development
- ✓ Work with CBH to make Cheltenham net zero carbon by 2030

Measures of success

- ✓ Delivered 1% of social value from open HRA procurement activities
- ✓ Helped over 500 customers into employment and training
- ✓ Generated £8m income on behalf of customers supported with benefit & money advice
- ✓ Utilise funding opportunities available to CBH to expand community resource base

Provide cost of living support and life opportunities for customers

- ✓ Explore external funding opportunities to review and grow the training and employment service offer with a focus on tailoring services to meet individual communities' needs' by engaging with residents and local businesses, for example with schools and Gloucestershire College to explore net zero retrofit collaborations.
- ✓ Develop the benefit & money advice service and link with other advice services in Cheltenham to increase support available for our most vulnerable customers and residents across our town through awareness raising sessions delivered with local partners and schools.
- ✓ Explore and invest in opportunities for further support for customers during the cost-of-living crisis and work with partners to deliver a collaborative approach for customers and residents.

Support strong and socially sustainable communities

- ✓ Continue to build trust and resolve anti-social behaviour and crime issues through collaborative and proactive working between our neighbourhood teams, CBH ASB team, with customers and other key partners such as the Police.
- ✓ Grow support for the most vulnerable customers and deliver more initiatives such as; Adverse Childhood Experiences (ACEs), Housing First and health related opportunities and support for refugees.
- ✓ Expand support for customers to work closely with each other and partners, to take ownership of their communities and create more sustainable neighbourhood led groups.
- ✓ Enhance targeted youth provision, using data and insight into our neighbourhoods to provide the right support at the right time.
- ✓ Develop shared community investment plans in partnership with CBH, focusing on social isolation, financial hardship, young people via No Child Left Behind, mental health and wellbeing via Heads Up, women and girls feel safe and respected, and collaborate in support of a sustainable community facility for St Peters & the Moors.
- ✓ Deliver and embed social value into new and existing communities through investment and procurement activities.

Ensure existing communities benefit from the economic opportunities generated by the Golden Valley development

- ✓ Employ a shared engagement worker to will build relationships between local residents, community groups and cyber-tech businesses.
- ✓ Work with partners including schools and colleges to build excitement and enthusiasm within the local community and create awareness of future opportunities.
- ✓ Ensure the local community has opportunities to influence the shape of Golden Valley plans through effective and accessible engagement.

Work with CBH to help make Cheltenham net zero

- ✓ Support communities to become more environmentally conscious by working with partners through, for example, neighbourhood works programmes to deliver improved waste reduction and recycling.
- ✓ Manage communal spaces to increase biodiversity gain through projects.

DELIVERING AIM C:

Change to realise opportunities

To meet the current and future challenges whilst continuing to deliver high performance and high satisfaction at median cost, CBH needs to evolve as a business. CBH needs to unlock the potential in colleagues, processes, and partnerships to deliver more efficient and effective services from our finite resources and increase the positive impact on customers' lives.

What success looks like

- ✓ Embrace technology to enhance people focused, efficient and accessible services
- ✓ Identify income generation opportunities
- ✓ Work with CBH to make Cheltenham carbon net zero

Measures of success

- ✓ Ensured 100% of customer facing processes are digitally enabled
- ✓ Increased number of digital transactions year on year
- ✓ Maximised government funding income
- ✓ Identified new income generating business opportunities
- ✓ Worked towards reducing CBH carbon emissions to be carbon net zero by 2030

Embrace technology to enhance people focused, efficient, and accessible services

- ✓ Extend our mobile device technology to deliver enhanced services outside of the office, to improve the overall customer experience and meet regulatory changes.
- ✓ Develop systems and streamline processes to deliver efficiencies and improve the customer journey, quality of services and data.
- ✓ Enhance the use of data in decision making, resource allocation and shaping service delivery.
- ✓ Develop services to become more digitally accessible while maintaining face to face and telephone contact to meet the understood needs of customers.

Work with CBH to help make Cheltenham carbon net zero

- ✓ Deliver initiatives to reduce CBH's business impact on the environment through decarbonisation of the fleet, reduction of energy use, sustainable transport and continue to progress 'green procurement'.
- ✓ Improve ability to monitor CBH's carbon footprint and achieve a reduction in overall carbon emissions.
- ✓ Use CBC's Climate Impact Assessment tool to ensure we are appropriately considering climate implications in project decision making.

Identify funding and income generation opportunities

- ✓ Maximise opportunities available from government funding through Homes England to support the delivery of new homes.
- ✓ Maximise opportunities available from the Social Housing Decarbonisation Fund to retrofit existing housing stock by continuing to bid for all available funding.
- ✓ In partnership with CBH, create opportunities to lobby the Government on the levelling up agenda which could open funding and income opportunities to support our communities in Cheltenham, which often fall into the top 10% of deprivation across the country.
- ✓ Maximise PRS opportunities on CBC led strategic sites, including the Golden Valley Development, which supports the delivery of mixed tenure schemes while generating income to be used for social purposes.
- ✓ Work with developers to maximise PRS opportunities on private owned schemes. Appendix C refers to a more detailed approach to PRS opportunities.
- ✓ Understand external funding opportunities to grow services and resource base.
- ✓ Understand income generating opportunities by exploring new business services, such as potentially rolling out some core services into the wider Cheltenham market.



Ability to deliver the plan

In order to deliver the vision, aims and outcomes of this HRA business plan, CBH must maintain and develop a clear sense of purpose that places tenants at the heart of its activities, inviting their feedback and acting on that, whilst supporting them to maintain their homes and take advantage of opportunities to enhance their lives. It must maintain strong working relationships with key partners, and ensure employees are inspired and engaged, supported by suitable systems using high quality data.

There are key enabling principles CBH need to continue to develop and put in place to be successful, these include

- ✓ Embed and strengthen the CBC CBH stronger partnership working, to enable ongoing collaboration between both organisations
- ✓ Offer new opportunities to listen and act to customer voices and embed throughout CBH to improve services
- ✓ Celebrate the diversity of customers and support equality of opportunity for all
- ✓ Engage and inspire colleagues for CBH to be an employer of choice

Embed and strengthen the CBC CBH Stronger partnership working, to enable ongoing collaboration between both organisations

CBC and CBH have enjoyed a long and successful partnership. In the context of the national, sector and local challenges in the current environment as set out in this business plan it is, critical the partnership between CBC and CBH continues to evolve so we are in the strongest position to support tenants, customers and the wider community.

In 2020, CBC undertook a review of its housing services which provided a series of recommendations that presented opportunities as to how the partnership between CBC and CBH could be strengthened and adapted so that both organisations could maximise the potential benefits of closer working. Ultimately the overarching goal by working more closely together is to enhance the collective capacity and ability to deliver for Cheltenham's communities while also driving efficiencies and improved value for money.

A key enabler of this business plan will be the successful embedding of this partnership working, enabling true collaboration between both organisations. To achieve this CBH and CBC are committed to using the annual business planning and priority setting processes to ensure resources and capacity are prioritized and targeted to enable successful delivery of agreed initiatives. In addition to this, there is a joint commitment across CBC and CBH to reflect on and review organisational cultures to help support, strengthen, and deliver the ethos of true partnership working. Together we will do this by;

- Working together closely to embed the new joint communications team in both organisations
- Continuing to work in partnership aligning CBH activities with the CBC Climate Emergency Action Plan: Pathway to Net Zero
- Sourcing, delivering and embedding social value throughout the communities of Cheltenham
- Supporting joint cost of living opportunities
- Delivering shared community priorities
- Exploring synergies that arise from joint working for example, considering ICT provision and solutions
- Continuing to work in partnership to improve procurement processes and activities
- Working closer together on Housing Supply through the county Strategic Housing Development Group and Cabinet Member working group
- Delivering the final £178k of the agreed £487k of savings of which £309k has already been achieved by CBH

Offer new opportunities to listen to customer voices and embed throughout CBH to improve services

- Embed and deliver the customer involvement and engagement plan
- Frequent analysis of data and insight to evaluate effectiveness of this plan and adjust as necessary
- Use data to target engagement and ensure we listen to a more diverse range of customer voices

Celebrate the diversity of our customers and support equality of opportunity for all

- Set our ambitions high while challenging our approach to celebrating and delivering equality and diversity throughout our activities and services by understanding the lived experience of underrepresented groups and those who could be discriminated against, making sure their voices are heard, difference is celebrated and that diverse needs are understood and met

Engage and inspire colleagues so that CBH will be an employer of choice

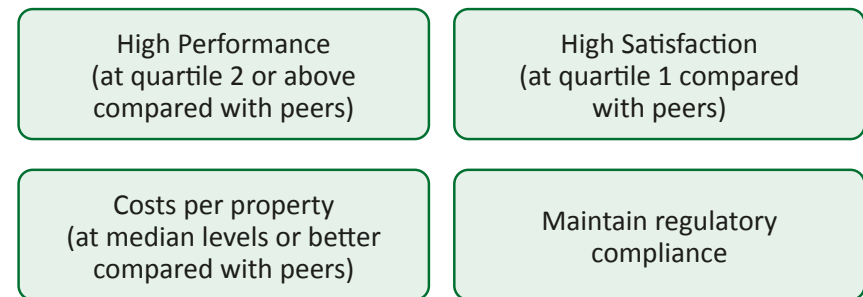
- Continue to develop CBH's colleague offer and maintain high engagement levels throughout the delivery of the HRA Business Plan, shaped by regular colleague feedback through Best Companies
- Continue to support and prioritise colleague wellbeing
- Provide office accommodation where all colleagues can collaborate closely together while maintaining a hybrid, agile working culture
- Maintain our physical presence in key communities as well as embedding stronger partnership working collaborative space across both organisations
- Continue to recruit, develop, and encourage apprenticeship programmes throughout the organisation

Maintaining high quality and value for money services

CBH is a high performing ALMO with high customer satisfaction and for this to remain the case services must continuously evolve to meet emerging customer needs and new, or innovative, ways of working must be identified and adopted. Only by listening carefully to customers and colleagues and then acting on that feedback will this be achieved.

Right at the heart of CBH is the requirement to deliver high quality services that are fit for purpose, which are well received by customers, and to ensure compliance is maintained. This must be done with a clear understanding of the costs involved so that the HRA remains viable, and for this reason there are high level cost per property indicators identified and used in budget planning and monitoring activities.

