

Cheltenham Borough Council Cabinet

Meeting date: Tuesday, 19 September 2023

Meeting time: 6.00 pm

Meeting venue: Council Chamber - Municipal Offices

Membership:

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

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SECTION 1 : PROCEDURAL MATTERS

1 Apologies

2 Declarations of interest

3 Minutes of the last meeting (Pages 5 - 24)

To approve the draft minutes of Cabinet meetings on 11 July and 25 July 2023

4 Public and Member Questions and Petitions

Questions 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 The Cheltenham Trust Contract (Pages 25 - 32)

Report of the Cabinet Member for Economic Development, Culture, Tourism and Wellbeing

6 Vacant Units and Town Centre Land Use Efficiency Action Plan (Pages 33 - 54)

Report of the Cabinet Member for Economic Development, Culture, Tourism and Wellbeing

7 Budget Monitoring Report, April-June 2023 (Pages 55 - 70)

Report of Cabinet Member for Finance and Assets

8 Disposal of surplus land - Idsall Drive (Pages 71 - 96)

Report of Cabinet Member for Finance and Assets

9 Freehold/Head Leasehold Investment Disposal - Regent Arcade (Pages 97 - 120)

Report of Cabinet Member for Finance and Assets

SECTION 6 : BRIEFING SESSION

- Leader and Cabinet Members

10 Briefing from Cabinet Members

SECTION 7 : DECISIONS OF CABINET MEMBERS

Member decisions taken since the last Cabinet meeting

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

SECTION 9 : LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS

Section 10: BRIEFING NOTES

Briefing notes are circulated for information with the Cabinet papers but are not on the agenda

11 Local Government Act 1972 - Exempt Business

The Cabinet is recommended to approve the following resolution:-

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

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

12 Exempt Minutes of Cabinet, 11 July 2023 (Pages 121 - 122)

To approve the exempt minutes of the meeting held on 11 July 2023

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Cheltenham Borough Council

Cabinet

Minutes

Meeting date: 25 July 2023

Meeting time: 5.00 pm - 5.35 pm

In attendance:

Councillors:

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

Also in attendance:

Gareth Edmundson (Chief Executive) and Richard Gibson (Head of Communities, Wellbeing and Partnerships)

1 Apologies

Apologies were received from Councillor Horwood.

2 Declarations of interest

There were no declarations of interest.

3 Minutes of the last meeting

The minutes of the meeting held on 11 July 2023 will be considered at Cabinet in September.

4 Public and Member Questions and Petitions

There were none.

5 Local Development Scheme 2023

The Leader introduced the report and explained that Local Planning Authorities are required by law to prepare, publish, and maintain a Local Development Scheme

(LDS) setting out the timetable for preparing statutory Development Plan Documents (DPD), which form the Local Plan.

The Local Development Scheme 2023 will deliver the Cheltenham, Gloucester and Tewkesbury Strategic and Local Plan (CGTSLP). In simple terms this will draw together four core elements within a single examination; collectively this being the CGTSLP and made up of:

1. the strategic plan policies (incorporating any generic policies that are relevant across the Cheltenham, Gloucester and Tewkesbury administrative areas);
2. Cheltenham local plan policies;
3. Gloucester local plan policies;
4. Tewkesbury local plan policies.

An updated Partnership Agreement will provide the safeguards that sets out the terms and conditions for the operation of the partnership. This would include a clear protocol that individual districts would not seek to fetter the discretion of the other district authorities in the drafting of the local plan policies.

The Council's current LDS was adopted in 2022 and is in need of updating. There are a number of reasons for this including;

- Cheltenham's local plan policies are directly linked to the overall land allocation figures relating to employment, housing and retail – these are out of date. Of particular relevance are the housing numbers and in regard to this we are in the position that Cheltenham does not have an up-to-date plan in regards housing delivery.
- The Planning Service Review gave strong recommendations (extract below) which emphasised the value of joint working and the importance of making progress on plan making. With specific regards to plan making the clear message was 'do not delay'
- Plan making is resource hungry in respect of officer resource, consultancy time and costs to facilitate this, public consultation and examination on public. The approach now set out via the LDS has sought to think creatively about how we manage the financial cost of plan making in context of local authority budgets & impact on wider financial demands – to support more predictable and consistent spend/flattening out spend
- build efficiency and effectiveness in preparing the evidence base required to meet our statutory obligations
- facilitate staff recruitment and retention
- develop specialisms and enhance depth– save costs (long term) by less reliance on commissioning of consultants
- respond robustly to Government change/uncertainty

The Leader reported that sovereignty of decision-making is critical to all three councils, and this is being embodied in our governance and approach, as illustrated in the diagram in the report.

Finally, the Leader emphasised that the council was working within the realms of what was best for the residents and communities in the town.

Members thanked the Leader for all her hard work on this important, exciting and challenging project, appreciating the need for speed and looking forward to working collaboratively with our neighbouring councils to maintain high standards in planning and provide the decisions we need. They made the following points:

- as the other authorities are not as advanced as CBC, which already has SPD documents and policies in place, Cheltenham is well placed to take the lead;
- thanks to the Leader and officers, particularly Gareth Edmundson and Tracey Birkinshaw for their intense work and creative, can-do thinking on this, making the impossible possible, and providing an exciting opportunity to raise standards by working together with neighbouring authorities;
- climate change in particular does not respect boundaries and this provides a welcome opportunity to work together effectively to protect the planet and set a high bar across the board;
- CBC has traditionally led the way with innovative planning solutions, and can take forward its high environmental standards, such as protecting local green space and achieving net zero housing. These can feed into the documents, and will result in more strategic planning than has been achieved previously, through deep partnership with our neighbours. It's hoped that those at national level will be impressed by this innovative approach;
- the success of Ubico, which now serves every district in Gloucestershire, with the Cabinet Member for Waste, Recycling and Street Services now chairing the Gloucestershire Resources and Waste Partnership, demonstrates CBC's ability to lead on important initiatives, particularly green ones;
- the importance of community involvement and protection of local green space in the preparation of future plans is welcomed, and it will be good to see how the Florence Convention, which gives communities the right to have their say in respect of new building developments, can be incorporated into future versions of the plan.

In summing up, the Leader referred to the recent government announcement on new planning flexibilities allowing councils to compulsory purchase vacant town centre buildings and convert them into homes. She queried how this could rejuvenate the high street when there were no details on how this could be financed by local authorities.

She noted government interest in what Cheltenham, Gloucester and Tewkesbury were proposing and the provision of a person to work with our three strategic teams. This was very much welcomed.

RESOLVED THAT:

1. **the updated Local Development Scheme for Cheltenham Borough, attached to the report at Appendix 2, is adopted, to take effect immediately. This is the programme for preparation of the Cheltenham, Gloucester and Tewkesbury Strategic and Local Plan (CGTSLP) which includes;**
 - **strategic plan policies covering the entirety of the area of Cheltenham, Gloucester and Tewkesbury administrative**

areas (this will include any relevant generic policies that affect all individual areas equally), and

- **local plan policies addressing any locality specific issues of the individual administrative areas**
- 2. authority is delegated to the Director of Community & Economic Development, in consultation with the Leader, to prepare the Local Development Scheme for publication, correcting any minor errors such as spelling, grammar, typographical and formatting changes that do not affect the substantive content of the Local Development Scheme.**

6 Physical activity and sport strategy for Cheltenham, Part 1 - draft vision and outcomes

The Cabinet Member for Economic Development, Culture, Tourism and Well-being introduced the report, thanking Richard Gibson and the many people from communities and stakeholder groups across Cheltenham who took part in important workshops to tell us what Cheltenham needs. Stage 1 of the strategy sets the vision, with Stage 2, including technical assessment of sports pitch need, to follow after further widespread consultation. He highlighted the following points:

physical activity is important for people's physical and mental health, as well as being good for business by boosting productivity, and protecting the NHS by preventing short and long-term ill health;

more than 1 in 5 Cheltenham people are classed as inactive, below the national average of 1 in 4, but drilling down into the statistics shows that inactivity is lower in low income communities, lowering health outcomes for the people in greatest need.

The strategy must focus on access for everyone, including the disabled and minority groups who are more likely to suffer as result of inactivity;

Cheltenham is relatively well served by sports facilities, with private gyms, health clubs and private schools, as well as Leisure@ and the Prince of Wales Stadium.

The next stage of the strategy will look to augment these, following wider consultation;

tackling ingrained health problems and inactivity is a long-term challenge for the nation and for Cheltenham, to create healthier, happier and more productive communities, which can thrive in the future, and also protect the NHS.

Members welcomed the report and strategy and made the following comments:

it is good to see the incredible range of ways to get active and involved in sport portrayed in the strategy, rather than stereotypical activities;

It would be a challenge to list the many benefits from being an active sportsperson, over and above simply keeping fit, including meeting friends and being part of a sports community;

Cheltenham already enjoys a great sporting culture from gymnastics and skittles to football and horseracing, and there is no doubt that team sports help children's development, improving mental health and well-being by working together collaboratively;

this strategy is the start of a journey to discover what is possible. We are very lucky to have Leisure@, which opened in 1972, but it is good to consider if this is the right facility for now and the future, and how we can add to it. We need a policy to formulate where to go next.

RESOLVED THAT:

our draft vision and outcomes for physical activity and sport document, as attached as Appendix 2, is agreed;

the progress with appointing consultants to undertake a comprehensive assessment of the borough's playing pitches and built sports facilities up to 2041 is noted.

7 Appointment of a supplier for delivery of fixed power supply

The Cabinet Member for Finance and Assets introduced his report, reminding Members of the successful ice rink in Imperial Gardens in 2021 and the approval of a recommendation to deliver fixed power infrastructure for future events. This would provide a sustainable solution, producing less noise and air pollution. Work is ongoing to understand the technical and practical issues of doing this, including understanding the capacity of the national grid network, topography, tree root protection, listed building restrictions and more.

The council needs to engage professional engineers to provide a viable specification for this work, and has been liaising with a number of providers, but the timelines for the project to be delivered mean that there is no time to undergo the full tender process or identify and appoint through a framework. It is therefore recommended that a waiver is applied to appoint a preferred supplier to mount full delivery of the project. He assured Members that, following the design spec and procurement process to appoint a supplier for the build work, a full business case would be brought back for approval.

Members welcomed the report, and made the following points:

- the power supply will be a great benefit to the town, not only reducing the need for generators for the ice rink, but for all other activities in the Imperial Gardens;
- removing the need for diesel generators, which pollute homes and the local environment, is a good enough reason in itself to approve the recommendation;
- this is an exciting proposal, as the ice rink and all other events in Imperial Gardens are so important to residents, visitors, and the economy of the park. It is good that these can be carried on in a more sustainable way.

A Member asked if it is the intention to extend this infrastructure initiative beyond Imperial Gardens to Montpellier Gardens in due course. The Cabinet Member for

Finance and Assets confirmed that this is the aspiration, following learning from the current project.

RESOLVED THAT:

- **the direct appointment of the supplier to undertake the project work on a fixed power supply up to and including RIBA Stage 5 is approved, subject to a business case for the capital work being approved by Cabinet and Full Council (if required).**

8 Briefing from Cabinet Members

The Cabinet Member for Safety and Communities was sad to report that Charles Welsh, executive Head Teacher of Oakwood and Gardners Lane Primary Schools, is retiring, not only from work but also from his role as Chair of the Communities Partnership and as a huge champion of No Child Left Behind. She said it had been her great privilege to work with him over the last few years, describing him as a man like no other who gives, listens and cares about children and their families, and gave formal thanks through the Cabinet for everything he has done for his community and Cheltenham . She wished him well for the future, adding that he would be welcomed back if he would like to stay involved.

9 Cabinet Member decisions since last meeting

The Cabinet Member for Housing reported on a decision to appoint a consultant to lead and advise on the redevelopment of the former Monkscroft School.

The Cabinet Member for Climate Emergency had taken a decision to offer the second significant Green New deal loan to Cheltenham Town Football Club, saying an exciting press launch would follow.

Cheltenham Borough Council

Cabinet

Minutes

Meeting date: 11 July 2023

Meeting time: 6.00 – 7.15pm

In attendance:

Councillors:

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

Also in attendance:

Gareth Edmundson (Chief Executive) and Paul Jones (Executive Director of Finance, Assets and Regeneration), Helen Down (Head of Place Marketing and Inward Investment), Councillor Willingham (as Chair of Scrutiny Task Group).

1 Apologies

Apologies were received from Councillor Wilkinson.

2 Declarations of interest

The Leader suggested that all Members had a collective non-pecuniary interest in Agenda item 11, Recommended allocations of neighbourhood Community Infrastructure Levy funds

3 Minutes of the last meeting

The minutes of the meeting held on 13 June 2023 were approved and signed as a true record.