The balance across the four themes of performance, satisfaction, compliance, and cost indicators provides an informed and mature view of the value for money provided. This view is concerned with understanding the need to spend and managing that effectively to maintain strong core services whilst also continuing to achieve positive change and outcomes for tenants. Achieving the right balance across these indicators whilst delivering on the aims of this HRA Business Plan ensures that CBH is delivering VFM. The ideal balance is shown in the quadrants on the right and the current list of relevant indicators is included in appendix A.



CBH maintains a suite of relevant indicators which also include the Regulator of Social Housing's (RSH) new Tenant Satisfaction Measures (TSMs), which are also highlighted in appendix A. Challenging targets are set in line with local priorities and with sector benchmarking as context and that encompass all four areas. These indicators are monitored and scrutinised

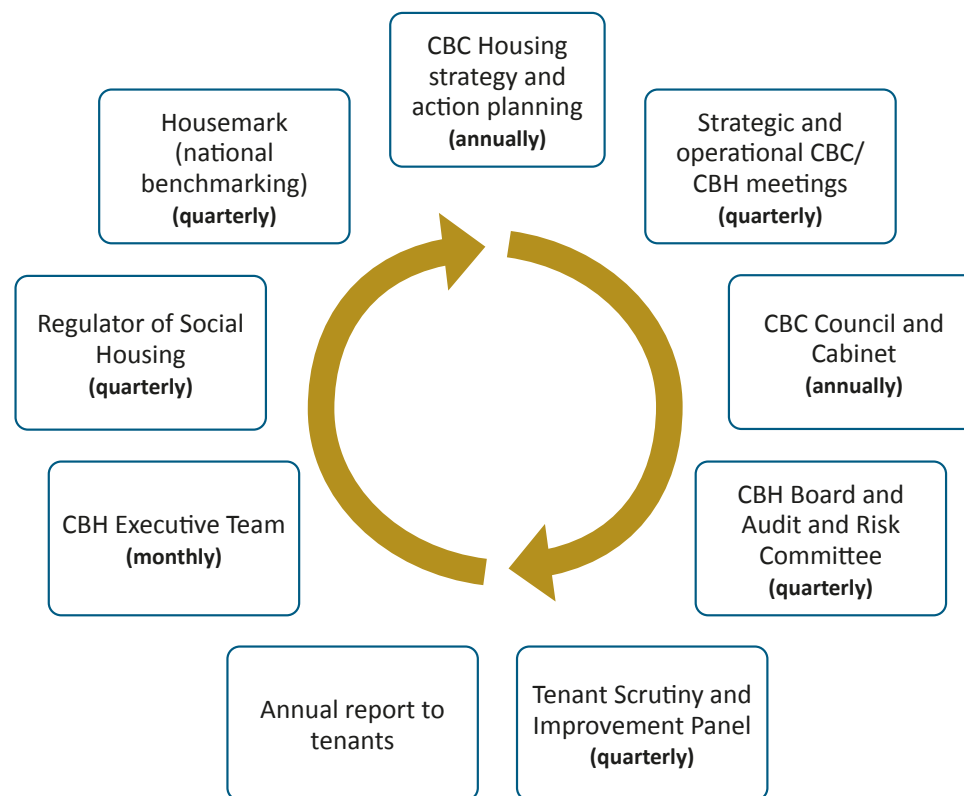
- on an ongoing basis by CBH service delivery teams
- quarterly at operational CBC / CBH liaison meetings with the Housing Strategy and Partnerships Manager
- monthly by CBH Executive Team
- quarterly at the tenant scrutiny and improvement panel (TSIP)
- quarterly by the CBH Board and Audit and Risk Committee in reports which are shared with CBC Cabinet Member for Housing
- annually in the report for tenants
- as part of annual reports for CBC Cabinet and full Council

Monitoring, scrutiny, and collaboration

There are many mechanisms in place that ensure the outcomes set out for CBC and CBH to deliver are being progressed and are achieving what they set out to do and that performance, satisfaction and compliance levels are on target. These mechanisms must also support an ongoing assessment to ensure they remain the right things to be focused on and that targets remain challenging but reflective of pressures and priorities, an approach which is critical in a rapidly changing operating environment. They achieve the right balance of scrutiny and positive challenge, plus steer and collaborative support for delivery.

Most frequent monitoring and scrutiny is undertaken by CBH Executive Team, with CBH Board scrutinizing, challenging and holding the CBH Executive Team to account, CBH's Audit and Risk Committee provides a deeper dive into assurance as is necessary. Both Board and Audit and Risk Committee papers are shared by CBH with CBC. Quarterly CBC/CBH strategic and operational meetings between senior leaders and operational managers take place, as set out in the 'meetings protocol' which is a schedule to the Management Agreement. There is quarterly reporting to the tenant scrutiny and improvement panel, and an annual report to all tenants, plus annual progress reporting and target setting, as part of the budget setting process, to Cabinet and Council. Externally there are increasing regulatory requirements to report data and outturn into the RSH and Department of Levelling up Housing and Communities (DLUHC).

These mechanisms are broadly shown in the diagram on the right and demonstrate there is robust and ongoing monitoring and scrutiny. It is vital that CBH maintains an open and proactive approach to sharing relevant information with CBC and tenants.





Finances

Background

The Housing Revenue Account (HRA) is a ring-fenced account within the council which is used for all transactions relating to Cheltenham's council homes. All of the income generated from these council homes has to be kept in the Housing Revenue Account and used for the purpose of maintaining and investing in existing homes, building new homes and delivering services to tenants and leaseholders.

The aims and priorities over the next five years, set out in this business plan, are modeled over a 30-year term to understand the financial impact of the investment aspirations within this plan and to ensure that the HRA remains financially viable. The assumptions within the model are updated annually as part of the budget setting process. This financial model is also used to stress test the HRA to understand the key financial risks which need to be managed in both the medium and long term to ensure the HRA remains viable.

Current Context

The UK is faced with the most significant cost-of-living crisis in a generation. Inflation in 2022 has increased to 11.1%, the Bank of England base rate has increased from 0.1% to 3.5% with further increases expected in 2023 and energy costs have soared for both consumers and businesses.

Excess cost inflation, increased interest payable, energy costs and additional compliance expenditure have added £1.8m to the HRA cost base in 2023/24 compared to the 2022/23 budget prior to other year on year changes of £0.7m resulting in an overall expenditure increase of £2.5m. Whilst rental income will be increasing it has been capped at 7% for 2023/24 resulting in the estimated net operating surplus in the HRA falling from over £1m to £70,800 in 2023/24.

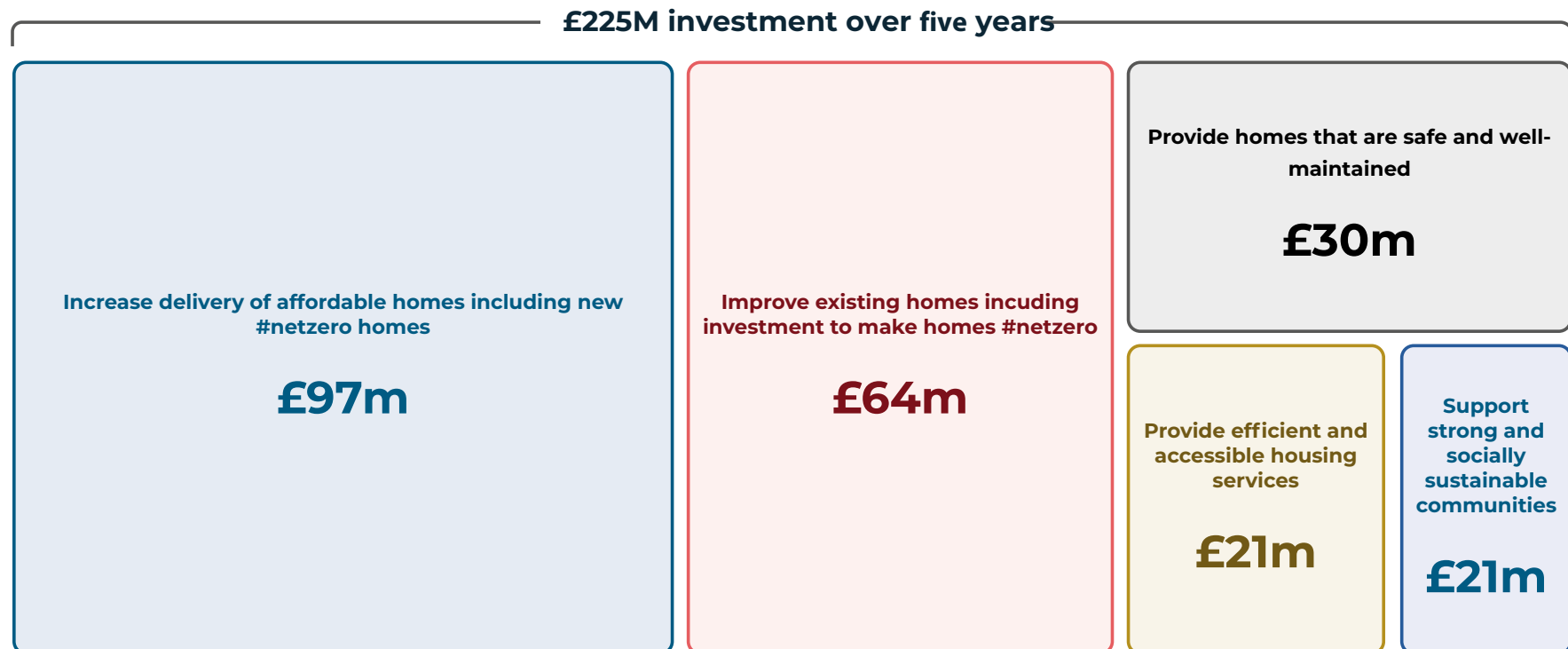
The long-term impact of this high inflation and capped rent is substantial on the 30-year outlook with capacity in the HRA reducing by an estimated £92m.

This reduced capacity in the HRA means the scale and pace of investment in existing and new homes needs to be carefully managed to ensure vital services to customers and communities are protected. To deliver growth and maintain long term financial viability, additional sources of revenue need to be secured including building or acquiring new homes for rent, additional revenue and capital grant funding and through CBH exploring new opportunities for commercial income such as private rented homes (as noted in the aims above).

Investing for the next 5 years

The priorities for the next five years demonstrate the council's commitment to Cheltenham residents and communities during this volatile and challenging period through its continued investment over the medium term in improving existing homes, supplying new homes and investing to make Cheltenham net zero carbon whilst providing immediate support during the cost-of-living crisis.

Over the five years of this business plan the Council is proposing to invest £225m in these priorities as set out below.