4 Public and Member Questions and Petitions

Two public questions had been received.

1. Question from Mr Steven Thomas to Cabinet Member for Climate Emergency, Councillor Alisha Lewis

Cheltenham 2030 details very radical plans to completely change the town in a way that has never been seen before. I see as well there are considerations to turn Cheltenham into a ULEZ like Bath and Birmingham. Please detail the consultations that you have carried out with the general public, and where you have obtained their consent.

Response from Cabinet Member

This particular issue falls outside the jurisdiction of the Borough Council, as we are not the designated highways authority. Those powers are held by Gloucestershire County Council, to whom this question might be more constructively addressed. It is not currently the intention of Cheltenham Borough Council to lobby GCC for such a scheme. Instead, our discussions with our colleagues at the County Council revolve around enhancing local cycle infrastructure, delivering EV charging infrastructure, and ensuring the provision of reliable low-cost bus services that align with the needs of Cheltenham's residents and businesses.

Cheltenham Borough Council is committed to promoting sustainable travel options and is working collaboratively with our residents and partners to achieve our goals. We are proud of the projects we are currently leading on in this area, including our upcoming town centre Cycle Hub. We have consulted extensively with the public on this scheme, including a survey and a survey results social event hosted in partnership with Cheltenham Zero. We were delighted to share the constructive work we are undertaking to support sustainable travel, from EV chargers to staff cycling schemes, at our recent Sustainable Travel Showcase.

Supplementary question from Mr Thomas

What is the official definition of a climate emergency? If the Cabinet Member cannot define it, how can we know when it has ended?

Response from Cabinet Member

It would be worth referring back to Council motion declaring a climate emergency, which demonstrates that the council's position is broadly based on the substantial impact that anthropomorphic-based climate change is having on our planet, our environment and our local green spaces, and on the planet's future. Our position would be that if this were to change, we would have to review the motion, but so far we are seeing increased human-based climate change so I cannot see any reason why we are likely to rescind that motion.

2. Question from Mr Steven Thomas to Cabinet Member for Waste, Recycling and Street Services, Councillor Iain Dobie

Has the sewage leak into Pittville Park lake been addressed, which has killed lots of fish? Have you spoken with the water company that is likely responsible for causing this to ensure it does not happen again.

Response from Cabinet Member

There has not been a sewage leak into Pittville Lake.

Recently we experienced a spike in fish deaths due to climatic conditions. The long dry spell we had, combined with brief storms, caused sudden oxygen loss in parts of the lake. The 'splash aerators' that we have in the lakes to help oxygenate the water minimised these losses.

Simultaneously, the Environment Agency (EA) reported an unprecedented number of similar occurrences across the country.

Our Green Space team subsequently mitigated the situation by extending the time periods that the splash aerators were in operation.

This is a complicated matter and is not one which the council can address single-handedly. The high temperatures that we experienced in June (the highest since records began in 1884) are very likely linked to climate change.

We will continue to work with the EA and, where appropriate, Severn Trent Water, to try to minimise the issues highlighted.

Supplementary question from Mr Thomas

The temperature in the UK didn't rise above 32.2 degrees in June, and the highest recorded temperature in Cheltenham was 37.1 degrees in 1990, with subsequent storms which didn't result in dead fish. There are hot, dry spells followed by storms every summer. Can the Member explain why this should cause oxygen loss?

Response from Cabinet Member

Having lived in Cheltenham for a long time, I remember 1976 and 1990, when the then-highest temperature was recorded in Cheltenham, but this was just one day rather than a prolonged period. I am assured by staff responsible for parks, gardens, watercourses and lakes, that extreme temperature occurrences in limited areas of water have an effect on the ability of the water to carry oxygen. We brought in experts to look at the situation for the fish population before the hot weather spells, and were assured that they were healthy, but analysts have confirmed that oxygen levels were reduced as a result of the high temperatures in June, and we must listen to those experts. There is consensus among most people that there is a climate crisis, and this is taken seriously by the council.

5 Scrutiny Task Group report - Tackling Multiple Deprivation

The Chair of the Scrutiny Task Group introduced the report, and began by thanking witnesses, officers, the Democratic Services team and members of the task group. In particular, he thanked Harry Mayo and Councillor Payne for their support with this piece of work. He said the report highlighted the stark divide between the haves and have-nots in the borough, with some areas statistically among the 10% most deprived areas in the country, and the council needs to focus on those areas to help them thrive.

The report presents 21 recommendations across diverse portfolios, and with objectives linking back to the Forward Plan. Much of the work is already being undertaken, and he would like to apply an outcome-based accountability model to measure what has been done and how lives have improved as a result.

He recognised that delivering a large number of recommendations with limited resources was daunting and that there were no quick fixes, but we have to start somewhere, and the delivery documents must be living documents which can change over time. In the first instance, he suggested targeting some of the activities, doing them well, and seeing the positive difference they make to communities. The report recognises that, as a lower tier authority, there are many areas CBC cannot tackle but can only hope to influence, and therefore asked Members to use their influence to lobby and encourage others – CBH, GCC, the Gloucestershire Constabulary, NHS, MP – to hold them to account, and also use the Local Government Authority to lobby central government for other changes in legislation.

With the current cost of living crisis, he realises this is doubly difficult, and said we need innovative low or no-cost strategies, urging Cabinet to look at partnering initiatives with GCC TBC and Cotswold DC.

The Leader offered massive thanks to all who took part in this great report which has thrown a lot of light on matters. She said CBC is already doing a great deal, but here is an opportunity to measure progress and report back to Overview and Scrutiny in a year's time.

The Cabinet Member for Finance and Assets said many of these questions have been asked over the years but not in such detail, There are many issues CBC cannot solve, but should do its best to alleviate, and do all it can, through partnership work where necessary. He wholeheartedly supports the report.

The Cabinet Member for Housing was particularly drawn to the recommendations around housing and the link to working with CBH. She said some of the points were already being addressed and she was looking forward to working with the Scrutiny Working Group to monitor and track progress.

The Cabinet Member for Climate Emergency also congratulated Councillor Willingham and the team on a fantastic report, and put on record her thanks to the climate team, who are determined to look at how the climate budget can be invested in communities, tackling challenges such as fuel poverty and deprivation. So far, they have managed to protect community infrastructure such as churches and community centres, and are helping to tackle fuel poverty, working towards Net Zero council homes, with the dual impact of making homes warmer and cheaper and also reducing emissions.

The Cabinet Member for Safety and Communities thanked Councillor Willingham as leader of the team, saying this report built on work already done with No Child Left Behind, the Large Enterprise Action Group, food network and partners across Cheltenham, while also looking to the future. She said the cost of living crisis is causing real difficulties for ordinary people in all communities, and as winter approaches, this will get a lot worse. She also thanked officers who worked through communities and with organisations to make things happen, giving more people hope for the future and a belief in CBC's ability to get things done.

The Cabinet Member for Customer and Regulatory Services also thanked the Scrutiny Working Group for this welcome and sobering report, saying that inequality wasn't just found in different parts of Cheltenham, but also in close proximity within the same area. He welcomed the emphasis in the report on signposting and communication, as help is often available if people only knew where to ask. He was pleased that help could be found on line and via social media, but that there were other options for the many people with internet access.

The Leader thanked Councillor Willingham for attending, and looked forward to a progress report in a year's time. She asked that Cabinet's thanks be conveyed to the cross-party working group and all officers involved in the report.

6 Housing, Homelessness and Rough Sleeping Strategy

The Cabinet Member for Housing presented her report, thanking housing officers at CBC and CBH for producing the updated strategy, which highlights progress made over the last 12 months and priorities for the coming years. She reported good progress, despite many challenges, and emphasised the importance of effective collaboration with partners, including CBH, other registered providers, the voluntary sector, county council, health services and neighbouring district authorities.

The Cabinet Member for Cyber, Regeneration and Commercial Income thanked the Cabinet Member for Housing and officers for an interesting report, saying that reading this long and complex report was made easier by the use of infographics.

Having presented the last strategy in a previous Cabinet role, the Cabinet Member for Finance and Assets said it was interesting to see such great progress, reduction in homelessness, and partnership working. He said it was concerning that the figures had not improved regarding rough sleepers, and was worried that the proposed renters reform bill may make the problem worse – in the last 12 months, unaffordable increases in rent were the main reason for loss of accommodation in the private sector. He said the government needed to do something positive here, but thanked the Cabinet Member for Housing, Martin Stacy and other officers and partners for their hard work.

RESOLVED THAT:

- 1. the Housing, Homelessness & Rough Sleeping Strategy 2023-28 is approved;**
- 2. the Tenancy Strategy 2023-28 is approved.**

7 In partnership with Cheltenham BID - Vacant Units and Town Centre Land Use Efficiency

In the absence of the Cabinet Member for Economic Development, Culture, Tourism and Wellbeing, the Leader read out an introduction from him, which highlighted the following:

- high streets and town centres and the demand for retail space are changing, not just because of recent economic woes but because of on-line shopping and conversion of retail space to warehouse use for online retailers such as Amazon;
- local areas can either do nothing or adapt their approach and make the best use of what they have; this report is part of CBC's response;
- an audit by a national high streets expert has shown that Cheltenham's High Street and retail environment is performing relatively well, with lower-than-average vacancy rate and new retailers moving in, although we cannot afford to be complacent;
- the report's recommendations will feed into the action plan later in the year, which will include enabling more residential accommodation in the town centre by converting underused space into new homes, utilising brownfield sites in an environmentally and economically sustainable way;
- regular discussion with commercial landlords and agents to get units let, bringing people together, using planning regulations imaginatively to re-zone some parts of the town centre will feed into future strategic plans;
- while these changes are not always easy to contemplate, and may not be easy to achieve with units owned by investors, but must be planned and embraced in a sensible and pragmatic way;
- the report is the start of a journey to keep the town centre prosperous, with a vibrant mix of retail, leisure and housing. The formal action plan will be brought to Cabinet for discussion in the autumn.

The Leader thanked the Cabinet Member for Economic Development, Culture, Tourism and Wellbeing for his report, agreeing that it is good to come up with a plan to tackle the empty shops in Cheltenham.

The Head of Place Marketing and Inward Investment said the action plan will take a holistic view of the town centre, businesses and landlords, with proactive measures to ensure all partners work together, and that any actions will sit alongside measures to increase visitor numbers. She looks forward to updating Cabinet in September.

The Cabinet Member for Cyber, Regeneration and Commercial Income noted that Cheltenham's vacant unit rate is lower than the national average, with only 28 in the

study area, of which all but 10 are currently in the process of being let or refurbished. This is good news for the town and he looks forward to the update.

The Cabinet Member for Finance and Assets said this is a difficult problem, but doing nothing is clearly not an option. Cheltenham attracts good businesses at present, but needs to do something before real problems arise.

The Leader thanked officers, and asked that the Cabinet's thanks be passed on to the BID, which has worked really hard. She said a lot of effort has gone into tracking down who owns many of the buildings, with many overseas landlords and pension funds, but a more proactive and dogmatic approach is paying off.

RESOLVED THAT:

- 1. the findings of the review of vacant premises in five town centre streets - Cambray Place, The Strand, High Street, The Promenade and Montpellier – are noted;**
- 2. the council is recommended, in partnership with Cheltenham BID and with engagement from the Cheltenham Economic Advisory Board, to develop an action plan to be presented back to Cabinet in September 2023 setting out how the recommendations will be delivered in partnership with local business organisations.**
- 3. the council is recommended to work proactively with other organisations and developers, as well as through its own powers and resources, to enable and support more town centre living in unused and underused spaces to provide much needed accommodation and increase footfall to the high street.**
- 4. the council, as local planning authority, is recommended to continue to apply national and local planning policies in dealing with the impact of structural changes in the high street, and can look to develop helpful future planning policies, including the promotion of conversion to residential uses to maximise brownfield development and increase efficiency in land use.**

8 Disposal of Municipal Offices

The Executive Director for Finance, Assets and Regeneration said the report would be debated and the decision made at the next meeting of full Council. As Members are aware, the future of the Municipal Offices has been discussed for decades, during which time the council has undergone several changes in shape and size, the latest being the outcome of the Covid lockdown and the introduction of agile and online working. Some internal work has taken place, and the conversation has continued between councillors, working groups and stakeholder groups across the town. He thanked the Civic Society, Architects' Panel, Local History Society, Chamber of Commerce, BID and all in the community sector for their input, and hoped that colleagues would support their recommendations.

The Cabinet Member for Customer and Regulatory Services commended the outstanding report, and particularly liked the sequence of recommendations. He said the Municipal Offices is part of one of the finest terraces in Europe, which the council is committed to preserve, but with empty and underused offices, it is time for the council to move on and the use of the building to change - although sad and a sensitive subject for the town, this is the right path to take. The development brief will ensure that the heritage and beauty of the building is preserved and enhanced, and encourages the imaginative use of the rear of the building, fit for the 21st century.

The Leader agreed, with only about 25% of the building occupied by the council, saying it was time that it was revisited in a new way.

RESOLVED THAT:

Council be recommended to :

- 1. dispose the Municipal Offices on the open market, in line with our agreed Asset Management Strategy, as the Municipal Offices are now surplus to our operational requirements;**
- 2. commission a development brief for the Municipal Offices which will take a creative and conservation-led approach to the reuse, adaptation and extension of the listed building, its setting and the setting of neighbouring listed buildings and the conservation area;**
- 3. on completion of the development brief, to invite bids for development proposals for the Municipal Offices; and**
- 4. requests that the Cabinet Member for Finance and Assets bring back proposals to Full Council for a final decision on its future use and disposal.**

9 Financial Outturn 2022-23

The Cabinet Member for Finance and Assets said he would present the report more fully to Council on 24 July, but noted that increasing interest rates and inflation had resulted in quite a few variances and pressure on budgets in some areas. Appendix 6 sets out a budgetary position of £101k overspend, drawing on reserves, which is not the best position to be in but is at least stable. He said he and the finance team would be working hard to correct this for next year.

RESOLVED THAT:

- 1. Council receive the financial outturn performance position for the General Fund, and notes that in delivering services in 2022/23, after the application of carry forward requests and following the use earmarked reserves, there was an overspend of £101,294 against the 2022/23 revised budget approved by Council on 20 February 2023;**
- 2. £859,147 of carry forward approved by the Section 151 Officer under delegated powers at Appendix 5 is noted, and £72,000 of carry forward requests which require Member approval is approved;**
- 3. the annual treasury management report at Appendix 7 and the actual 2022/23 prudential and treasury indicators are noted;**
- 4. the capital programme outturn position as detailed in Section 7 of this report and Appendix 8 is noted, and the carry forward of unspent budgets into 2022/23 and the inclusion of two new projects in the 2023/24 capital programme with no additional funding commitment required from the Council is approved;**
- 5. the year end position in respect of Section 106 agreements and partnership funding agreements at Appendix 9 is noted;**
- 6. the outturn position in respect of collection rates for council tax and non-domestic rates for 2022/23 in Appendix 10 is noted;**
- 7. the financial outturn performance position for the Housing Revenue Account for 2022/23 in Appendix 11 is received, and the carry forward of capital budgets from 2022/23 into 2023/24 as set out in Appendix 12 is approved.**

10 Disposal of 6 Saville Close

The Cabinet Member for Finance and Assets thanked officers for their hard work on the report. The property was discussed at a previous Cabinet and the team has worked through the issues, arising from the fact that the property has a unique and dramatic garden, but the plot is now being divided and taken forward as two lots for disposal, to increase its value. The capital receipt will be reinvested in housing priorities and regeneration.

The Cabinet Member for Housing said the report proposed great use of the space for two new homes, and congratulated the Cabinet Member for Finance and Assets and officers for their recommendation.

The Leader recalled the days when the council owned a lot of unused buildings, and it was important when starting on its the commercial journey that the council made its assets work for it to support local residents without having to cut any services.

RESOLVED THAT:

- 1. authority is delegated to the Director for Finance & Assets, in consultation with the Cabinet Member for Finance & Assets and Deputy Leader, to dispose of 6 Saville Close in two lots for best consideration and upon such other terms as are deemed appropriate; and**
- 2. the Director for Finance & Assets, in consultation with Deputy Leader and Cabinet Member for Finance & Assets and the Director of One Legal, is authorised to prepare and conclude the necessary legal documentation to reflect the terms negotiated for 6 Saville Close and the separate garden lot.**

11 Recommended allocations of neighbourhood Community Infrastructure Levy funds

The Cabinet Member for Customer and Regulatory Services presented the report, which proposes the distribution of £128k of CIL contributions to a fantastic range of projects in non-parished areas across the town. These show the huge range of creativity and imagination present in the community, with many of the bids submitted by community groups. The whole process has been carried out in an open and transparent way, with an all-party panel looking at all the bids and making recommendations, having checked that these meet our strategic objectives.

This process is a very fair way for developers to pay back to the communities their schemes affect, and although the government is considering interrupting or reducing this valuable source of funds, it is currently working well, with more funds will be available in the future through further contributions. One of the recommendations is to undertake a lessons-learnt exercise to make the process even better going forward.

Some of the recommendations are agreements in principle, but are important commitments to help with further funding rounds.

The Cabinet Member for Housing congratulated the Cabinet Member for Customer and Regulatory Services and officers for their hard work and for this new scheme for Cheltenham, which really gives voices to unparished communities, to support a wide range of community-based initiatives. It is unfortunate that, with so many applications, some bids were not successful this time, it is good to note that they have been encouraged to re-apply next time. She was particularly pleased to note that the Public Hearts Defibrillator Campaign funding bid was successful; led by Clare Seed, the group has been proactive over the last couple of years in installing defibrillators in areas of the community where they are most needed.

The Cabinet Member for Cyber, Regeneration and Commercial Income noted that officers felt there were lessons to be learnt, but having spoken to Members in other districts who were not even aware of CIL, felt that CBC is further down the road than some of its neighbours.

The Cabinet Member for Finance and Assets was also pleased about the positive impact that CIL contributions would have on our communities, but was concerned about potential government changes once it realised how much funding was being provided by private developers in this way.

The Cabinet Member for Customer and Regulatory Services thanked Members for their comments, officers for all their work – Tracey Birkinshaw for the initial process, Helen Down for making local communities aware, Richard Gibson for his work on the later stages, and Paul Hardiman, John Spurling and Ewan Wright for drafting a robust response to the government technical guidance. He also thanked all the largely voluntary residents and organisations who submitted bids.

RESOLVED THAT:

- 1. the endorsed recommendations as set out in Appendix 2 as the priority list of neighbourhood projects for investment are approved;**
- 2. project agreements with the agreed projects are entered into;**
- 3. the intention to launch a second funding round once the neighbourhood Community Infrastructure fund has built up to a sufficient level is supported. The timing of this will be informed by regular monitoring of the fund.**
- 4. a lessons-learnt exercise is undertaken, and any best practice arising is built into future bidding rounds.**

12 Briefing from Cabinet Members

The Cabinet Member for Climate Emergency said she had the privilege of recently attending the LGA conference as part of the Next Generation Programme, and was able to speak about Cheltenham's climate change projects and share these with

Members from around the country. Although the climate team is small, and it is still early days, it is clear that CBC is punching far above its weight and can be incredibly proud of the work it is doing.

The Cabinet Member for Housing shared three items:

- thanks to the teams working on securing new homes through the Local Authority Housing Fund. The target of 21 new homes for Ukrainian and Afghan families has been set, including a remit to secure a four-bedroomed home, which has now been achieved. At the moment, there are 17 homes in the pipeline, with two completions, so we are well on track to achieve our target;
- a new housing condition survey for the private sector will be launched in the summer, and residents are encouraged to complete this;
- the council has recently been able to support the Cheltenham Paint Festival, through CIL allocations, and in partnership with CBH and following consultation with local residents, two new murals have been commissioned in Orchard Avenue and Dowty Road.

The Leader said also attended the LGA Conference, which this time saw CBC on stage for the second year running. She was proud to be involved in presenting one of the its projects, in partnership with the local CyNam group and Sopra Steria IT company, concerned with getting more girls and young women into the cyber tech digital world.

Other Cabinet Members present did not have any updates on this occasion.

13 Cabinet Member decisions since last meeting

Members reported on the following decisions, made since the last Cabinet meeting:

27 June 2023 – Cabinet Member for Customer and Regulatory Services
[To accept £280,370 from the Gloucestershire Strategic Housing partnership to facilitate the funding and installation of new digital Lifeline equipment](#)

11 July 2023 – Cabinet Member for Cyber, Regeneration and Commercial Income
[To submit comments on behalf of Cheltenham Borough Council in relation to additional targeted consultation for the proposed M5 Junction 10 Improvement Scheme, including the Statement of Common Ground](#)

14 Local Government Act 1972 - Exempt Business

RESOLVED THAT:

- in accordance with **Section 100A(4) Local Government Act 1972** the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will

be disclosed to them exempt information as defined in paragraph 3, Part (1) Schedule (12A) Local Government Act 1972, namely:

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

15 Exempt report - a property matter

Members considered the report and approved the recommendation.

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Cheltenham Borough Council

Cabinet 19 September 2023

Extension of contract with the Cheltenham Trust

Accountable member:

Councillor Max Wilkinson Cabinet Member Economic Development, Culture, Tourism and Wellbeing

Accountable officer:

Richard Gibson, Head of Communities, wellbeing & partnerships

Ward(s) affected:

All

Key Decision: No**Executive summary:**

The Cheltenham Trust was established as a consequence of a commissioning review into how best the council could continue to support the delivery of its leisure and cultural services and buildings. A 10 year management agreement was entered into from 1 October 2014 and an annual management fee is paid to enable the Trust to deliver the agreed services.

The premises leases are 15 years but automatically terminate on expiry of the management agreement. As a consequence, no changes are planned for the lease arrangements.

As part of the agreement, the council has the option to extend the agreement by a further 5 years to 2029. Confirmation of the council's intentions in regard to the extension need to be communicated in writing to the Trust within 12 months of the end of the initial term – ie by 30 September 2023.

It is the council's intention to extend the agreement by 5 years, as per the provision within the management agreement, but that the council will introduce a rolling break-clause, that CBC can trigger with 12 months notice at which point the council need to re-procure the services.

It is noted that there is instability in the market of leisure and culture suppliers at the moment as they attempt to price in the impacts of inflation. The rolling break-clause will enable us to procure when the market conditions are more favourable to the council.

Recommendations: That Cabinet:

- i. **extends the management agreement between the Council and the Cheltenham Trust for up to 5 years from 1 October 2024 as per the provision within the management agreement;**

- ii. **subject to approval of the Trust, agrees a variation to the agreement that will introduce a rolling break clause that can be triggered by the Council at any point after year 1 of the extended term, subject to the council giving the Cheltenham Trust 12 months' notice;**
 - iii. **delegates authority to the Chief Executive, in consultation with the Cabinet Member for Economic Development, Culture, Tourism and Wellbeing, to agree the length of the extended contract and any variation provisions;**
 - iv. **delegates authority to the s.151 officer, in consultation with the Cabinet Member for Finance & Assets to agree the level of the management fee each year during the remaining term of the contract.**
-

1. Implications

1.1 Financial, Property and Asset implications

The current management agreement is structured to provide an annual management fee to the Cheltenham Trust for the operation of the Council's culture and leisure venues in the town. The Council retain responsibility for the maintenance, repair and utility costs of these buildings. The contract extension and rolling break clause recommended in this report will allow this arrangement to be reviewed and allow time for other models of delivery to be considered.

Likewise, over the last three years the Council have provided capital budget to invest in our cultural venues which at the same time has allowed the Cheltenham Trust to generate income from commercial activities on a larger scale than they had previously. This built greater resilience within the Cheltenham Trust business model through the pandemic which in turn supported the ongoing operation of the Council's culture and leisure provision in the town.

The generation of this income and increased financial self-sufficiency it has provided for the Cheltenham Trust has also supported the delivery of a four year reduction in the annual management fee – from £811k per annum in 2021/22 to a forecast £511k in 2024/25 in line with the Council's Medium Term Financial Strategy. This reduction has delivered £200k of base budget savings to date which has assisted the Council in managing the wider economic pressures of the last three years. In particular, this has supported the increased costs of utilities and repairs in the buildings operated by the Cheltenham Trust. It is these factors which will need to be considered when reviewing the management fee for the remainder of the contract, as well as preparing the new contract specification for the re-tender.

Signed off by: Gemma Bell, Director of Finance & Assets

1.2 Legal implications

The Council entered into a contract for services with The Cheltenham Trust on 30th September 2014 in respect of the Council's Leisure and Culture Services for a fixed period of 10 years with the ability to extend for one period of up to 5 years (known as the "management agreement"). An extract of the Contract regarding the extension process is below. The Council also granted leases to the Trust of the Wilson Art Gallery & Museum, Prince of Wales Stadium, Cheltenham Town Hall and Pittville Pump Rooms. These leases were granted for 15 years from 1st October

2014 and will terminate when the Contract ends, so the leases do not require amendment.