Finances

Funding and Financial Viability

Whilst the impact of inflation, the rent cap, interest rates and compliance changes have had a substantial impact on the capacity of the HRA over the medium to long term, it is still important to invest in existing and new homes and the customer focused services which are essential for the support of our communities in this most challenging of times.

The significant level of capital investment proposed within this plan will be financed by a combination of borrowing, grant funding, shared ownership sales and capital receipts. To deliver this substantial investment, the level of debt within the HRA will be higher at its peak and need to be serviced and repaid over a longer period than previously projected. This brings its own risks which need to be carefully managed over the short to medium term to ensure viability over the long term.

The following parameters are used as measures to determine viability of the 30-year plan for modelling purposes:

1. Revenue reserves is on or above the approved minimum

The minimum revenue reserve balance of £1.5m is the level approved by Council and equates to approximately £330 per property.

2. The capital programme for existing homes is affordable

Being able to afford the capital programme and therefore ensuring the existing homes are maintained for the long term is a key principle for all Local Authority's with housing stock.

3. Interest cover

The interest cover percentage is used to determine how easily the HRA can pay the interest expense on outstanding debt.

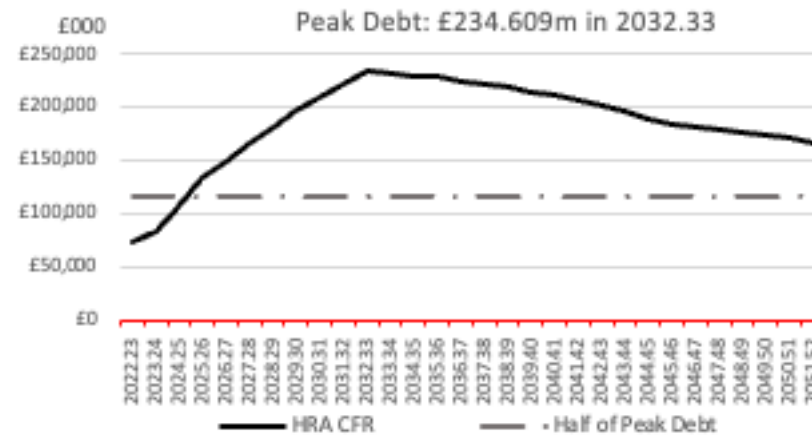
4. Debt at the end of the 30-year plan as a percentage of peak debt during the plan

Since the abolition of the HRA debt cap in October 2018 the Council has been able to set its own prudential limits on HRA borrowing, rather than rely on the cap specified by Government. The HRA's ability to repay borrowing over a reasonable period is a key factor when deciding whether a proposal to borrow for HRA purposes is a prudent decision.

Throughout the 30-year plan period the HRA revenue reserve is maintained at or above the £1.5m minimum level and the capital programme for existing homes remains affordable.

As can be seen below, interest cover falls below 125% in the short term due to increased costs from high inflation and then starts to rise as new homes and consequently rental income are added to the HRA.

Debt is estimated to peak at £234m in the medium term, mainly due to the investment in new homes, and then starts to fall as additional rental income and careful cost management increases the net operating margin and allows for repayment of this debt.



These current projections show the parameter relating to the repayment of debt does not meet the target of 50% of peak debt at the end of the plan period. This is due to the current financial pressures on the HRA including high inflation and the rent cap for 2023/24. This is considered necessary to allow for the continued investment in essential services and new homes as set out in this business plan. Careful monitoring will be undertaken to ensure the scale and pace of delivery does not risk long term viability.

Finances

Key Assumptions

The budget for 2023/24 and projections for the following four years are underpinned by a number of key assumptions which are set to estimate future income, expenditure and capital investment. These assumptions take account of the current operating environment and state of the UK economy. Due to the current volatility in the UK and international economies these assumptions will be updated each year and sooner if there are significant, unprojected changes. The key assumptions are set out below.

- Consumer Price Index (CPI) assumed to fall to 5.2% in 2023/24 and then return to the Government's target rate of 2% in 2024/25
- Retail Prices Index (RPI) assumed to remain 1% above CPI throughout the plan period
- Following the rent cap of 7% in 2023/24, rent increases to return to CPI + 1% for 2024/25 and then reduce to CPI + 0.5% and then CPI thereafter (next review of Government rent policy due April 2025)
- Rent estimates assume a 1% void rate and 20 RTB sales annually and also reflect additional income from newly built homes and acquired homes
- Cost increases to return to CPI from 2024/25 onwards apart from building costs which track RPI until returning to CPI in the medium term
- Borrowing rates to average 3.65% in 2023/24 before falling to 3% per annum over the long term
- A refreshed assessment of the 30-year capital programme on major works and component replacement each year
- Minimum HRA revenue reserve balance to remain at £1.5m over the long term
- New fixed or temporary borrowing to be available as required throughout the life of the plan
- This is considered necessary to allow for the continued investment in essential services and new homes as set out in this business plan. Careful monitoring will be undertaken to ensure that the scale and pace of delivery does not risk long term viability

Additional funding sources

Sourcing and bidding for income generation features throughout the strategic aims and intentions of this business plan. CBH will need to consider the availability and access to relevant government funding to support HRA finances throughout the five-year period and be responsive to opportunities, including government funding, as they arise. CBH will lobby when needed to raise attention and focus to funding and income opportunities to support the delivery of this business plan, and ultimately for the benefit of customers and residents of Cheltenham.

Value for Money

Demonstrating excellent customer services at the right cost is crucial and ensures the council and CBH are delivering value for money (VFM); it is about understanding the need to spend and managing that effectively to maintain strong core services and continue to achieve positive change and outcomes for our customers. This ensures the rent paid into the Housing Revenue Account (HRA) delivers high quality services whilst maintaining and improving existing homes and building more affordable homes.

Performance, satisfaction and costs are benchmarked against other housing providers in the sector with a target of first and second quartile performance and satisfaction whilst targeting costs at a median sector level.

CBH continues to look for ways of making services cost efficient and opportunities for additional income to increase the capacity of the HRA for investment and maintain long term financial viability.

Finances

Sensitivity Analysis

The financial projections noted above summarise expenditure, investment, capital financing and borrowing in respect of council housing over a 30 year period, starting in 2022/23. This baseline position reflects the Council's best available data and assumptions and allows for inflationary pressures impact on budgets and programmes. It also assumes a continuation of existing rent policy on the part of the Government (CPI + 1%), after applying the 7% cap to the maximum rent increase for existing tenants in 2023/24. Alongside this baseline CBH have also modelled the effects of the following sensitivities:

- Inflation is higher than baseline in 2024/25 by 2% and 2025/26 by 1% also resulting in higher rent increases
- The government decides to impose a further cap on rent increases in 2024/25 of CPI –1%
- Interest rates are higher than baseline over the medium term
- The combined effects of the above sensitivities

These sensitivities reflect the effects of changes in economic factors and government policy that are outside of the Council's control, as a way of assessing some of the underlying risks associated with the projections.

Under all sensitivities the HRA is able to maintain the minimum reserve balance of £1.5m throughout the projections. All sensitivities cause peak debt to occur in 2032/33 and permit the council to be reducing debt year on year by the end of the 30 year period. The Inflation sensitivity increases both costs and income (primarily rents) over the medium term. Since income is greater than expenditure, this enables the council to maintain lower levels of debt. The rent cap sensitivity reduces the income generated from the baseline rent increase for 2024/25, causing the Council to borrow more to deliver its capital programme and take longer to repay the debt. Similarly, the interest rate sensitivity requires the authority to pay more for its debt, reducing the ability of the HRA to repay debt early.

The combined sensitivity has more complex effects. Inflation is greater for both income and expenditure but allowing for an additional rent cap in 2024/25 means that the rise in costs is greater than the additional income generated, causing debt to rise to the highest level among the sensitivities tested.

Scenario/Sensitivity	HRA CFR				Peak debt Year	Terminal debt		
	2022.23	20231.32	2041.42	2051.52		£000	£000	£000
	£000	£000	£000	£000				
Baseline	£78,980	£222,369	£206,790	£166,256	2032.33	£234,805	2051.52	£166,256
Baseline + inflation sensitivity	£78,980	£222,233	£198,050	£144,097	2032.33	£234,391	2051.52	£144,097
Baseline + rent cap sensitivity	£78,980	£223,926	£210,602	£172,779	2032.33	£236,575	2051.52	£172,779
Baseline + interest rate sensitivity	£78,980	£223,211	£207,928	£167,791	2032.33	£235,673	2051.52	£167,791
Baseline + combined sensitivity	£78,980	£228,000	£214,123	£171,166	2032.33	£242,129	2051.52	£171,166

Interest cover performance is weaker if costs rise without a compensating rise in income, or if income reduces. This is demonstrated clearly by the rent cap sensitivity, which shows the effects of income rising at a slower rate than costs in 2024/25. On the other hand, performance improves under the inflation sensitivity (which increases both costs and income) and the combined sensitivity (which allows for higher underlying inflation, so permits a larger rent increase in 2024/25 than under the rent cap sensitivity).

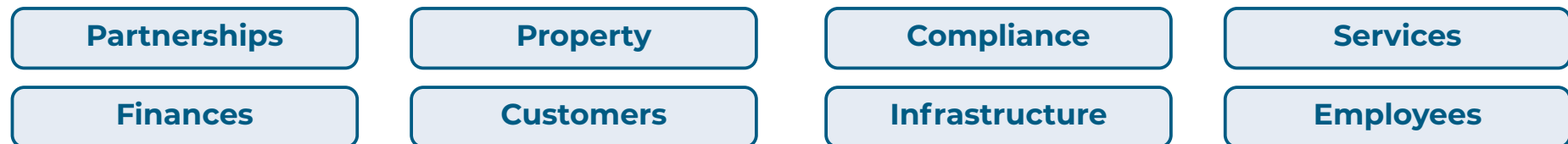
None of the sensitivities impact significantly on the ability of the HRA to maintain a minimum balance. The additional income generated (assuming no further rent cap) under the inflation sensitivity allows the authority to reduce HRA debt by £22m after 30 years and is beneficial. All of the remaining sensitivities require the authority to hold higher levels of debt, with the rent cap sensitivity having the greatest negative impact.

Challenges and Risk

It is vital our ALMO, CBH, takes account of both local insight and the external operating environment to understand the actual and potential challenges to, and opportunities supporting, the delivery of this Business Plan. To that end it maintains current PESTLE and SWOT analyses , regularly collects and considers customer and colleague feedback and, carries out regular assessment of the annual sector risk profile produced by the Regulator of Social Housing (RSH). These assessments are overseen and shaped by the CBH Executive Team and Board, and inform delivery plans, budgets and risks. All of this information is shared with CBC and has been used to develop this Business Plan.

It is necessary ~CBH takes an informed and prudent approach to risk. It has responsibility for CBC and CBH-owned homes, tenants and their families, leaseholders, and colleagues. It is critical CBH ensures the HRA remains viable now and into the future to ensure peoples' homes remain safe and maintained to a high standard, for tenancies to be well managed, and people supported to enable them to sustain their tenancies.

CBH maintains and updates an approved list of broad, high-level 'Corporate Risks' that enable oversight of important, ongoing areas which most affect this viability and broadly cover:



Each has a suite of relevant controls in place, identified trigger KPIs and actions where necessary. They are regularly reviewed and assessed by risk managers and assessed by CBH Executive Team, with regular scrutiny at CBH's Audit and Risk Committee and Board. Further challenge and scrutiny is provided by a dedicated Board Champion role who undertakes regular 'deeper dives' to seek assurance and provide insight based on relevant skills and experience. All Committee and Board reports are shared with CBC and risk identification and management is discussed at several points in the CBC/CBH Meetings Protocol.



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Appendix 2a

KPIs by VFM theme

The table below contains a list of KPIs, split by VFM theme and indicating which are benchmarkable and which quartile is being aimed for in terms of comparison with peer organisations.

The Regulator of Social Housing's emerging Tenant Satisfaction Measures (TSMs) are shown in *italics*. Indicators either currently, or expected to be, benchmarkable with peers are highlighted in blue.

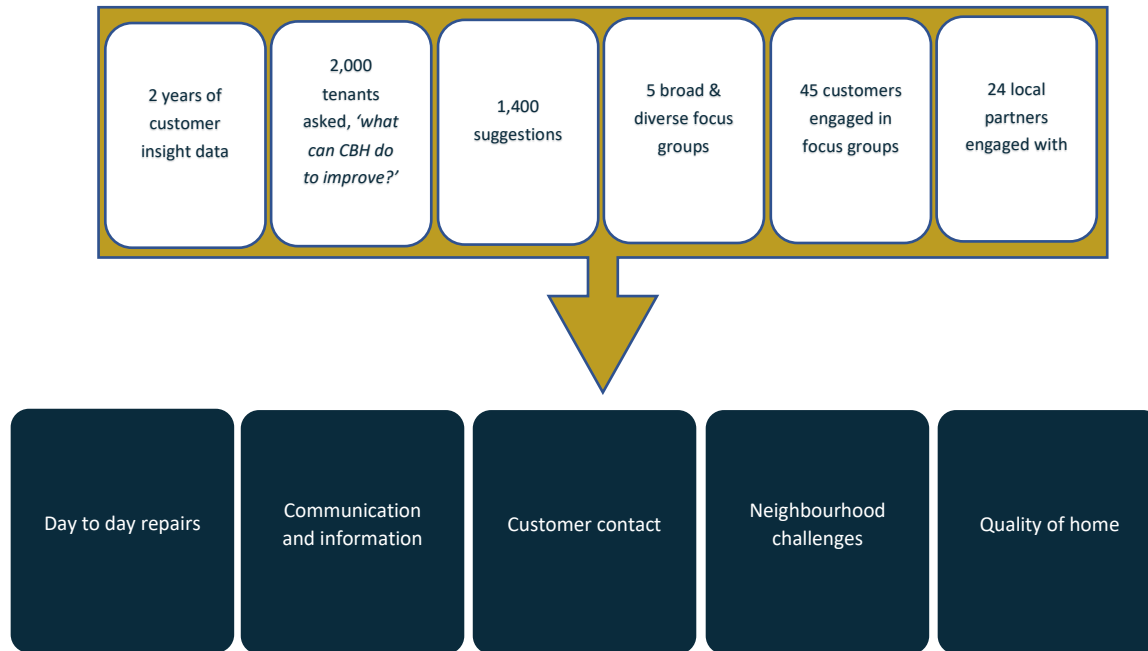
PERFORMANCE – aiming for quartile 2 or above compared with peers	SATISFACTION – aiming for quartile 1 compared with peers
<i>Complaints responded to within complaint handling code timescales</i>	<i>% tenants satisfied with landlord approach to handling anti-social behaviour</i>
<i>Complaints per 1,000 homes</i>	<i>% tenants satisfied CBH listens to their views and acts upon them</i>
<i>ASB cases per thousand homes</i>	<i>% tenants satisfied with landlord approach to handling complaints</i>
<i>Repairs completed within target timescale</i>	<i>% satisfaction of tenants with communal areas about the maintenance of the areas</i>
<i>Average time taken to relet minor void CBC properties (excluding FA and JDC) in days</i>	<i>% tenants satisfaction that the home is well maintained</i>
<i>% Rent lost through CBC dwellings becoming vacant excluding temp furnished</i>	<i>% tenants satisfaction that the home is safe</i>
<i>% closed ASB cases that were resolved</i>	<i>% satisfaction with a repair in the last 12 months prior to the survey</i>
<i>Income generated on behalf of customer year to date</i>	<i>% satisfaction with the time taken to complete repair in the last 12 months</i>
<i>Complaints closed at stage 1 - % within agreed timescales</i>	<i>Overall tenant satisfaction (%)</i>
<i>% of stage 1 complaints upheld (fully or partially)</i>	<i>% tenants satisfied that CBH makes a positive contribution to your neighbourhood?</i>
<i>% Contact Centre Calls Answered within 60 seconds</i>	<i>% tenants feeling landlord keeps them informed about things that matter to them</i>
<i>Number of digital transactions</i>	<i>% tenants feeling landlord treats them fairly and with respect</i>
<i>Percentage of contact centre calls answered</i>	<i>% tenants finding CBH easy to deal with</i>
<i>Average number of working days lost to total sickness</i>	Engaged Colleagues Score Best Companies
<i>Leavers as % of average number of employees since start of the year</i>	
<i>Average SAP rating (2009 methodology)</i>	
<i>% homes meeting EPC - C at year end</i>	
<i>Number of additional homes supplied</i>	
<i>Number of downsizers moved</i>	
<i>Average "end to end" repairs time in days</i>	
<i>% repairs completed on first visit</i>	
<i>% of tenancies ending in less than 12 months</i>	
<i>Number of training & employment customers sourced employment or training</i>	
<i>Number of successful homelessness outcomes</i>	
<i>Income generated on behalf of Housing Options customer</i>	
<i>Evictions due to rent arrears as a % of all tenancies</i>	
<i>Current arrears as % of rental income (excluding court costs)</i>	
<i>CBC Rent collected from current and former tenants as % rent due (excl arrears brought forward)</i>	
COST PER PROPERTY - (aiming at median levels or better compared with peers)	COMPLIANCE – aiming to maintain compliance
housing management	<i>% dwellings non-decent at the end of the period</i>
responsive repairs and voids works	<i>Gas safety checks / % dwellings with a valid gas safety certificate</i>
Premises	<i>Fire safety checks</i>
IT	<i>Asbestos safety checks</i>
HR	<i>Water safety checks</i>
Finance	<i>Lift safety checks</i>
	<i>Electrical safety checks</i>

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Appendix 2b Shaping the plan

Customer insight

CBH regularly collects tenant insight data, which is used to inform activity on an ongoing basis but also provides insight to inform opportunities for future improvement. As a powerful starting point for the customer consultation on the HRA Business Plan, this insight has been used to shape and influence the aims and outcomes set out in this business plan.



Consultation with customers set out to achieve the following.

- Understood the data further, bringing responses to life through listening to peoples lived experiences
- Reaffirmed the key focus areas over the next 5 years
- Utilised knowledge and understanding to help shape improvements to these service areas
- Provided the opportunity for customers to be involved

Property insight

The homes we own, which are managed on our behalf by CBH are our highest value capital and revenue generating assets, but also our greatest financial liability in terms of the cost to repair, maintain and improve them. The environment in which we operate is fast changing with the financial investment requirement increasing due to the focus on customer safety with new legislative requirements, the target for Cheltenham to become Carbon Net Zero by 2030 and the regulatory requirements from the Social Housing White Paper.

This HRA Business Plan aligns with and supports the CBH Asset Management Plan and highlights 5 key areas of focus and investment.

- Use Net Present Value assessment to understand financial performance
- Options appraisals on poorer performing properties
- Decision making on property improvements such as void standard
- Ensure long term financial viability
- Use data to support decision making

- Closely monitor customer satisfaction with service
- Transformation programme to modernise and drive efficiencies
- Use technology to improve process and customer experience



- Housing stock 90% of overall carbon emissions
- Fabric first approach
- Followed by green heating technologies
- Supported by ultimate decarbonisation of the grid
- Opportunities for biodiversity gain
- Improved waste and recycling facilities

- Engagement with customers and data insight to provide great quality homes
- Respond to the awaited revision of the Decent Homes Standard
- Review the void standard
- Deliver a programme of communal area improvements

Spotlight on safety post Grenfell tragedy

- New legislation to comply with (Fire safety Act 2021, Building Safety Act 2022, Fire Safety Regulations 2022 and the Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022
- Programme of compliance capital improvements
- Programme of compliance audits

National and sector insight

There are a number of significant threats/pressures at both a national and a sector level which impact on customers, CBH, CBC, and the HRA.

At a national level our assessments highlight the following as significant:

Cost of living crisis	Inflationary pressures on costs and borrowing	Need to reduce & eliminate carbon emissions	Materials shortages and impact
Potential energy shortages	Potential cyber attacks on systems	Ongoing benefit changes	Spotlight on Health & Safety

The social housing sector has been undergoing significant change, with the ongoing rollout of the government’s Social Housing White Paper (SHWP) at the heart of that. Its impact is far reaching, with associated legislation emerging concerned with regulatory requirements and measures, the importance and influence of the tenant voice and the changes needed around how customer complaints are handled, and how building safety is delivered and monitored. This business plan has been shaped with these changes in mind and the roll out of the SHWP is being closely watched and responded to by CBH to ensure that customers and CBC can be confident that all requirements are met on an ongoing basis.