The Council has asked the Trust to agree a rolling break-clause, meaning that the Council can terminate the management agreement at any time during the 5 year extension on the giving of 12 months prior written notice. The Trust does not have to agree to this amendment. If the amendment is not agreed, then the management agreement will expire on 30th September 2029 unless any of the existing provisions relating to termination arise as set out in clause 33 of the management agreement (e.g. due to fundamental breach of contract or insolvency of the Trust).

No more extensions of the management agreement are permitted under current procurement legislation and prior to its expiry, if the Council wishes to continue to outsource the leisure and/or culture services, it will need to conduct a competitive procurement process compliant with the procurement legislation in force at the time.

From the contract:

The Council may serve written notice to extend the Initial Term of this Agreement for a period of up to five (5) years (the "Extended Term") at the end of the Initial Term, provided the Council gives such notice not later than twelve (12) months before the end of the Initial Term. Subject to any counter notice issued by the Trust under clause 2.3, the Initial Term of the Agreement shall be extended to include the Extended Term.

If the Trust does not agree to the Extended Term proposed by the Council under clause 2.2, the Trust may serve a counter notice on the Council, such counter notice must be served within three (3) months of the date the Trust received the Extended Term notice issued by the Council. The counter notice must set out the reasons why the Trust is opposed to the proposed Extended Term and, where appropriate, must set out evidence of why the proposed Extended Term would not be viable. In the event that the Trust issues a counter notice under this clause 2.3, the Agreement shall not be extended to include the Extended Term.

Signed off by: One Legal

legalservices@onelegal.org.uk

1.3 Environmental and climate change implications

The energy consumed at the properties managed by TCT form a substantial part of the Council's overall energy footprint. There is a direct link between the energy consumption and carbon emissions and without further action to reduce the Trust's energy consumption, the Council will fail to meet its net zero targets. The specification, which forms part of the management agreement between CBC and TCT sets out the following commitments:

The Trust and the Council will collaborate to undertake the following activities to the support the net zero target:

- Agree the benchmark for each building's current footprint with a view to agreeing energy budgets based on the benchmarks
- Identify lead contacts who will meet regularly to discuss energy usage. It is envisaged these will be monthly meetings to start with. The Trust will also nominate other managers/staff to receive energy usage reports for their areas and take responsibility for managing energy use, unless otherwise agreed by the lead contacts
- Action recommendations made by the Council to reduce usage, for example reducing excess refrigeration equipment, night time switch off routines

- Implement a behaviour change programme to encourage actions and ideas for reducing energy consumption and raise awareness of the need to reduce the energy costs
- Consider the impact on energy use of new initiatives and/or changes to building usage

Further action is required by TCT to meet these commitments. As part of the 5 year extension, TCT will work closely with the relevant teams at CBC to ensure the above is monitored and adhered to.

Signed off by Mike Redman, Director of Climate Change and Place Services, Environmental and Regulatory Services, mike.redman@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity

1.5 Equality, Diversity and Inclusion Implications

The specification, which forms part of the management agreement between CBC and TCT sets out the following commitments:

- Ensure that the Trust's annual programme of events and activities helps to address social and economic inequalities and promote diversity and inclusion
- Ensure that the heritage assets (buildings and our collections) managed by the Trust continue to be protected, enhanced and are accessible to the local community and visitors
- Ensure its venues and services are compliant with equality legislation and support people who share the defined protected characteristics

1.6 Performance management – monitoring and review

The specification, which forms part of the management agreement between CBC and TCT sets out arrangements for how the contract will be managed including performance management requirements. This includes requirements on TCT to produce an annual delivery plan, submit quarterly monitoring data and produce an annual report.

2 Background

2.1 The Cheltenham Trust was established as a consequence of a commissioning review into how best the council could continue to support the delivery of its leisure and cultural services, and the management of five properties (The Wilson, Town Hall, Pittville Pump Room, Leisure@ and the Prince of Wales Stadium) whilst delivering best value to the taxpayer. The Trust is not owned by the council, it is an independent company and a

registered charity.

2.2 On 16 September 2014 Cabinet agreed to award a 10 year contract to the Cheltenham Trust (with an option to extend by 5 years) for it to run leisure and culture services - this contract is known as the management agreement. The premises' leases are 15 years but automatically terminate on expiry of the management agreement. The Trust is also responsible for managing the council's Collections of which the Arts and Crafts Movement Collection is designated and of national significance.

2.3 The management agreement commenced on 1 October 2014. The Trust is paid an annual management fee to run the agreed services and manage the five buildings.

2.4 As part of the agreement, the council has the option to extend the agreement by a further 5 years. Confirmation of the council's intentions in regard to the extension need to be communicated in writing to the Trust within 12 months of the end of the initial term – ie by 30 September 2023.

2.5 It is the council's intention to extend the agreement by 5 years, as per the provision within the management agreement, but that the council will introduce a rolling break-clause, that CBC can trigger with 12 months' notice. This arrangement will require a variation to the agreement and this will need to be agreed by the Trust.

2.6 The council will then need to re-procure the services and to have selected its supplier by the end of the contract term. The decision to serve notice and to go out to tender for a new provider will be taken by Cabinet.

3 Financial picture

3.1 The Trust is working within a financial framework of a reducing annual management fee and a requirement to make annual repayments of c£195k to repay the borrowing agreed by Council in December 2017 that funded the new splash pad facility at leisure-at.

3.2 The management fee for the current financial year is £611k with a forecast reduction to £511k in 2024/25.

CURRENT	2021/22	2022/23	2023/24	2024/25
Management fee	£811,000	£711,000	£611,000	£511,000

3.3 In addition to the management fee, the council picks up the running costs of the buildings that are managed by the Trust – these include energy costs, water and sewage costs, plus reactive and planned maintenance. In 2022/23, these costs totalled £1.883m.

4 Key risks

4.1 If the Trust fails to deliver on the contract then the council's desired outcomes (financial and non-financial) may not be achieved

4.2 If the trust fails to sign up to the variation, this would mean the length of the contract extension would default to five years, so potentially hindering plans for the council to re-procure the service early

Report author:

Richard Gibson, Head of Communities, Wellbeing & Partnerships

Appendices:

- i. Risk Assessment

Background information:

None

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 the Trust fails to deliver on the contract then the council's desired outcomes (financial and non-financial) may not be achieved	Gareth Edmundson	3	3	9	Reduce	Ensure robust contract management in place	Richard Gibson	Contract management is already identified as a risk control on Clearview
	If the trust fails to sign up to the variation, this would mean the length of the contract extension would default to five years, so potentially hindering plans for the council to re-procure the service early	Gareth Edmundson	3	3	9	Reduce	Introduce a delegated authority for the CEO in consultation with the lead cabinet member to agree the length of term for the contract.	Richard Gibson	Contract management is already identified as a risk control on Clearview

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Cheltenham Borough Council

Cabinet, 19 September 2023

Vacant Units and Town Centre Land Use Efficiency – Action Plan

Accountable member:

Councillor Max Wilkinson, Economic development, culture, tourism and wellbeing

Accountable officer:

Helen Mole, Head of Place Marketing and Inward Investment

Ward(s) affected:

All wards

Key Decision: No

Executive summary:

On 11 July 2023, the following items were noted by Cabinet:

1. the findings of the review of vacant premises in five town centre streets: Cambray Place, The Strand, High Street, The Promenade and Montpellier.
2. that the council will, in partnership with Cheltenham BID and with engagement from the Cheltenham Economic Advisory Board, develop an action plan to be presented back to Cabinet in September 2023 setting out how the recommendations will be delivered in partnership with local business organisations.
3. the council will look to work proactively with other organisations and developers, as well as through its own powers and resources, to enable and support more town centre living in unused and underused spaces to provide much needed accommodation and increase footfall to the high street.
4. the council, as local planning authority, will continue to apply national and local planning policies in dealing with the impact of structural changes in the high street, and can look to develop helpful future planning policies, including the promotion of conversion to residential uses to maximise brownfield development and increase efficiency in land use.

This report presents the action plan at Appendix 2. This action plan has been created in partnership with Cheltenham BID following the commission of a report by the Vacant Shops Academy, and in discussions with stakeholders including the Cheltenham Chamber of Commerce, Cheltenham Economic Advisory Board, Cheltenham Civic Society, property owners and landlords, and agents promoting the town centre.

The plan sets out a series of actions, with accountability, timescales and outputs / outcomes clearly identified and the work carried out will be subject to review by council leadership, members and wider stakeholders. The action plan seeks to maximise use of statutory powers and the council's role as an enabler to support ongoing investment in the town centre to help drive the Cheltenham economy and facilitate opportunities for regeneration and community. It responds to key priorities 3 (Increasing the number of affordable homes through our £180m housing investment plan) and 4 (Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity) of our corporate plan to:

- enable development and regeneration opportunities to support more town centre living
- increase footfall to the high street through more town centre living
- develop a vision for the town centre to ensure it remains vibrant and an attraction for residents and visitors
- provide more affordable homes

Recommendations: That Cabinet:

- i. agrees that the council will work with stakeholders to deliver the actions identified in the action plan**
 - ii. is presented with a report on progress with delivery of the action plan in summer 2024**
-

1. Implications

1.1 Financial, Property and Asset implications

Any funding required for the action plan will come from existing base budget. There are no property implications resulting from the recommendations. Any future funding opportunities identified will be reviewed by the finance team and be subject to approval in line with the Council's Financial Regulations.

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

1.2 Legal implications

There are no legal implications identified at this stage but if future opportunities for funding are identified, these will be reviewed by One Legal at the time of writing the bid.

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

1.3 Environmental and climate change implications

The action plan has been assessed using the council's climate impact assessment tool and is attached at Appendix 3. There are many areas which may be impacted by the action plan (greenhouse gas emissions for example), but cannot be controlled directly by the action plan. The team will seek ways to reduce negative environmental impacts where possible and continued use of this tool as the work on the action plan progresses will help ensure projects identified as part of the action plan are meeting council commitments to climate as well as other council priorities.

Signed off by: Mike Redman, Director of Climate Change and Place Services, Environmental and Regulatory Services, mike.redman@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan priorities (objectives 3 and 4):

- Increasing the number of affordable homes through our £180m housing investment plan
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Carry out regeneration in the town centre to increase footfall to the high street and provide more affordable homes
- Enable development and regeneration opportunities to support more town centre living

1.5 Equality, Diversity and Inclusion Implications

An equality impact assessment has been carried out and is attached at Appendix 4.

1.6 Performance management – monitoring and review

Following consultation and engagement with stakeholders, an action plan has been created, which sets out actions, timescales, owners and outcomes. These will be monitored via reports to the council's leadership team and members.

2 Background

2.1 The way people access town centres is continually evolving and it's important that town centre stakeholders monitor and adapt to these changes to ensure the viability of their centres into the future. Through our Corporate Plan we have set 5 key priorities, priorities 3 (Increasing the number of affordable homes through our £180m housing investment plan) and 4 (Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity) recognise the role our town centre plays for our communities and businesses to:

- enable development and regeneration opportunities to support more town centre living
- increase footfall to the high street through more town centre living
- develop a vision for the town centre to ensure it remains vibrant and an attraction for residents and visitors
- provide more affordable homes

2.2 With this action plan, the council and Cheltenham BID have committed to a focused and sustained effort to reduce the number and impact of vacant properties in the town centre. This action plan sets out the measures that will be taken alongside the evidence for this approach.

2.3 The objectives are:

- Understand the current and ongoing position of empty units in the town centre
- Encourage the conversion of empty and underused space to maximise brownfield residential development
- Take enforcement against unsightly empty premises to clean up our town centre
- Work with landlords, agents, and town centre businesses to ensure that stakeholders understand key issues facing town centre development
- Encourage flexibility of the planning system and future strategic planning to bring more residential accommodation to the town centre
- Identify opportunities for meanwhile use where appropriate
- Highlight opportunities for regeneration and recognise the value of key development sites within the town acting as a catalyst for lasting change

2.4 The action plan is included in full at Appendix two.

3 Reasons for Recommendations

3.1 The council's Corporate Plan sets out its commitment to enabling an increase in town centre living to help increase footfall to the high street and provide much needed accommodation.

3.2 This plan represents a commitment from the council to focus on the key issue of vacant retail space, understand the current position and put in place practical measures which will deliver tangible outcomes within a place making context. The work will recognise the value of key development sites within the town as a catalyst for lasting change, in particular by encouraging the development of more homes in town centre locations that were previously used for retail.

3.3 The council and Cheltenham BID will work closely in collaboration with a group of businesses, land owners and agents, third sector groups and local people to deliver these outcomes.

4 Alternative options considered

4.1 An alternative is to not attempt intervention in the form of the measures outlined in the action plan. This is not the preferred option, because the council should be taking a more proactive approach in line with the Corporate Plan.

5 Consultation and feedback

5.1 The action plan was developed with Cheltenham BID, which is joint lead on the delivery of the action plan. Engagement has taken place with partners including the Cheltenham Chamber of Commerce, Cheltenham Economic Advisory Board, Cheltenham Civic Society, property owners and landlords, and agents promoting the town centre.

5.2 It is recommended that an update report is presented to Cabinet in summer 2024.

6 Key risks

6.1 Highlighted in Appendix 1. below.

Report author:

Helen Mole, Head of Place Marketing and Inward Investment, helen.mole@cheltenham.gov.uk

Appendices:

1. Risk assessment
2. Vacant units and town centre land efficiency action plan
3. Climate impact assessment tool
4. Equality impact assessment

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 Cabinet does not approve the action plan, this jeopardises the proactive work to support the town centre and impacts the delivery of Corporate Plan priorities	Helen Mole	3	2	6	Reduce the risk.	Ensure the cabinet report provides all information required to make the decision. Respond to questions from Cabinet.	Helen Mole	Cabinet Meeting and follow up.
	Lack of engagement from partners including internal and external stakeholders	Helen Mole	4	1	4	Accept the risk.	Partners are already engaged and share mutual objectives. Continue relationship management	Helen Mole	Ongoing
	Lack of engagement from developers, agents and property owners	Helen Mole	3	3	9	Reduce the risk.	Continue engagement and ensure attendance at local property forums. Understand and highlight the	Helen Mole. Planning department.	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
							opportunities.		

Appendix 2:

Vacant Units and Town Centre Land Use Efficiency Action Plan

Introduction

The way people access town centres is continually evolving and it's important that town centre stakeholders monitor and adapt to these changes to ensure the viability of their centres into the future. Cheltenham Borough Council and Cheltenham BID have committed to a focused and sustained effort to reduce the number and impact of vacant properties in the town centre. This action plan sets out the measures that will be taken alongside the evidence for this approach.

Action Plan Objectives

- Understand the current and ongoing position of empty units in the town centre
- Encourage the conversion of empty and underused space to maximise brownfield residential development
- Take enforcement against unsightly empty premises to clean up our town centre
- Work with landlords, agents, and town centre businesses to ensure that stakeholders understand key issues facing town centre development
- Encourage flexibility of the planning system and future strategic planning to bring more residential accommodation to the town centre
- Identify opportunities for meanwhile use where appropriate
- Highlight opportunities for regeneration and recognise the value of key development sites within the town acting as a catalyst for lasting change

Key stakeholders

- Cheltenham Borough Council
- Cheltenham BID
- Cheltenham Economic Advisory Board
- Cheltenham Chamber of Commerce
- Cheltenham Civic Society
- The Federation of Small Businesses
- Other business groups
- Gloucestershire County Council
- Property owners and landlords
- Agents promoting premises in the town centre

Why is this work important now?

Improving the vitality and viability of the town centre has wider economic implications as increased business opportunities lead to greater employment and a vibrant town centre will attract more visitors and residents. Supporting the high street and increasing town centre living are key drivers set out in the council's Corporate Plan 2023-2027 -

<https://www.cheltenham.gov.uk/corporate-plan>. Delivery of this action plan will contribute to the outcomes identified in the Corporate Plan.

According to the Department for Levelling Up, Homes and Communities (DLUHC), up to 172,000 commercial properties are empty across the UK and 80% of these have been vacant for more than two years. The national vacancy rate for High Street shops is currently an average of 13.8%¹

Online shopping is often cited as the reason for the increase in High Street vacancies but in fact the picture is more nuanced than this with other contributory factors including the long-term proliferation of out of town shopping centres, the viability of rents and investments, and the change in consumer habits sparked by the Covid 19 lockdowns and the cost of living crisis.

The impact of online shopping is reducing nationally compared to the boom experienced during the Covid 19 pandemic. In January 2021, UK internet sales reached a peak of 37.8% of all retail sales but this is currently 26.1% (July 2023)². While this figure may lead to some cautious optimism from high street retailers, this is still higher than it was pre-Covid and shows that fewer shoppers are spending in person, ultimately leading to an oversupply of physical retail space in many town centres.

Alongside this, out-of-town retail parks provide local competition to High Street retailers. Costs for retailers to base themselves on retail parks can be lower than in town centres due to competitive rents and the fact that retail units are often newer and therefore more efficient. In addition, easier access for motor vehicles and longer opening hours provide incentives to shop which are not offered by traditional town centres.

Although more people may be shopping online or out of town and even though the impacts of the Covid 19 pandemic are still being felt, the town centre still serves a valuable purpose. Cheltenham has a reputation as a foodie and festival town and the official Cheltenham tourism brand, Visit Cheltenham (managed by the council's Marketing Cheltenham team) promotes the town as a destination for leisure and culture. This is enhanced by the opening of leisure businesses like escape rooms, indoor golf, axe throwing and darts venues as well as new cafes and restaurants in the town centre. Footfall in January to May 2023 was almost a third higher than footfall for the same period in 2022³ and Cheltenham welcomed 1,765,000 visitors in 2021, generating around £122 million in visitor spending⁴.

Increasingly, town centres are becoming attractive destinations to live for people of all ages. Younger people enjoy the vibrancy of town centre life, families with children enjoy the access to family-friendly activities and the convenience of shopping closer to home and older people benefit from being able to access services and local facilities, reducing the risk of isolation and promoting health into older age.

In turn, residents living in town centres provide many benefits to the wider economy with increased spend in local venues as well as natural surveillance (or 'eyes on the street'⁵) which leads to increased perceptions of safety in a place. The council's survey in 2021⁶ highlighted some of the perceptions about safety in the town centre at night and the importance of the night time economy.

¹ <https://brc.org.uk/news/corporate-affairs/retailers-cautious-to-invest-in-new-stores/>

² <https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsi>

³ Source: Cheltenham BID

⁴ Source: 2021 Tourism Economic Impact Assessment

⁵ Jane Jacobs, The Death and Life of Great American Cities

⁶ <https://haveyoursay.cheltenham.gov.uk/strategy/safer-streets-for-women-at-night/>

Background

In 2022, the council and Cheltenham BID jointly commissioned an independent agency, The Vacant Shops Academy, to conduct an audit of vacant units in Cambray Place, The Strand, High Street, The Promenade, and Montpellier. The initial audit in late summer 2022 identified 28 units out of a total of 200 (13.5%) as visibly vacant on the five streets surveyed. This is slightly better than the national average which stood at 13.8%⁷ and substantially better than that seen in some other comparable towns. It should be noted that this audit did not cover the entire town centre or wider district but Cheltenham BID do collate vacancy data for their area and in the same period this was only 10.6%. The findings of this audit and [subsequent report](#) have been used in the preparation of this action plan.

In many ways, Cheltenham bucks the trend seen nationally. As referenced above, footfall numbers are increasing and the value of visitor spend is a significant contribution to the wider economy. Annually, the town benefits from hundreds of thousands of visitors to more than 30 major festivals and hundreds of smaller events, contributing to the ongoing sustainability of many high quality restaurants and retail experiences, both independent and nationally recognised.

Cheltenham is the shopping and dining destination choice for local and regional visitors. Landlords and agents cite a high demand from incoming businesses for shop units in the town, particularly in key streets where the footfall is high and while there have been a small number of longer term vacancies, empty units in Cheltenham in the main experience active churn when users vacate.

However, despite these positive aspects, there are key areas of Cheltenham town centre which have higher vacancy rates, as well as longer-term vacant units that persistently remain un-occupied. It's important that local and regional stakeholders take an active role in ensuring the continued vitality and viability of the town.

In conversations with landlords and agents between October and January, it was established that two-thirds of the units that had been identified as vacant during the audit had since been let, or the landlords stated they were in the process of negotiation with prospective tenants. While this highlights the resilience of the Cheltenham market and underscores the attractiveness of the town, it does not detract from the requirement for the town to remain flexible in its thinking about the future of the town centre.

National Context

The macroeconomic picture for the UK is mixed and economists expect continuing turbulence due to the ongoing impact of rising interest rates and historically high energy prices. This is already having an impact on the retail environment and that is expected to continue into 2024.

National policy states that any property is exempt from business rates if it is subject to a building preservation order or is registered as a listed building under Section 54 of the Town and Country Planning Act 1971. This does not provide an incentive to a property owner to seek a tenant and the implications of this should be considered as part of the action plan. In

⁷ <https://brc.org.uk/news/corporate-affairs/retailers-cautious-to-invest-in-new-stores/>

addition, although successive governments have pledged to review the business rates system, national business groups including The British Chambers of Commerce and Federation of Small Businesses are calling for significant changes to be made in the way that premises are evaluated. As a council we have and will continue to lobby Government to help create the right conditions for investment in our town centre and will continue to monitor any developments in this area closely.

National support for town centres is available via The High Streets Task Force which has been in place since 2019 and was set up to strengthen local leadership in high streets and town centres in England. It is run by the Institute of Place Management and the council is a member of this institute to enable officers to access training, research, data and best practice

Through the Levelling Up and Regeneration Bill, introduced to Parliament on 11 May 2022, the government is considering the introduction of High Street Rental Auctions, a new power for local authorities to require landlords to rent out persistently vacant commercial properties to new tenants, such as local businesses or community groups.⁸ The consultation period for this proposal closed on 22 June 2023 with no further update at the time of writing this action plan.

The National Planning Policy Framework sets out government's planning policies for England and how these are expected to be applied in the context of ensuring the vitality of town centres. Government guidance⁹ cites a range of planning tools which can help to support town centres to adapt and thrive, including

- Local development orders to bring forward development as part of a wider strategy to regenerate a town centre
- Brownfield registers which contain details of previously developed land that is suitable for housing development
- Compulsory purchase powers to support development and regeneration projects

At a local level, these require coordination to identify opportunities for this work to be incorporated into the Cheltenham, Gloucester and Tewkesbury Strategic Local Plan and to ensure engagement with the council's planning peer review action plan. This will ensure a cohesive approach across council services to build in consideration of the issues with vacancies, for example planning, licensing, environmental health and compliance, as well as longer-term development opportunities.

It is important that the council and stakeholders take a holistic approach to the issue of town centre vacancies and consider the wider experiential aspects of visiting Cheltenham town centre (whether as a resident or as a visitor). Guidance from the Grimsey Review into the future of high streets in 2020 recommended, "creating spaces for civic and social use – and encouraging better quality streets, spaces and "third spaces", popular with local people and visitors"¹⁰.

⁸ <https://www.gov.uk/government/consultations/high-street-rental-auctions/high-street-rental-auctions>

⁹ <https://www.gov.uk/guidance/ensuring-the-vitality-of-town-centres>

¹⁰ <http://www.vanishinghighstreet.com/wp-content/uploads/2018/07/GrimseyReview2.pdf>

Similarly, the Arts Council England 'A High Street Renaissance' report¹¹ highlights the positive impact of culture on town centres and encourages investment in the arts as part of the mix of a successful place. Cultural organisations help to build local community spirit and pride and the council's continued and sustained focus on the cultural sector includes annual grants and in-kind contributions for the financial year 2023/24 of c.£1.9million, as well as membership and support for the Cheltenham Culture Board and promotion of cultural events and venues via Visit Cheltenham.

Conclusion

Cheltenham's town centre is out-performing many other areas and that is a cause for some optimism. However, the town is not immune to wider behavioural trends and the impact of macroeconomic factors. This provides challenges and opportunities - challenges in curating an environment in which our town centre can thrive, and opportunities to adapt for an even more vibrant future.

This plan represents a commitment to focus on the key issue of vacant retail space, understand the current position and put in place practical measures which will deliver tangible outcomes. The work will recognise the value of key development sites within the town as a catalyst for lasting change, in particular by encouraging the development of more homes in town centre locations that were previously used for retail.

Cheltenham Borough Council and Cheltenham BID will harness the power of a collaborative group of businesses, land owners, third sector groups and local people to deliver these outcomes.