The sector is increasingly faced with competing pressures and priorities:

Ensure property compliance	•Improve complaints handling	•Act on tenants’ feedback	•Improve the quality of existing homes
•Reduce carbon emissions from homes	•Build more affordable homes	•Prospect of social rent restrictions	•Recruitment and retention of high quality colleagues

Risk controls in these areas are either in place and ongoing or will be evolved as risk is identified over the five year business plan.

exist around and actions

A key part of developing the HRA Business Plan is ensuring the aims, outcomes and change activities contribute to and support the wider strategic aims for Cheltenham, across the key priorities of the Corporate Plan (2023-2027). This is demonstrated through the mapping of the HRA Business Plan aims, to the Corporate Plan priorities, with some examples of deliverables over the next 5 years. This alignment across our strategies is a key mechanism for delivery of services in communities and assurance of our ability to deliver support where it is needed most

	Making Cheltenham the Cyber Capital of UK	Working with residents, communities and business to help make Cheltenham #netzero by 2030	Increasing the number of affordable homes through our £180m housing investment plan <small>(includes focus on existing homes)</small>	Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity	Being a more modern, efficient & financially sustainable council
Home	450 new homes pipeline (including golden valley & #netzero for sites in our control)				
		SAP C+ retrofit of existing homes			
	Alignment to Golden Valley		Maintain property compliance		
					Additional income generation
			Enhance void standard		
			Enhance repairs service		
Community	Embed social value into new & existing communities			Cost of living customer support	
		Community environmental support			
				Increase sustainable neighbourhood led groups	
Change		Reduce CBH's impact on the environment			Embrace technology to enhance services
					Deliver VFM & maintain HRA financial viability
					Stronger working partnership
	Increase opportunities for tenants and colleagues to be involved				

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Appendix 2c

CBC and CBH approach to PRS

1. Background

Cheltenham Borough Council (CBC), in partnership with Cheltenham Borough Homes (CBH), is now looking to expand its supply of homes in the private rented sector across Cheltenham.

Nationally, we are in the midst of a housing crisis and Cheltenham is not immune to the housing shortages affecting the whole country. Although Cheltenham is a successful, prosperous, and vibrant town, many people struggle meeting their housing needs in our local communities. So, in addition to building more desperately needed affordable housing for people in Cheltenham and improving the quality of our existing homes, we, together with CBH, will be providing more homes for people on a private rent basis giving them security of tenancy from a high quality, respected landlord on longer term lets.

These homes will be funded by CBC (as part of the Council's £180m housing investment plan), owned by CBH, and provided for private rent tenure.

2. Success to date

In December 2020, CBH, on behalf of CBC, were successful in securing its first private rented venture. This represented an off the shelf bulk purchase of a block of flats subsequently refurbished and reconfigured to provide 13 individual apartments in the town centre. This opportunity met the required financial parameters and provided a range of 1 and 2 bedroom homes, which were in highest demand within the town centre thereby meeting local housing need.

CBH secured significant interest for these properties with all properties occupied within 3 months upon completion. Feedback has been very positive and the experience has put both CBC and CBH in good stead to incorporate lessons learned to inform the future approach.

3. Looking ahead

CBC, with support from CBH, is well placed to continue pursuing PRS as a tenure choice having entered this market, albeit on a small scale presently. As the economic landscape has changed since we initially established this venture it is considered timely for CBC, in partnership with CBH, to refresh the original financial and operational parameters that were agreed as part of the original £180m housing investment plan, to ensure that the relative benefits can be balanced against the associated risks.

In order to realise CBC's ambition of delivering PRS homes within the Borough, a number of potential routes are being explored and include:

- Individual property acquisitions – a challenging route in terms of financial viability however CBC and CBH are committed to reviewing the financial parameters to ensure that we have the best opportunity possible to secure new acquisitions from such opportunities. This review will include an exploration of the viability of providing houses for multiple occupancy (HMOs)
- Bulk property purchases - with the potential to deliver financial viability driven by economies of scale – as was the case with the aforementioned bulk purchase of a block of flats refurbished and reconfigured to provide 13 individual apartments in the town centre

- Bulk purchases from S106 developers - with the intention of securing discounts against market value
- Securing PRS on future mixed tenure developments driven by CBC in collaboration with CBH - on CBC owned land
- Bulk purchase (and hence economies of scale) of property developed on the Golden Valley Development. The opportunities arising from the positive impact of the Golden Valley development to assist in realising the Council's broader ambitions for housing delivery are acknowledged, which includes facilitating not only high-quality mixed-use development, but also ensuring appropriate and sustainable development is delivered.

Following a review of both the various options available to increase our PRS offer and the associated financial viabilities, we will set out an updated CBC strategic approach to PRS delivery, aligning with the budget papers for 2024/25.

Appendix 2d

HRA Business Plan Glossary

Adverse Childhood Experiences (ACEs)	
Additionality	Extra properties built or acquired over and above the existing provision on the site
Department for Levelling up, Housing and Communities (DLUHC)	The Department for Levelling Up, Housing and Communities is a ministerial department which supports communities across the UK to thrive, making them great places to live and work.
Homes England	An executive non-departmental public body, sponsored by the Department for Levelling Up, Housing and Communities - it funds new affordable housing in England through partnership working.
Housing First	Partnership initiative focused on housing rough sleepers with complex case needs.
Housing Revenue Account (HRA)	Housing Revenue Account - rental income is paid into the HRA and is ring fenced to support housing. CBH is paid a management fee from the HRA.
Legislative compliance	The 'Big Six' areas of legislative compliance are gas, electric, fire, asbestos, lifts and water hygiene.
Net present value (NPV)	NPV is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. It considers the rental income from homes against the cost to maintain them and therefore identifies whether they are financially viable. This information can then be used to identify homes where option appraisals may be required prior to significant capital investment.
PESTLE	Political, Economic, Social, Technological, Legal and Environmental factors - it allows a company to assess factors that might impact their business or industry.
PRS	Private Rented Sector Housing is dwellings which are owner-occupied and are privately rented by residents, rather than dwellings owned by the Council.
Social Housing Decarbonisation Fund (SHDF)	SHDF is a government fund that aims to upgrade a significant amount of social housing stock.
Social Housing White Paper (SHWP)	Published in 2020, the white paper presents a charter setting out seven commitments that social housing residents should be able to expect from their landlord.
Social value	Is the mechanism to create additional benefits for CBH tenants and communities through the procurement of contracts and supplies
SWOT	Strengths, Weaknesses, Opportunities, and Threats - a SWOT analysis is a technique for assessing these four aspects of your business.
TSM	Tenant Satisfaction Measures - measures of tenant satisfaction that have been developed as part of the Social Housing White Paper.



ENVIRONMENTAL	Scores	Action	Justification	Reviewed	Recommendation	Follow up	Conclusion
GHGs	4	No action required	reduction in greenhouse gases from retrofit of existing stock to CBC reduction in greenhouse gases from decarbonisation of the fleet promotion of sustainable travel and commuting for CBH colleagues reduction of waste to landfill by supporting customers to reduce their waste and recycle more all new homes delivered on CBC land will be netzero, reducing GHG from heating and power in homes				
Air quality	2	No action required	decarbonisation of the fleet - intention to move to electric				
Sustainable Transport	2	No action required	decarbonisation of the fleet - intention to move to electric working with colleagues to reduce reliance on private petrol cars, working closely with CBC to understand sustainable travel survey				
Biodiversity	2	No action required	construction of our new build sites could have a slight negative impact on the environment, as well as extra lighting in our areas of development from new homes. We will improve biodiversity through our cleansing and estates teams work and we will improve communal spaces with tenants to identify where biodiversity gain is available and deliver within projects				
Land use change	2	No action required	Our new build programme will involve the change of use of land from brown field sites to provide new homes and also additional surplus additional land within the local plan				
Soil and waterway health	2	No action required	With our new build programme we will be implementing sustainable drainage systems (SUDS) including permeable paving. Additional provisions will be made in consideration of our net zero carbon approach including water butts				
Climate Change Adaptation	2	No action required	properties being retrofitted through the SHDF are having ground source heat pumps installed which will increase independence from external energy sources working with tenants closely to educate and support around how to keep their homes warm and use less energy				
Energy Use	2	No action required	external wall insulation will reduce the amount of energy needed to heat a home (LED lighting) decarbonisation of the fleet will need less energy to power				
Waste	-2	Review - identify possible improvements	Planning to support more community recycling and waste facilities within neighbourhoods				
Sustainable Materials	2	No action required	Homes will be constructed using the very latest construction techniques utilising sustainably sourced building materials where possible.				

SOCIAL	Scores	Action	Justification	Reviewed	Recommendation	Follow up	Conclusion
Food	0	No action required.	food banks – cost of living support				
		No action required.	improving homes for tenants and therefore their wellbeing supporting sustainable communities extra support service for vulnerable tenants				
Health	0						
		No action required.	Increase in number of affordable homes over 5 years to help support the waiting list. Rent cap has been confirmed as 7%, which is less than inflation, supporting the cost of living crisis for customers paying their rent. Repairs transformation project work to improve repairs service for customers. Ongoing support and services for reducing homelessness in Cheltenham. Temporary accommodation provided for customers in need of this service. Retrofit of existing homes to EPC C will address insulation in lots of properties across the town				
Housing	0						
		No action required.	Training and education service supporting customers and their families through alternative provision. Working closely with schools to educate teachers, parents and families about benefit and money advice. Offering apprenticeships across wide remit of services				
Education	0						
Community	1	No action required	0				
		No action required.	Significant work to build stronger and more resilient communities. Supporting customers, & involving customers in events. Community investment plans delivered in conjunction with CBH across the shared priorities for our communities				
Culture	0						
		No action required.	Services which are digitally enabled will also be available in other ways, to maximise accessibility. Resources are available for translating across services. Interpreters are available across services when required. Improving translation services on CBH Portal to maximise accessibility of portal benefits for customers				
Accessibility	0						
		No action required.	Training and employment service support tenants to get into work and training. CBH continues to recruit and develop apprenticeship programmes throughout the organisation				
Local Economy and Jobs	0						
		No action required.	Continue to build trust and resolve anti-social behaviour and crime issues through collaborative and proactive working between our neighbourhood teams, CBH ASB team, with customers and other key partners such as the Police				
Safety	0						
		No action required.	customers have many ways to engage and be heard at CBH. Groups such as TSIP and shaping services allow for regular scrutiny, consultation and focus groups have helped shaped this plan				
Democratic Voice	0						
		No action required.	This plan will set our ambitions high while challenging our approach to celebrating and delivering equality and diversity throughout our activities and services by understanding the lived experience of underrepresented groups and those who could be discriminated against, making sure their voices are heard, difference is celebrated and that diverse needs are understood and met				
Equity	0						

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Community impact assessments – for services, policies and projects

What is a community impact assessment? 1

Background 1

Step 1: About the service, policy or project 2

Step 2: What do you already know about your existing and potential customers? 2

Step 3: Assessing community impact..... 3

Step 4: What are the differences? 4

Step 5: Taking things forward 4

What is a community impact assessment?