¹¹ <https://www.artscouncil.org.uk/high-street-renaissance>

Action Plan

Action	Owner	Timescale	Outputs / Outcomes
Vacant Units Stakeholder Group meeting to be arranged. This will be an initial meeting, building on engagement to date, to include stakeholders and partners referenced in this report and will be followed by ongoing engagement with terms of reference to be agreed by the group.	CBC	Autumn 2023	First meeting takes place and Terms of Reference agreed.
Engagement with key national stakeholders and advisory boards including the Institute of Place Management, Heritage England, Association of Town and City Management, Arts Council England, Royal Town Planning Institute, and more.	CBC and BID	Autumn 2023	Engagement meetings take place
Identify current national and local policies that enable the Council to promote the outcomes being pursued, most notably conversion of empty space to residential.	CBC	Autumn 2023	Officers to produce vision paper to be communicated to local stakeholders.
Identify opportunities for this work to be incorporated into the Cheltenham, Gloucester and Tewkesbury Strategic and Local Plan and engage with the CBC planning peer review action plan, supporting and enhancing the joined-up approach across council services to build in holistic consideration of the issues with vacancies, for example planning, licensing, environmental health and compliance.	CBC	Autumn 2023	Engagement takes place
Develop a 'vacancy toolkit' information pack for landlords and building owners. To include best practice and practical guidance on local support services (for example security, cleansing, postal)	CBC and BID	Winter 2023	Vacancy toolkit is produced

<p>Carry out a full audit of empty units in the town centre with an assessment for each unit to include:</p> <ul style="list-style-type: none"> • Does the unit need any remedial work? • Is the unit on the market? • How long has the unit been vacant? • Is there any market interest? • Are there any upper floors? <p>Data to be recorded and monitored and targeted actions for key units to be identified (see 'actions for each vacant unit' table).</p>	<p>To be identified via the Vacant Units Stakeholder Group</p>	<p>First audit in Winter 2023 then six monthly after this</p>	<p>Audit created and updated six monthly. Headline results shared.</p>
<p>Targeted business support for business owners looking to start up or expand into town centre premises.</p>	<p>CBC and Cheltenham Growth Hub</p>	<p>Ongoing</p>	<p>Businesses supported</p>
<p>Focus on continued support for the experience of visiting the town centre. This will include continued engagement with cultural providers as well as support for culture, events and experiential activity. This will include continued assessment of the visitor experience in the town centre.</p> <p>Wider focus on town centre issues as reported by stakeholders.</p>	<p>Cheltenham Culture Board</p>	<p>Ongoing</p>	<p>Programme of town centre events and experiential activity delivered and promoted via Marketing Cheltenham</p>
<p>Ongoing engagement with property owners, landlords and agents.</p> <p>This will take place via existing contacts or through developing new relationships. This will help us understand the key issues facing this audience and will provide early warning for future vacancies or trends.</p>	<p>CBC and BID</p>	<p>Ongoing</p>	<p>Engagement takes place</p>
<p>Identify and monitor best practice from other places.</p> <p>CBC and BID are members of the Institute of Place Management, Association of Town and City Management and a peer to peer network of other towns and cities working with the Vacant Shops Academy.</p>	<p>All stakeholders</p>	<p>Ongoing</p>	<p>Best practice shared with stakeholders</p>

Monitor changes to national policy and seek to respond accordingly. This would include the proposed High Street Rental Auctions as well as other national policies.	All stakeholders	Ongoing	Responses submitted when required
Seek opportunities for national funding schemes which could help meet the objectives of this action plan, for example: <ul style="list-style-type: none"> • Capital funding schemes to support building improvements • Funding for meanwhile and / or community uses 	All stakeholders	Ongoing	Opportunities highlighted to leadership team and members
Ongoing reporting of enforcement activity on empty premises and the outcomes of this.	CBC planning enforcement team	Ongoing	Note included in Action Plan review
Monitor planning applications for vacant retail units and highlight these to the stakeholders.	CBC	Ongoing	Updates fed into audit
Monitor local and national news or retail forums, as well as local networks to identify future vacancies in Cheltenham businesses.	All stakeholders	Ongoing	Updates fed into audit

Actions for each vacant unit

Proactive contact with property owners or agents to ask for more information about their intentions with the property, for example, how is it being marketed or have you considered a change of use to residential? To be done via template letter and agreed standard process followed for each.	CBC
Provide vacancy toolkit on best practice for managing an empty unit.	CBC and BID
Empty Shop Tidy Up: In the BID area, Cheltenham BID ambassadors provide a service to keep empty shop doorways clear of old post, flyers and litter as well as reporting damage to agents or landlords. Work with agents to encourage participation in this scheme.	BID
Identify a resource to carry out the empty shop tidy up scheme outside of the BID zone.	CBC

Work with agents to utilise attract shop window vinyl coverings for empty units where relevant and appropriate.	CBC and BID
Proactive promotion of the vacant unit via the We're Moving to Cheltenham website and social media.	CBC
Seek opportunities for short-term or meanwhile uses to encourage vibrancy and activity.	CBC and BID

Appendix 3 – Climate Impact Assessment

Vacant Units and Town Centre Land Efficiency Action Plan



Key

	Significant and/or long-term positive impact identified. No changes needed.
	Slight or short-term positive impact identified. No changes needed but could be reviewed to improve.
	Not applicable or no cause for concern.
	Slight or short-term negative impact identified. Review to identify possible improvements.
	Significant and/or long-term negative impact identified. Changes needed before proceeding.

Appendix 4 - Equality Impact Assessment

Name of service / policy / project and date	Vacant units and town centre land use efficiency – action plan
Lead officer	Helen Mole, head of place marketing and inward investment
Other people involved in completing this form	n/a

Step 1: About the service, policy or project

What is the aim of the service / policy / project and what outcomes is it contributing to	<p>To identify vacant units in the town centre and work together proactively with town centre stakeholders to implement a series of actions designed to achieve the following objectives of the action plan:</p> <ul style="list-style-type: none"> - Understand the current and ongoing position of empty units in the town centre - Encourage the conversion of empty space to residential to maximise brownfield development - Take enforcement against unsightly empty premises - Work with landlords, agents, and town centre businesses to ensure that stakeholders understand key issues facing town centre development - Encourage flexibility of the planning system and future strategic planning to bring more residential accommodation to the town centre - Identify opportunities for meanwhile use where appropriate - Highlight opportunities for regeneration and recognise the value of key development sites within the town acting as a catalyst for lasting change
Who are the primary customers of the service / policy / project and how do they / will they benefit	<p>Stakeholders include:</p> <ul style="list-style-type: none"> - Cheltenham Borough Council - Cheltenham BID - Cheltenham Economic Advisory Board

	<ul style="list-style-type: none"> - Cheltenham Chamber of Commerce - Cheltenham Civic Society - The Federation of Small Businesses - Property owners and landlords - Agents promoting premises in the town centre
How and where is the service / policy / project implemented	This project impacts commercial properties in Cheltenham town centre. The actions will be delivered by town centre stakeholders engaged with the project, the planning service and the place marketing and inward investment service for the council, as well as Cheltenham BID.
What potential barriers might already exist to achieving these outcomes	<p>Delivery of many of the actions is dependent on positive engagement with stakeholders and in particular landlords, businesses and property owners.</p> <p>The action plan is being implemented and delivered in a challenging global environment where construction costs have increased dramatically and new business investment is being more closely scrutinised than ever.</p>

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

What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information	Data will be collected to understand the current statistics on vacant premises in the town centre.
What does it tell you about who uses your service / policy and those that don't?	n/a
What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?	Engagement so far has been via agents, property owners, landlords and businesses. Feedback received has influenced the development of the action plan.
If not, who do you have plans to consult with about the service / policy / project?	Engagement will continue with all stakeholders identified above.

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

It is important to consider all users of the town centre in these plans. There are a number of ways in which the outcomes of the action plan might impact people from different groups in the community:

1. If land is identified as a potential development site, planning policy will need to consider affordable housing options
2. If opportunities for meanwhile or pop-up use for empty units are found, a fair, accessible and transparent process must be followed to identify potential users of this space.
3. Consultation or engagement on meanwhile use activity, if carried out, must be carried out in a way which engages a representative range of respondents.
4. If meanwhile or pop-up uses are identified, or new space is developed, this must be accessible for people with disabilities and mental health challenges
5. When inviting stakeholders to be part of the group, we must ensure this group is representative
6. Any literature produced as part of the actions identified in the action plan (e.g. the 'vacant units toolkit') must be written in accessible and plain English so that it is easy to understand. Consideration must be given to any requirements for alternative formats.
7. The targeted support given to business owners must be accessible, widely promoted and available to all.
8. One outcome of the actions identified in the plan is that, if successful, more people will live in the town centre. Improved safety in the town centre will benefit all users from all groups.

Step 4: What are the differences?

Are any groups affected in different ways to others as a result of the service / policy / project?	No
Does your service / policy / project either directly or indirectly discriminate?	No
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?	All referenced above

Step 5: Taking things forward

What are the key actions to be carried out and how will they be resourced and monitored?	See action plan the full list of identified actions and resources required. These will be monitored via regular reporting to leadership and cabinet at the council and the BID board.
Who will play a role in the decision-making process?	Stakeholders, members, leadership team at the council
What are your / the project's learning and development needs?	Ongoing professional development, research and data.
How will you capture these actions in your service / project planning?	This will be captured as part of the ongoing work plans for both the planning and the place marketing and inward investment service areas.

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Cheltenham Borough Council

Cabinet Meeting – 19 September 2023

Budget Monitoring Report 2023/24 – position at 30 June 2023

Accountable member:

Cllr Peter Jeffries – Cabinet Member for Finance and Assets

Accountable officer:

Gemma Bell - Director of Finance and Assets (Deputy Section 151 Officer)

Accountable scrutiny committee:

Budget Scrutiny Working Group

Ward(s) affected:

All

Key/Significant Decision:

No

Executive summary:

This report provides the monitoring position statement for the financial year 2023/24 against the budget approved by Council on 20 February 2023. The purpose of this report is to notify members of any known significant variations to the budget for 2023/24 and highlight any key issues.

Regular budget monitoring exercises for services are carried out in liaison with Directors and cost centre managers. The budget is also regularly discussed with the Lead Member for Finance and Assets and the Cabinet. One of the key purposes of this exercise is to identify any major variations from the current approved budget that are anticipated to occur in the financial year. Any variations of more than £50,000 to revenue budgets identified at 30 June 2023 are outlined in this report.

The position for the 2022/23 outturn was that £2.6m was required to balance the budget. Moving into 2023/24 it was budgeted that £152,258 would be added to general balances by the 31st March

2024. This monitoring report shows that we are currently reporting estimated overspend of £475,000. This means that if the forecast remains in this position by the end of the financial year we will require a further £322k from balances and reserves to bridge our budget gap.

As detailed within this report there are a number of external factors that are outside of the Council's control: interest rates, inflation, higher-than-budgeted Pay award. Our focus as a council is on measuring everything and controlling the controllable. The measures we are taking to mitigate the forecasted overspends in the budget are detailed in Section 3 of this report.

Recommendations: That Cabinet:

- **notes the contents of this report including the key projected variances to the general fund and Housing Revenue Account ("HRA") 2023/24 revenue and capital budgets approved by Council on 20 February 2023 and the actions to ensure overspends are reduced as far as possible by the end of the financial year.**
-

1. Implications

1.1. Financial implications

As detailed throughout this report.

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

1.2. Legal implications

None arising from the report recommendations.

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

1.3. HR implications

No direct HR implications arising from the report at this time.

Signed off by: Julie McCarthy, HR Consultant, juliemccarthy@cheltenham.gov.uk

1.4. Environmental and climate change implications

The mitigating actions, in particular in relation to the increasing cost of energy, are in line with our Climate Emergency Action Plan. A reduction in energy consumption spawns a reduction in overall greenhouse gas emissions, and therefore aligns with our Climate Emergency Action Plan. The mitigating actions, in particular, the winter energy usage reduction target of 20-25% and the exploration of a more efficient building management system will expedite our progress towards becoming a net zero Council.

Signed off by: Mike Redman, Director of Climate Change and Place Services, Environmental and Regulatory Services, mike.redman@cheltenham.gov.uk

1.5. Property/asset implications

None specifically directly arising from the recommendations.

Signed off by: Gemma Bell, Director of Finance and Assets, 01242 264124

1.6. Corporate policy framework implications

Taking action to ensure overspends are reduced as far as possible by the end of the financial year will help ensure that the council can continue to deliver its corporate objectives as set out in the 2023-2027 Corporate Plan.

2. Background

2.1. On 20 February 2023, Council approved the budget for 2023/24, including setting the Council Tax. The 2023/24 approved budget identified ambitious savings target of £1.3m.

2.2. This report draws together the Council's budget forecast for 2023/24 at 30 June 2023 against the budget approved on 20 February 2023. It also summarises the Housing Revenue Account (HRA) revenue and capital budgets.

3. Net Revenue Budget Position

3.1. The current net forecasted overspend for 2023/24 is £475k, of which £190k relates to a net overspend on the base budgets and £285k relates to slippage in the delivery of savings and efficiencies. The table below details the breakdown of the variances against the approved budget with further explanation provided in Sections 3, 4 and 5.

Significant budget variances	Overspend / (Underspend) £	Para. Ref.
All Directorates		
Staffing Vacancies	(625,000)	4.1
Communities & Place Directorate		
Waste & Recycling	175,000	4.3
Finance, Assets & Regeneration Directorate		
Car Parking	50,000	4.5
Housing & Communities	(100,000)	4.6
Property – Repairs & Maintenance	50,000	4.7
Property – Vacant Properties	190,000	4.8
Economic Pressures		
Borrowing & Investment Interest	450,000	5.1 – 5.4

At Risk Savings	285,000	6.1 – 6.5
Total projected overspend for the year	475,000	

4. Base Budget Variances

4.1. The organisation is still working through phase two of the organisational review. Vacancies are currently being carried across the organisation either due to team changes being implemented more gradually than expected or because services are having difficulty recruiting. The financial impact for 2023/24 is that there will be an estimated underspend of £625k. This will be reviewed for revised budgets in Autumn, this variance has also been adjusted to reflect the opening 2023/24 pay award which is still yet to be agreed with NJC Unions. The latest offer made to Unions has been factored into the forecast however is subject to change, depending on the outcome of negotiations between the NJC and Unions.

4.2. Waste and Recycling overall is anticipating net overspend of £175,000. This is made up of a number of difference variances:

4.2.1. The Ubico contract is expected to be underspent by £200k due to a number of factors including delays in vehicle replacements. (£200k represents around 2% of the contract between CBC & Ubico).

4.2.2. Tonnages of recycling material collected has dropped for the first three months of financial year to date. As a result, income for sales of material and recycling credits has been impacted adversely by £375k against budget. Similar trends have been seen across Gloucestershire, this will be monitored closely over the next few months.

4.2.3. At this point in the year there is a £45k shortfall on trade waste income forecast which may be due to the cost of living crisis reducing the customer base combined with less waste being produced. Marketing of the service to businesses in the town is planned in Q2 and Q3 of 2023/24 in preparation for the Christmas period.

4.2.4. Garden Waste income is performing above budget by £45k as at 30 June 2023.

4.3. As part of the 23/24 budget setting a target of £100k was included for car parking permits in car parks throughout the borough, as it stands the expectation is that £50k of this target will not be achieved within 23/24.. This shortfall can be attributed to the lack of expected take-up of the Town Centre East business permit which has been launched in conjunction with Cheltenham BID. There are plans to investigate the viability of extending to scheme to accommodate businesses that fall outside of the BID zone. The current pricing model for Town Centre East will also be reviewed to ascertain whether a more competitive model can be sustained.

4.4. Housing & Communities received a windfall grant of £210k for the 2023/24 financial

year, part of the work to meet the conditions of the grant is being covered within existing services and funded by our base budget. As a result, we estimate that £100k of this grant will be available to support general balances at year end.

- 4.5. Repairs and maintenance budgets across our property portfolio have cost pressures due to the impact of inflation on suppliers along with the age of our properties. There were also a number of incidents of vandalism at Town Centre East car park in the first quarter. We estimate that these budgets will be overspent by £50k by 31 March 2024, assuming reactive repairs remain constant throughout the year.
- 4.6. The base budgets include a rental income target from across the buildings we own in our property portfolio. This income is generated from third parties who have rented space in these buildings. We currently have a number of vacancies across the portfolio, in particular in office premises which have seen a fall in demand after the pandemic and forecast a shortfall against this target for 2023/24. Advertisement of these vacancies is ongoing and we are utilising our network of agents across the town to match tenants with our available space.

5. Interest Rate Pressures

- 5.1. While inflation has started to ease over the first few months of the financial year interest rates are still rising. Bank Of England base rate rose to a new high of 5.25% on the 3 August 2023.
- 5.2. This has led to a substantial rise in the cost of both short- and long-term borrowing over the last six months. CBC as a net borrower will see increased cost in interest payable for borrowing. The council's treasury management advisors forecast that rates are forecast to peak around 5.75% and remain at this level for the next 9-12 months before being forecast to reduce.
- 5.3. The impact of this, given the level of borrowing is £450k against the budget set in February 2023, this is the net impact when including the increased income generated on our investments.
- 5.4. Our finance team along with our treasury advisors are reviewing options to reduce the impact of the high interest rates on our revenue budgets.

6. Delivery of the 2023/24 Savings Strategy

- 6.1. As part of the 2023/24 approved budget, a four-year savings strategy was approved which was weighted towards delivering £1.3m of base budget savings in 2023/24. This is an incredibly ambitious target, particularly in the current economic environment. Below is a table categorising the progress to date.

Description	TARGET 2023/24 £	ACHIEVED 2023/24 £	FORECAST/ON TARGET £	CURRENT GAP £
Re-alignment of resourcing with Corporate Priorities	125,000		40,000	85,000
Commercial income generation opportunities	100,000	30,000	20,000	50,000
Reduction in the Cheltenham Trust management fee	100,000	100,000		
Maximise opportunities to strengthen CBC-CBH partnership	100,000		100,000	
Pension tri-annual review	575,000	575,000		
Review of budget allocations against new Corporate Plan	300,000		150,000	150,000
Total	1,300,000	705,000	310,000	285,000

6.2. Action has already been taken by officers and Members on the £1.015m of savings categorised as green or amber and these will continue to be monitored through the rest of the financial year.

6.3. To build on this work, Senior Officers have been working with the Cabinet to review discretionary budget spend across all service areas against the Corporate Plan to determine whether services can be delivered differently and ensure our resources are aligned with key priorities. Proposals and options will be discussed through September and October with action taken in advance of the 2023/24 revised budget being produced.

7. The 2023/24 Capital Programme

7.1. A monitoring exercise has been carried out to ensure that the capital programme, approved by Council on 20 February 2023, are being delivered as planned within allocated capital budgets, some of which are timetabled to straddle two or more financial years. The approved 2023/24 capital programme totals £13.904m. See Appendix 2 attached to this report for a breakdown of the individual capital projects.

7.2. At present, the capital projects are all forecast to be delivered on or under budget with only a small overspend variance based on the activity incurred to date and the planned activity until 31 March 2024.

7.3. During the 2023/24 financial year, other projects and schemes may come to light which require investment by the Council. These proposals will be considered by the Cabinet and approval will be requested through the relevant channels in line with the Council's Budget and Policy Framework Rules.

7.4. The total of the capital programme approved for 2023/24 as part of the outturn report in July 2023 was £13.824m. Since this date an annual capital budget for play area enhancements including health and safety of play areas which was originally approved by Full Council in 2020/21 has been re-instated. Since 2020/21, the work has been undertaken within CAP101 and funded by s106 capital contributions which have now been exhausted. In the revised appendix 2 it is CAP102 Play Areas Enhancement £80k which will revert back to being funded by capital receipts.

8. Housing Revenue Account

Revenue Budget

8.1. The forecast revenue position after the first three months of 2023/24 shows a negative variance of £109,000 from budget, reducing the operating surplus for the year from £144,000 to £35,000.

8.2. The following significant variations have been identified:

8.2.1. Renewal of insurance premiums show an increase of £70,000 over budget.

8.2.2. Forecast for interest payable has been increased by £37,000 to reflect higher interest rates on temporary borrowing required to fund the HRA Capital Programme.

Capital Budget

8.3. The HRA capital programme currently shows no significant variation to the forecast spend of £12.6m on existing stock and £22m. on new build and acquisitions. However, the market continues to be uncertain, and the financial viability of schemes is under pressure from rising interest rates. A progress review is underway which will establish likely spend in the year.

9. Conclusion

9.1. The current monitoring position of the 2023/24 budget demonstrates that even with the financial planning decisions taken by Officers and Members over recent years, we are still facing significant uncertainty and volatility in managing the resources available to the Council to deliver services to our residents and communities.

9.2. The proposal to fund the projected overspend using balances and reserves will provide the council with a short term solution. However, with pressures such as interest rates and high levels of inflation this is not a sustainable funding mechanism.

9.3. Balances and reserves have reached their lowest levels in years. In particular, after using £2.6m of general balances to support the budget in 2022/23 we cannot continue to rely on finite resources to meet the budget gap. To continue providing high-quality services to residents, decisions need to be taken about savings and efficiencies in order to replenish the resources used since 2020/21.

10. Consultation

10.1. Appropriate members and officers were consulted in the process of preparing the monitoring position and associated reports and appendices.

11. Performance management – monitoring and review

11.1. The budget position will continue to be monitored by the Finance team throughout the year and a revised budget will be presented to the December Cabinet with the 2024/25 draft budget proposal. The Budget Scrutiny Working Group will also meet in the Autumn before the 2024/25 budget process begins.

Report author:

Jon Whitlock, Chief Accountant

Appendices:

1. Risk Assessment
2. Capital Programme Monitor to 30 June 2023

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
347	If energy costs keep rising / fluctuating as per the current market then it impacts on our ability to accurately budget/forecast expenditure and may impact on our the investments we can make in projects / programs whilst still being able to achieve our MTFS	Gemma Bell, Director of Finance and Assets	4	4	16	Reduce	This policy and the associated action plans.	Gemma Bell, Director of Finance and Assets	Ongoing
	If the Council is unable to come up with long term solutions which close the gap in the medium term financial strategy then it will find it increasingly difficult to prepare budgets year on year without making unplanned cuts in service provision.	Cabinet	5	3	15	Reduce	The budget strategy projection includes 'targets' for work streams to close the funding gap which aligns with the council's corporate priorities.	ED Finance and Assets	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
	If the Budget Strategy (Support) Reserve is not suitably resourced insufficient reserves will be available to cover anticipated future deficits resulting in the use of General Balances which will consequently fall below the minimum required level as recommended by the Section 151 Officer in the council's Medium Term Financial Strategy	ED Finance and Assets	5	4	20	Reduce	The MTFS is clear about the need to enhance reserves and identifies a required reserves strategy for managing this issue. In preparing the budget for 2020/21 and in ongoing budget monitoring, consideration will continue to be given to the use of fortuitous windfalls and potential future under spends with a view to strengthening reserves whenever possible.	ED Finance and Assets	Ongoing
	If income streams from the introduction of the business rates retention scheme in April 2013 are impacted by the loss of major business	ED Finance and Assets	5	4	20	Accept & Monitor	The Council joined the Gloucestershire pool to share the risk of fluctuations in business rates	ED Finance and Assets	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 the constrained ability to grow the business rates in the town then the MTFS budget gap may increase.						<p>revenues retained by the Council.</p> <p>The Gloucestershire S151 Officers continue to monitor business rates income projections and the performance and membership of the pool / pilot.</p> <p>Work with members and Gloucestershire LEP to ensure Cheltenham grows its business rate base.</p>		
	If the robustness of the income proposals is not sound then there is a risk that the income identified within the budget will not materialise during the course of the year.	ED Finance and Assets	4	4	16	Reduce	Robust forecasting is applied in preparing budget targets taking into account previous income targets, collection rates and prevailing economic conditions. Professional	ED Finance and Assets	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
							judgement is used in the setting / delivery of income targets. Greater focus on cost control and income generation will be prioritised to mitigate the risk of income fluctuations.		
	If the assumptions around government support, business rates income, impact of changes to council tax discounts prove to be incorrect, then there is likely to be increased volatility around future funding streams.	ED Finance and Assets	5	3	15	Reduce	Work with Publica and countywide CFO's to monitor changes to local government financing regime including responding to government consultation on changes Business Rates and the Fair Funding review. The assumptions regarding government support have been mitigated to a certain extent by the acceptance of a multi-year settlement agreement.	ED Finance and Assets	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
	If government support to compensate this Council for the impact of COVID-19 is insufficient, greater reliance will be placed on the use of reserves, service reduction and asset sales.	ED Finance and Assets	5	3	15	Reduce	<p>The Council will continue to lobby for additional resource, as promised by Central Government from the outset of the pandemic.</p> <p>Work programmes are underway to review service provision, capital programmes and rationalisation of assets.</p>	ED Finance and Assets	Ongoing

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Appendix 2 - The Capital Programme