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

By undertaking an impact assessment, we are able to:

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

Background

Name of service / policy / project and date	HRA Business Plan April 2023
Lead officer	Martin Stacy

Other people involved in completing this form	CBH officers – Caroline Walker & Lou Foster
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Step 1: About the service, policy or project

<p>What is the aim of the service / policy / project and what outcomes is it contributing to</p>	<p>The Housing Revenue Account (HRA) Business Plan outlines broad plans for Cheltenham Borough Council's (CBC's) housing services and will set out detailed strategic aims for Cheltenham Borough Homes to deliver on behalf of CBC for a 5-year period. This 5-year plan will be incorporated into the ongoing 30-year HRA business plan model, which will provide reassurance that what CBH intend to deliver operationally is financially viable.</p> <p>A key part of developing the HRA Business Plan is ensuring the aims, outcomes and change activities contribute to and support the wider strategic aims for Cheltenham, across the key priorities of the Corporate Plan (2023-2027). This alignment across our strategies is a key mechanism for delivery of services in communities and assurance of our ability to deliver support where it is needed most</p>
<p>Who are the primary customers of the service / policy / project and how do they / will they benefit</p>	<p>The primary customers of this HRA Business Plan are our tenants and leaseholders living in our CBC owned, CBH managed properties throughout Cheltenham.</p>
<p>How and where is the service / policy / project implemented</p>	<p>This business plan will be delivered and implemented by our ALMO, CBH, through the services it delivers on behalf, and as agreed within the Management Agreement.</p>
<p>What potential barriers might already exist to achieving these outcomes</p>	

Step 2: What do you already know about your existing and potential customers?

<p>What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information</p>	<p>CBH regularly collects tenant insight data, which is used to inform activity on an ongoing basis but also provides insight to inform opportunities for future improvement. As a powerful starting point for the customer consultation on the HRA Business Plan, this insight has been used to shape and influence the aims and outcomes set out in this business plan.</p> <p>Customer insight was derived through a multifaceted tenant consultation on the business plan</p> <ul style="list-style-type: none"> • 2 years of tenant insight data • 2000 tenants asked 'what can CBH do to improve' • 5 broad & diverse focus groups
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	<ul style="list-style-type: none"> 45 tenants engaged in focus group
What does it tell you about who uses your service / policy and those that don't?	
What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?	
If not, who do you have plans to consult with about the service / policy / project?	Consultation also took place with <ul style="list-style-type: none"> 24 local partners Ward Councillor and Cabinet members CBH Board CBH colleagues CBC ELT

Step 3: Assessing community impact

How does your service, policy or project impact on different groups in the community? Please outline what you are already doing to benefit this group, what you are doing that might disadvantage this group, what you could do differently to benefit the group.

People from black and minority ethnic groups

People who are male or female

People who are transitioning from one gender to another

Older people / children and young people

People with disabilities and mental health challenges

People who have a particular religion or belief

People who are attracted to their own sex, the opposite sex or to both sexes.

People who are married or in a Civil Partnership

People who are pregnant or who are on maternity leave

Other groups or communities

Step 4: What are the differences?

Are any groups affected in different ways to others as a result of the service / policy / project?	No, the aim of the Business Plan is to deliver positive benefit for all customers
Does your service / policy / project either directly or indirectly discriminate?	No, the Business Plan does not discriminate either directly or indirectly
If yes, what can be done to improve this?	N/A
Are there any other ways in which the service / project can help support priority communities in Cheltenham?	The Business plan is focussed on delivering strong and sustainable communities in which all customers can benefit from life chances. The plan will deliver projects which aim to provide support with cost of living for the most vulnerable customers

Step 5: Taking things forward

What are the key actions to be carried out and how will they be resourced and monitored?	
Who will play a role in the decision-making process?	

What are your / the project's learning and development needs?

How will you capture these actions in your service / project planning?

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Cheltenham Borough Council

Cabinet – 14 February 2023

Award of rent support grants to Cheltenham's Voluntary and Community Sector Organisations

Accountable member:

Cabinet Member Finance and Assets, Cllr Peter Jeffries

Accountable officer:

Executive Director Finance, Assets and Regeneration, Paul Jones

Accountable scrutiny committee:

N/A

Ward(s) affected:

Oakley and Pittville

Key/Significant Decision:

No

Executive summary:

As part of Cheltenham Borough Council's wider ambitions to support a thriving voluntary and community sector (VCS), the council enables VCS groups to rent its properties through offering a rent support grant scheme.

The current policy was adopted in December 2016 which permits VCS groups to apply for a rent support grant either at the start of a lease or at the time of a rent review. Applications are scored against four criteria with the amount of subsidy awarded being proportionate to the degree to which the applicant meets the criteria.

Applications for rent support grants have been received from:

- Harvest Field Church

- 10th Cheltenham Scouts

This report sets out the proposed level of rent support grant to be awarded.

Recommendations:

1. Cabinet agrees to the following rent support grant:

Applicant	Recommended rent support grant
Harvest Field Church Lynworth Hall, Mendip Road	A rent support grant of 54% of current market rent.
10 th Cheltenham Scouts Scout Hut, Pittville Park, Central Cross Drive	A rent support grant of 72% of current market rent.

- ### 2. Cabinet delegates authority to the Participation and Engagement Team Leader, in consultation with the Director: One Legal to agree the terms of a rent support grant agreement with the applicant.

1. Implications

1.1. Financial implications

The Harvest Field Church has previously paid a nominal rent per annum. The benefit to the general fund from the uplift in rent will be £1118 per annum versus previous years.

10th Cheltenham Scouts have previously paid a nominal rent per annum. The benefit to the general fund from the uplift in rent will be £1118 per annum versus previous years.

Signed off by: Andy Taylor, Finance Business Partner, andrew.taylor@cheltenham.gov.uk

1.2. Legal implications

- Under S123 Local Government Act 1972, leases for a term greater than 7 years must be for the best consideration reasonably obtainable. The only exception to this is where the letting at less than best consideration contributes to the 'social, economic or environmental well-being' of the council's area or residents. Whilst leases for a term of less than 7 years do not have to be for the best consideration reasonably obtainable, the council must still have regard to its general fiduciary duty.

Granting a lease at market rent, whilst implementing a policy of grant support, means that if the tenant at any time fails to meet the grant criteria, there is no complicated legal mechanism for ensuring that the rent is uplifted to market value: the grant is simply suspended.

Accordingly, the Policy for Property Lettings and Disposals to the Third Sector, Voluntary and Community Groups was adopted by Cabinet on 13 December 2016.

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When considering the giving of financial assistance, the council must ensure that it is not giving an unlawful subsidy under the Subsidy Control Act 2022. The subsidy control regime has replaced state aid which applied before the UK's withdrawal from the EU.

It is our advice that the financial assistance proposed will not constitute unlawful subsidies because, neither organisation are likely to be deemed to fall within the definition of bodies that fall within the scope of the Act (enterprises that are engaged in an economic activity that entails offering goods and services on a market) and even if they were, due to the local nature of the organisations, the assistance will not affect competition or investment within the UK or trade and investment between the UK and any country outside of the UK.

Signed off by: One Legal: legalservices@onelegal.org.uk

2.1. HR implications

There are no direct HR implications identified within this report.

Signed off by: Clare Jones, HR Business Partner, clare.jones@publicagroup.uk

2.2. Environmental and climate change implications

Harvest Field Church maintains the grounds around the building, providing a green space through planting and maintaining plants, shrubs, hedging and trees, which attracts wildlife.

10th Cheltenham Scouts plays an important role in the education of young people about protecting the environment and recycling. Through their stewardship of the Scout Hut building they have also worked to improve its efficiency to reduce heat loss and reduce electricity consumption.

Signed off by: Laura Tapping, Climate Emergency Programme Officer, laura.tapping@cheltenham.gov.uk

2.3. Property/asset implications

The rental implications of the subsidy are set out in the report.

For Harvest Field Church, the Council will be providing a rent support grant which equates to 54% of the market rent.

For 10th Cheltenham Scouts, the Council will be providing a rent support grant which equates to 72% of the market rent.

All other usual terms and conditions will be contained within the two leases in respect of rent reviews, insurance, repairs, compliance, etc, and will be monitored on an ongoing basis to ensure compliance.

Signed off by: Gemma Bell, Director of Finance and Assets (Deputy Section 151 Officer), gemma.bell@cheltenham.gov.uk

2.4. Corporate policy framework implications

The two applications for a rent support grant have been assessed against four criteria:

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- Cheltenham's environmental quality and heritage is protected, maintained and enhanced
- Sustain and grow Cheltenham's economic and cultural vitality
- People live in strong, safe and resilient communities
- We will work to strengthen the emotional and physical wellbeing of all Cheltenham residents.

The criteria have been developed with regard to the council's corporate plan 2019-2023 and the council's recovery plan to ensure that the size of the rent support grant reflects how well the proposed use of the building meets the council's priorities.

Signed off by: Richard Gibson, Head of Communities, Wellbeing and Partnerships
richard.gibson@cheltenham.gov.uk

3. Performance management – monitoring and review

- 3.1. The council will put in place an annual monitoring process whereby recipients of a rent support grant will submit a monitoring form to explain the activities that have been delivered from the premises. The monitoring information will be reviewed by the Asset Management Working Group that will be able to make recommendations to the Cabinet Member Finance and Assets about whether the grant should continue into the next year, or whether the level of rent support grant should be reviewed or withdrawn.
- 3.2. The quality and timeliness of previous monitoring information will be taken into account, if the applicant wishes to re-apply for a rent support grant at the end of the three year period.

4. Background

- 4.1. As part of Cheltenham Borough Council's wider ambitions to support a thriving voluntary and community sector, the council enables VCS groups to rent its properties through offering a rent support grant scheme.
- 4.2. We know that appropriate rent support to community-based organisations and services can support the viability of such organisations and the services they provide to the benefit of the social and economic well-being of the town. However, the Council will continue to encourage voluntary and community sector organisations to become more self-sufficient and less reliant upon financial support from the Council.
- 4.3. A revised rent support grant process was adopted by the council in December 2016. This is based on assessing an application against the following four outcomes:
 - Cheltenham's environmental quality and heritage is protected, maintained and enhanced
 - Sustain and grow Cheltenham's economic and cultural vitality
 - People live in strong and safe communities
 - We will work to strengthen the emotional and physical wellbeing of all Cheltenham residents
- 4.4. The maximum rent support grant that any organisation will be able to apply for will be 80% of their current market rent and that the assessment process will determine the level of grant to be offered up to this maximum and will be staggered incrementally, as follows:

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- Meeting one outcome –up to 20% grant
- Meeting two outcomes –up to 40% grant
- Meeting three outcomes –up to 60% grant
- Meeting four outcomes –up to 80% grant

4.5. Each outcome is subject to a stepped discount between 0 and 20% depending upon the impact of the defined sub-elements of each outcome.

4.6. Cabinet retains the discretion to award a further grant of 10%, bringing the maximum rent support grant that any organisation could receive to 90%. This will only be in exceptional cases and any such decision will only be taken after detailed consideration of the organisation's financial and business case for the rent support.

4.7. In addition, the council will scrutinise the applicant's financial standing and make an assessment of the following:

- That the reason for applying for the rent support grant is backed up by the organisation's financial health in that the grant award will support the financial viability of the operation of the building
- That the organisation has reasonable longer-term plans in place to be able to sustain activities being delivered from the building beyond the term of the grant.

4.8. The offer of a grant will be for a maximum of three years that will be reviewed at the end of each 12 month period to ensure that the applicant continues to deliver the activities set out in the original application. The council reserves the right to either review the grant amount awarded or withdraw it completely if there are changes to the activities being delivered. In addition, if the organisation is in debt arrears to the council; the grant will be withdrawn.

5. Reasons for recommendations

5.1. The submissions from Harvest Field Church and 10th Cheltenham Scouts have been assessed against the criteria detailed in 1.4.

5.2. The Harvest Field Church has demonstrated some evidence of their contribution to the themes assessed against, particularly under helping people to live in safe and strong communities and in supporting the emotional and physical wellbeing of residents. They also maintain the building and surrounding grounds. The organisation has plans to better promote the facilities on offer to community groups in the area, for use during the week. The hire charge income from these sessions would help make it possible to sustain activities delivered from the building against the increase in rent paid.

5.3. The 10th Cheltenham Scouts demonstrated strong evidence of their role in all of the themes assessed against (please see Appendix 3). While the rent increase is fairly significant for a small organisation, run by volunteers, the group has plans under the new lease to let the space for use by other community groups and for events to increase their income over the term of the grant.

6. Alternative options considered

6.1. None

7. Consultation and feedback

7.1. None

8. Key risks

- 8.1. If the Council is overly generous in subsidising tenancies with grants, this will result in reduced income from assets and cumulative impacts on the Council's medium term financial strategy.
 - 8.2. If appropriate and transparent grant agreements are not put in place, tenants may be more difficult to remove if they fail to meet the terms of any subsidised letting arrangement, with the potential for associated adverse publicity for the Council.
 - 8.3. If prospective tenants cannot demonstrate a robust business plan when taking on property commitments from the Council, there is an increased risk of failure and associated financial and reputation impacts for the authority.
-

Report author:

Helen Down, Participation and Engagement Team Leader, helen.down@cheltenham.gov.uk

Appendices:

- i. Risk Assessment
- ii. Harvest Field Church rent support assessment
- iii. 10th Cheltenham Scouts rent support assessment

Background information:

Report to Cabinet 13 December 2016 "Award of rent support grants to Cheltenham's Voluntary and Community Sector Organisations"

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	If appropriate and transparent grant agreements are not put in place, tenants may not understand the consequences if they fail to meet the terms of any subsidised letting arrangement.	Helen Down	2	2	4	Accept	Rent support grant agreement to be put in place, in conjunction with One Legal	Helen Down	April 2023
	If prospective tenants cannot demonstrate a robust business plan when taking on property commitments from the Council, there is an increased risk of failure and associated financial and reputation impacts for the authority.	Gemma Bell	2	3	6	Accept			
	If the grant expires or is terminated, tenants will remain responsible for payment of rent at market value. This may result in an increase in arrears.	Gemma Bell	2	2	4	Accept			

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Cabinet 14.02.23 Appendix 2 - Rent Support Assessment Process, Harvest Field Church

Date of rent support assessment:	25.8.22 (updated)
Carried out by:	Richard Gibson, Helen Down, Andrew Taylor, Mandeep Padan
Name of Applicant:	Harvest Field Church
Is the applicant a legally constituted, not-for-profit voluntary and community sector organisation?	The organisation is a registered charity, number 1120158
Name /address of property	Lynworth Hall Mendip Road Cheltenham GL52 5ED

Rent Support outcomes	Submission	Proposed score against the sub-elements (up to a maximum of 20% per outcome)
<p>Cheltenham's environmental quality and heritage is protected, maintained and enhanced. This could include</p> <ul style="list-style-type: none"> • Promoting bio-diversity • Responding to climate change • Promoting sustainable living • Protecting and enhancing parks, gardens and open spaces • Protecting and enhancing the built environment 	<p>As custodians of Lynworth Hall, the organisation has maintained the grounds as green space which is tranquil and attracts wildlife. The church community also plants and tends shrubs, hedging and trees.</p> <p>Besides maintenance of the grounds members of the Harvest Field Church regularly give their time voluntarily to repair and improve the building. The building is an historic one and the unique character of the building has been retained in all of the improvements that have been made to it. A number of major works have been carried out on the building over the years – and particularly in the last 20 years. These include: re-roofing, installing disabled access, building a stage where once was a walk-in storage area, renovating the kitchen, remodelling and refurbishing the toilet and creating a children's room.</p>	<p>Promoting bio-diversity – 4% Responding to climate change – 0% Promoting sustainable living – 0% Protecting and enhancing parks, gardens and open spaces – 4% Protecting and enhancing the built environment – 4%</p> <p><u>The recommended rent support for this element is 12%.</u></p>
<p>Sustain and grow Cheltenham's economic and cultural vitality. This could include:</p> <ul style="list-style-type: none"> • Helping people into employment • Helping businesses to get established • Supporting cultural activity • Providing advice and information 	<p>The organisation supports some cultural activity on the site. Besides fulfilling its role as a place of worship, Lynworth Hall is a community hall used for local group activities, including regular community activity sessions, such as two University of the Third Age clubs which use the hall weekly for music sessions.</p>	<p>Helping people into employment – 0% Helping businesses to get established – 0% Supporting cultural activity – 4% Providing advice and information – 2% Supporting tourist activities – 0%</p> <p><u>The recommended rent support grant for this</u></p>

Rent Support outcomes	Submission	Proposed score against the sub-elements (up to a maximum of 20% per outcome) element is 6%
<ul style="list-style-type: none"> Supporting tourist activities 		<u>element is 6%</u>
<p>People live in strong and safe communities. This could include</p> <ul style="list-style-type: none"> Enabling local residents to meet together and socialise Engaging residents in positive social networks Enabling local residents to contribute their time and efforts into community activity Enabling local residents to feel safer in their communities A place for young people to meet and feel safe 	<p>As a place of worship, the Christian gatherings in Lynworth Hall cater for all ages, from Sunday School for children to refreshments for older people before the Sunday service. Parents and adults of working age socialise after the service and lunch is regularly provided to extend the time for people to get to know each other.</p> <p>The primary weekday community user of the hall is University of the Third Age, through which 2 sessions a week are provided for people no longer in full time work to come together to learn for fun, volunteer and stay active, which is integral to promoting health and wellbeing in older age.</p>	<p>Enabling local residents to meet together and socialise – 4% Engaging residents in positive social networks – 4% Enabling local residents to contribute their time and efforts into community activity – 4% Enabling local residents to feel safer in their communities – 4% A place for young people to meet and feel safe – 4%</p> <p><u>The recommended rent support grant for this element is 20%.</u></p>
<p>We will work to strengthen the emotional and physical wellbeing of all Cheltenham residents This could include:</p> <ul style="list-style-type: none"> Enabling local people to be active Helping local people make healthy lifestyle choices Reducing the harm caused by alcohol Improving mental health Improving health & wellbeing into older age 	<p>At the Sunday services in Lynworth Hall, the church minister prioritises messages that aid people’s ability to establish and improve their mental health and emotional wellbeing. Counsel is also regularly included to enable people to confidently make informed healthy lifestyle choices. This guidance and counsel reaches across the age ranges from young adults, through parents of young children, to men and women in old age. The result is that those who regularly attend church gatherings in the hall report enjoying having healthy lifestyles with very few serious problems related to physical or mental health.</p> <p>Cheltenham CAP (Christians Against Poverty) also uses Lynworth Hall for client consultations on an adhoc basis to meet people seeking help locally with their finances to reduce debt and poverty.</p>	<p>Enabling local people to be active – 4% Helping local people make healthy lifestyle choices – 4% Reducing the harm caused by alcohol – 4% Improving mental health – 4% Improving health & wellbeing into older age – 4%</p> <p><u>The recommended rent support grant for this element is 16%</u></p>
<p>Summary and recommended rent support grant</p>	<p>The recommended rent support grant is 54% of market rent.</p> <p>This will give the organisation time to increase their income before the 5 yearly rent review.</p>	

Financial considerations	Panel assessment
<p>Will the grant award will support the financial viability of the operation of the building?</p>	<p>In the last financial year (2021-22), income was £15,000, expenses £13,700 and the end of year balance was £5,900. This financial year included an exceptional, one-off gift, and projected income for 2022-23 is £11,000, expenses £12,000, and an end of year balance of £5,000.</p> <p>Without the rent support grant, they would struggle to continue to operate from the building as the small amount raised from community groups would not sustain in the long term the amount of rent set under the new lease.</p>
<p>Has the organisation got reasonable longer-term plans to sustain activities being delivered from the building beyond the term of the grant?</p>	<p>The organisation has plans to better promote the facilities on offer to community groups in the area, for use during the week. The hire charge income from these sessions would help make it possible to sustain activities delivered from the building.</p>

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Cabinet 14.02.23 Appendix 3 - Rent Support Assessment Process, 10th Cheltenham Scouts

Date of rent support assessment:	6.1.23
Carried out by:	Richard Gibson, Andrew Taylor, Mandeep Padan, Helen Down
Name of Applicant:	10 th Cheltenham Scout Group
Is the applicant a legally constituted, not-for-profit voluntary and community sector organisation?	Registered charity, number 1021252
Name /address of property	Scout Hut Pittville Park Central Cross Drive Cheltenham GL50 4LA

Rent Support outcomes	Submission	Proposed score against the sub-elements (up to a maximum of 20% per outcome)
<p>Cheltenham's environmental quality and heritage is protected, maintained and enhanced. This could include</p> <ul style="list-style-type: none"> • Promoting bio-diversity • Responding to climate change • Promoting sustainable living • Protecting and enhancing parks, gardens and open spaces • Protecting and enhancing the built environment 	<p>The 10th Cheltenham Scouts have demonstrated their commitment to protecting, maintaining and enhancing Cheltenham's environmental quality through their programmes with young people and also through their management of the building and work to improve its efficiency.</p> <p><i>Promoting bio-diversity:</i> Children get involved with the environmental conservation badge for which they have to play an active part in improving the environment in Cheltenham, they learn about how to save energy, recycle and reduce pollution.</p> <p><i>Responding to climate change:</i> The organisation is in the final phase of renovation works to give the scout hut building a new "eco-friendly" coat. This aimed to reduce heat loss, using a thick 100mm layer of ceiling insulation and using insulated plasterboard. PIR controlled ultra-efficient LED lighting was also fitted throughout, to reduce electricity consumption.</p> <p><i>Promoting sustainable living:</i> The group participated in a session with Gloucestershire Wildlife Trust "Do one thing" workshop to help tackle the environmental crisis, and like all scouting groups,</p>	<p>Promoting bio-diversity – 4% Responding to climate change – 4% Promoting sustainable living – 4% Protecting and enhancing parks, gardens and open spaces 4% Protecting and enhancing the built environment – 4%</p> <p><u>The recommended rent subsidy for this element is 20%</u></p>

Rent Support outcomes	Submission	Proposed score against the sub-elements (up to a maximum of 20% per outcome)
	<p>engages with environmental issues as part of programmes and badges and encourages a responsible attitude to the environment; particularly low environmental impact camping.</p> <p><i>Protecting and enhancing parks, gardens and open spaces:</i> The organisation works, together with friends of Pittville, on restoring the original historical flower beds situated in front of the scout hut entrance and planting daffodils. They remove rubbish (regularly left by people using the covered area as a shelter) before each group meeting.</p> <p><i>Protecting and enhancing the built environment:</i> The organisation maintains the building, and has done extensive repair works to the internal ceiling, improving it by adding a lot of insulation. They maintain the building fabric and have painted the front and are working together with Friends of Pittville to paint the entire building, greatly enhancing its appearance in the park. The organisation also works with partners to prevent any damage to the base of the building, caused by roots of overgrown shrubs.</p>	

Sustain and grow Cheltenham's economic and cultural vitality.

This could include:

- Helping people into employment
- Helping businesses to get established
- Supporting cultural activity
- Providing advice and information
- Supporting tourist activities

The submission provides strong evidence of the role that 10th Cheltenham Scouts play in Cheltenham's economic and cultural vitality through their work with young people and other local groups and small businesses.

Helping people into employment:

The Beavers, Cubs and Scouts learn employability skills including teamwork, time management, leadership, planning, interpersonal skills like communicating clearly, listening well, making decisions as a group, self-motivation, cultural awareness, commitment are developed through activities in the scouting programme.

The young people also experience a diversity of skills and different employment opportunities through visitors from a wide variety of roles / organisations including Gloucestershire Wildlife Trust, various exercise instructors, Gloucestershire Academy of Music, nutritionist from Gloucester Rugby club, Cheltenham Animal Shelter as well as police officers, firefighters and paramedics from the local services.

Young leaders (14 to 18-year-olds) also learn leadership, caring, planning and presenting skills and the 'You Shape' programme helps the young people plan and lead a programme.

Helping businesses to get established:

The organisation intends to help small local businesses by providing a dry space to work in, for example Buggy Fit. Local suppliers are also used where possible for building work and purchasing supplies.

Supporting cultural activity:

The organisation will be providing rehearsal space for the Rococo players for their upcoming play on a weekly basis. Creative activities are also part of the scouting programme, such as running shows and singing together as a choir at church parades and other events.

Providing advice and information:

The building is used for a defibrillator class and menopause information evenings. Scout leaders help young people get

Helping people into employment – 4%
Helping businesses to get established – 2%
Supporting cultural activity – 4%
Providing advice and information – 4%
Supporting tourist activities – 2%

The recommended rent subsidy for this element is 16%

	<p>access to information to help and support them through their physical, emotional and moral development. Scouts has a key role to play in the development of young people, and helping them make responsible and informed decisions about their own well-being.</p> <p><i>Supporting tourist activities:</i> The organisation has agreed to support Aim Up (previously known as St Vincent's and St George's Association) which is a local charity, that exists to enable adults with disabilities, complex needs, behaviours that challenge and mental health conditions, to live the life they want regardless of their disability. The scout hut will be the new start and finish point for their annual charity hike "Cheltenham's Three Peaks Challenge". Around 550 walkers will be participating.</p>	
<p>People live in strong and safe communities. This could include</p> <ul style="list-style-type: none"> • Enabling local residents to meet together and socialise • Engaging residents in positive social networks • Enabling local residents to contribute their time and efforts into community activity • Enabling local residents to feel safer in their communities • A place for young people to meet and feel safe 	<p>10th Cheltenham Scouts have provided very good evidence of their contribution to building safe and strong communities. Young people attending come from different social backgrounds working together as a team, and belong to a number of different local schools. The group also plays an important part in the local community.</p> <p><i>Enabling local residents to meet together and socialise:</i> The building is used to bring local residents together outside the Scouting activities on offer, for example through the reopening ceremony and through a planned Christmas fair for 2023 to which residents living on both sides of Pittville park will be invited. The venue will also be used as a shelter for a wedding and for book sales to raise funds for future improvements to the hut. An intergenerational project socialising through music workshops also brings people together.</p> <p><i>Engaging residents in positive social networks:</i> "Stand by me" is the Gloucestershire Academy of music's intergenerational project which aims to bring children and older people together through music workshops, helping different generations have fun together and this group takes part in it with the Windsor Street care home. Young people have supported the Star College at Bradbury Gardens over the last few years at Christmas time by clearing and cleaning their pathways, performing a Christmas carol concert, baking Christmas cookies,</p>	<p>Enabling local residents to meet together and socialise – 4% Engaging residents in positive social networks – 4% Enabling local residents to contribute their time and efforts into community activity – 4% Enabling local residents to feel safer in their communities – 4% A place for young people to meet and feel safe – 4%</p> <p><u>The recommended rent subsidy for this element is 20%.</u></p>

	<p>creating cards, and making Christmas decorations for their trees.</p> <p><i>Enabling local residents to contribute their time and efforts into community activity:</i> Local residents from friends of Pittville have contributed their time in helping the scout group to renovate the building and also to dig up the front bed. The Beavers have raised money for the Cheltenham Animal shelter by doing jobs and chores for their family and friends.</p> <p><i>Enabling local residents to feel safer in their communities:</i> The building will be used for a lease holder meeting which will help to make local residents feel safe in their community.</p> <p><i>A place for young people to meet and feel safe:</i> All of the scout sections, Beavers, Cubs and Scouts can safely meet at the scout hut on a weekly basis. The group draws young people from a range of backgrounds, some from deprived communities. The group has supported children with additional needs – some who have brought a 1:1 helper; by adapting activities so they can be included. We have had requests from a deputy-head teacher at a local primary school to take on children in our scout group who find socialising difficult, so they can mix with some other children whilst taking part in structured activities. The group also helps families to pay for subs, uniform and camps where needed.</p>	
<p>We will work to strengthen the emotional and physical wellbeing of all Cheltenham residents</p> <p>This could include:</p> <ul style="list-style-type: none"> • Enabling local people to be active • Helping local people make healthy lifestyle choices • Reducing the harm caused by alcohol • Improving mental health • Improving health & wellbeing into older age 	<p>The group plays an important role in supporting the emotional and physical wellbeing of local young people through the programmes, activities and role models on offer and is volunteer led.</p> <p><i>Enabling local people to be active</i> The organisation has plans to provide space for Wellnesszone to allow local new mums to exercise in a safe space, to support mums postnatally to lessen postnatal depression and also to start a menopausal group to learn how lifestyle change can really help during the menopause.</p> <p><i>Helping local people make healthy lifestyle choices:</i> Young people are enabled to engage in outdoor activities in a way that respects the environment, to be fit and acquire useful</p>	<p>Enabling local people to be active – 4%</p> <p>Helping local people make healthy lifestyle choices – 4%</p> <p>Reducing the harm caused by alcohol – 4%</p> <p>Improving mental health – 4%</p> <p>Improving health & wellbeing into older age – 0%</p> <p><u>The recommended rent subsidy for this element is 16%</u></p>

	<p>life skills. Scouting, with its emphasis on teamwork and on outdoor activity enhances young people's choice of healthy lifestyles. Young people have had an opportunity to take part in sports through the scout program, that they wouldn't usually get the opportunity to experience such as basketball, yoga and Zumba.</p> <p><i>Reducing the harm caused by alcohol:</i> Adults in scouting are role models for young people. A key policy is therefore that adults do NOT consume alcohol when they are directly responsible for young people on a Scouts activity. They also do not permit young people aged under 18 years to consume alcohol on Scouts activities. Young people are also helped to understand the issues associated with alcohol and how to access information and advice.</p> <p><i>Improving mental health:</i> The group helps young people develop their sense of self-worth and confidence. A number of members have learning issues and their progress in scouting has been a major factor in encouraging them to believe in their ability to overcome obstacles. The group supports individuals with complex needs, both educational and personal.</p> <p>As a church sponsored group, the development of individual's spiritual and ethical well being is also taken seriously.</p> <p>Scout badges that support the various sections are:</p> <p>Global Issues Gardener Health and Fitness Community Impact Environmental Conservation</p>	
<p>Summary and recommended rent support grant</p>	<p>The 10th Cheltenham Scouts Group has demonstrated strong evidence of its important role in all of the themes assessed against, as well as having plans for the building to be used by other groups and local small businesses.</p> <p>Our recommendation is for a rent support grant of 72%.</p>	

Financial considerations	Panel assessment
Will the grant award will support the financial viability of the operation of the building?	The market value rent has increased based on its location and size and length of time since it was last reviewed. The 72% rent subsidy grant will support the financial viability of the organisation which is led by volunteers.
Has the organisation got reasonable longer-term plans to sustain activities being delivered from the building beyond the term of the grant?	The organisation has plans under the new lease to let the space for birthday parties and events and for other groups to meet, which will be a new source of income to help sustain their activities beyond the term of the grant.