Code	Directorate / Scheme	Scheme Description	Total Scheme Budget £	Budget 2023/24 £	Actual Spend 2023/24 £	Forecast Spend for 2023/24 £
FINANCE, ASSETS & REGENERATION						
CAP026	IT Infrastructure	5 year ICT infrastructure strategy	250,000	332,348	-	332,348
CAP109	Pittville Steps	The restoration of the Pittville Pump Room steps which is to be funded by external resources and project managed by CBC.	63,300	60,125	-	60,125
CAP227	Housing Delivery	Enabling the delivery of Private Rented Sector (PRS) Housing through Cheltenham Borough Homes	4,500,000	4,500,000	-	-
CAP228	Housing Enabling	Expenditure in support of enabling the provision of new affordable housing in partnership with registered Social Landlords and the Homes and Communities Agency (HCA)	252,746	252,746	-	252,746
CAP507	Changing Places	Two changing room accessible toilets in the town centre	42,185	42,185	-	-
CAP513	Smart Working project	Municipal Offices ground and first floor refurbishment	200,000	100,000	59,797	100,000
CAP515	Minster Innovation Exchange	20,000 sq ft purpose-built commercial space adjacent to the Minster	5,657,539	2,262,897	806,551	1,878,897
CAP516	Gloucestershire Airport Limited	Runway repairs	7,500,000	270,000	133,702	303,444
CAP517	Imperial Gardens Railing Restoration	The restoration of the Imperial Gardens Railing to be funded by external resources and project managed by CBC. £100k	100,000	10,119	7,605	9,569
CAP518	Sandford Park toilets	Provide for new public toilet provision at Sandford Park	150,000	150,000	-	-
CAP521	Montpellier Toilets	To improve public toilet provision in the town.	100,000	426,950	12,029	426,950
CAP522	Electric Vehicle Charging Points	Infrastructure to support the delivery of EV charging points	75,000	75,000	-	-
CAP524	Green Investment Fund - Upgrade of the Building Management System	Installation of a new building management system to reduce energy usage across the main buildings in our portfolio.	151,000	143,513	63,551	143,513
CAP606	Crematorium Scheme - existing chapel	Redevelopment of existing chapel	285,000	275,313	6,500	275,313
				8,901,196	1,089,735	3,782,905
PLACE & COMMUNITIES						
CAP010	Digital Platform	Implementation and roll out of the new digital platform across the Council	180,000	54,000	-	44,000
CAP030	Carbon Neutral agenda	Seed funding to deliver the actions needed, as outlined in the report to Full Council in October 2019, to facilitate the Council's ambition to become carbon neutral by 2030.	332,016	145,388	15,783	145,388
CAP032	Public Sector Decarbonisation Scheme	Installation of the sub-meters in line with the SALIX grant application	-	-	4,156	4,156
CAP034	UK Shared Prosperity Funding - Capital Projects	Delivery of the capital projects in line with the UKSPF funding bid	15,000	15,000	-	15,000
CAP101	Play Areas (Section 101)	Developer Contributions	50,000	17,780	-	17,780
CAP102	Play Areas Enhancement	We are tendering one large playground improvement contract.	80,000	80,000	-	80,000
CAP110	Replacement of Lifeline Equipment	To upgrade the existing lifeline equipment as part of the digital switchover	-	280,370	-	280,370
CAP133	Replacement Parks & Gardens Vehicles	Replacement vehicles for parks and gardens	-	40,800	-	52,249
CAP135	Commercialisation opportunities within the Cheltenham Trust	Invest a sum of £1m to pump prime the commercial opportunities identified by The Cheltenham Trust (including investment which both sustains and grows income at the Town Hall);	1,000,000	400,000	-	-
CAP201	CCTV	Additional CCTV in order to improve shopping areas and reduce fear of crime	131,500	121,980	-	121,980
CAP205/6/7	Public Realm Improvements - High Street Phase 2	Public Realm in the Strand / Cambray	412,914	358,951	22,803	358,951
CAP221	Disabled Facilities Grants	County Council Grant funding for the provision of building work, equipment or modifying a dwelling to restore or enable independent living, privacy, confidence and dignity for individuals and their families.	500,000	513,708	138,459	513,708
CAP223	H&S, vacant property & renovation grants	Assistance available under the council's Housing Renewal Policy	206,400	201,808	-	133,763
CAP224	Warm & Well	A Gloucestershire-wide project to promote home energy efficiency, particularly targeted at those with health problems	18,400	21,800	-	21,800
CAP301	Vehicles and recycling equipment and receptacles	Replacement vehicles and recycling equipment	1,034,925	2,435,057	1,148,341	2,435,057
CAP306	In Cab Technology	The introduction of an In-Cab system would reduce the mileage required to be completed by Ubico, because it would guide the crew around their collection route and would largely eliminate mistakes.	150,000	88,046	-	88,046
CAP501	Allotments	Allotment Enhancements - new toilets, path surfacing, fencing, signage, and other improvements to infra-structure.	161,000	157,750	3,142	157,750
CAP607	The Burrows Improvement Project	Forward funding for the Leckhampton playing field works.	584,000	41,216	22,907	41,216
CAP608	Naunton Park Improvements	Contribution to pathways and drainage work	25,000	18,903	-	-
CAP609	Burrows Storage Facility	Contribution to the works required to build the storage room for Leckhampton Rovers	25,000	19,960	25,000	25,000
				5,012,517	1,380,591	4,536,214
TOTAL CAPITAL PROGRAMME				13,913,713	2,470,326	8,319,119

Funded by:

General Fund Capital Receipts	4,799,496	1,281,366	4,452,452
Capital Reserve	-	-	-
RCCO (funded from reserves)	200,950	12,029	470,950
Prudential Borrowing	7,176,410	1,003,804	2,325,854
Partner Funding	596,014	30,512	497,419
Capital Grant or Contribution	437,555	4,156	19,156
Better Care Fund	685,508	138,459	535,508
s106 Funding	17,780	-	17,780
Total	13,913,713	2,470,326	8,319,119

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Cheltenham Borough Council

Cabinet – 19th September 2023

Disposal of Land at Idsall Drive, Prestbury

Accountable member:

Deputy Leader & Cabinet Member for Finance & Assets, Councillor Peter Jeffries

Accountable officer:

Gemma Bell, Director for Finance & Assets

Ward(s) affected:

Prestbury

Key Decision: No**Executive summary:**

The council own the freehold of land at Idsall Drive, Prestbury (shown edged red on the plan below) which extends to c.650m² (0.16 acre) and is currently set out as a 10 space short stay car park, signposted as short stay with a maximum stay of two hours.

The land is located within a largely residential location, close to Prestbury High Street, which has around 23 on-street car parking spaces located within a similar distance to that of Idsall Drive, along with additional privately owned customer car parking. Allowing for business rates, repairs, maintenance and asset management, it currently costs the council around £4k per annum in revenue, along with future potential capital liabilities.

There are historic financial claw-back arrangements relating to the original funding of the car park in 1986 in favour of Prestbury Parish Council, for which advice has been received to the effect that these provisions remain in force and will require to be paid by the council.

A review of the use of the car park was undertaken in 2022, copy attached, which covered both the traditional summer holiday period and typical school term time. The results of this exercise showed that 3 vehicles accounted for 33% of total usage, 2 of which were commercial vehicles and 1 of which regularly exceeded the two hour stay, along with a general surplus of available on-street car parking.

Taking into account ongoing revenue liabilities and the potential for future capital expenditure

requirements, it is therefore recommended that Cabinet declare the site surplus to requirements and authorise a disposal of the site on terms that represent best consideration with the requirements of s.123 Local Government Act 1972.

Recommendations: That Cabinet:

- i. declares the site surplus to requirements;**
 - ii. delegates to the Director for Finance & Assets, in consultation with the Deputy Leader and Cabinet Member for Finance & Assets, authority to dispose of the site on terms that represent best consideration and upon such other terms as are deemed appropriate; and**
 - iii. authorises the Director for Finance & Assets, in consultation with Deputy Leader and Cabinet Member for Finance & Assets and the Director of One Legal, to prepare and conclude the necessary legal documentation to reflect the terms negotiated.**
-

1. Implications

1.1 Financial, Property and Asset implications

Disposal of the site will deliver both immediate ongoing revenue savings and long term capital expenditure, whilst delivering a receipt to support the council's medium term financial plan and corporate plan.

Signed off by: Gemma Bell, Director for Finance & Assets, gemma.bell@cheltenham.gov.uk

1.2 Legal implications

Section 123 of the Local Government Act 1972 gives a local authority the power to dispose of land held by it in any manner it wishes provided that the local authority achieves the best consideration that can reasonably be obtained. Steps should therefore be taken when disposing of the land to ensure that the Council obtains the best consideration that it can, and the land should not be disposed of for less than market value. Disposal for less than market value may be possible but will require Secretary of State consent.

In the event that a sale does not proceed the land remains in the Council's legal occupation and the Council will retain responsibility for the land including upkeep and, for example, for occupiers' liability.

Cabinet Member's authority to approve disposals is capped at £250,000. Disposals above this sum have to be referred to Cabinet for approval.

Signed off by: Andrew Perry, Senior Lawyer, andrew.perry@onelegal.org.uk

1.3 Environmental and climate change implications

No Comments Received – A sale will deliver a capital receipt for reinvestment in the council's corporate plan, which takes into account environmental and climate change implications.

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

N/A – A sale of the car park will release capital funding into the council's corporate plan, which promotes equality, diversity and inclusion.

Performance management – monitoring and review

The disposal will be managed by Peter Woodley, MRICS, Principal Surveyor – Asset Management, Projects and Development, in consultation with the Cabinet Member for Finance & Assets and the Director for Finance & Assets.

2. Background

Introduction

2.1 Local Government own a wide range of land and property, which serve a multitude of purposes and functions, including:

- Service delivery (leisure centres, car parks, community centres, crematorium, etc)
- Operational (depots, storage, vehicle maintenance, etc)
- Administrative (offices etc)
- Cultural, Heritage & Recreation (galleries, museums, theatres, etc)
- Economic Development (workspace, land for development, training facilities, etc)
- Strategic Planning/Place-Making (land, ransom strips, etc)
- Infrastructure (roads, bridges, flood defences, etc)
- Environmental promotion and well-being (parks, gardens, streetscape, etc)
- Social value (promoting employment, health and training opportunities etc)
- Investment & Financial Returns (ground leases, shops, offices, industrial units, etc)

2.2 More than often, an individual property or landholding will serve more than one purpose or function; for instance, the authority may hold land for development to deliver planning and place-making outcomes, promote economic development and social value, secure environmental improvements and generate capital/revenue receipts.

2.3 As part of the council's adopted Strategic Asset Management Strategy¹, it consistently reviews the performance of individual properties to establish whether the outputs being delivered meet expectations or align with the wider corporate objectives of the authority. This will include a review of the historic, current and projected future performance, taking into account numerous factors, including:

- Utilisation and capacity
- Environmental performance (especially with increasing minimum energy efficiencies standards "MEES") and energy costs
- Running (revenue) costs, projected capital expenditure and whole life costing
- Financial returns, including growth expectations against inflationary measures
- Planning considerations, including population growth, changes in lifestyle trends, etc
- Technology and changes in demand, including working styles, customer need, service transformation and organisational collaboration
- Opportunity cost of capital against alternative investment vehicles

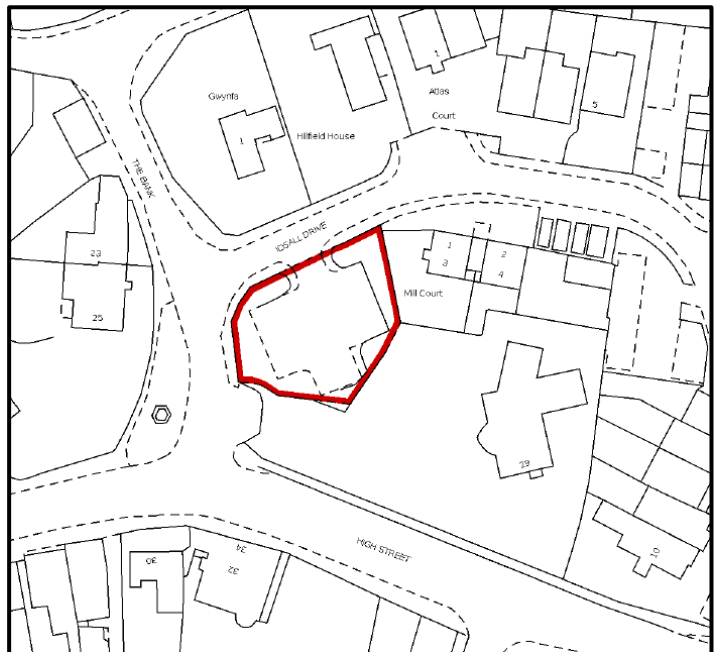
2.4 The rationale behind monitoring the continuous performance of the portfolio is to ensure that the council secures the best financial and strategic returns from its portfolio and to deliver the greatest value for money for its residents.

Idsall Drive Car Park – Ownership & Title Matters

2.5 Idsall Drive car park extends to c.650m² (0.16 acre) and is currently set out as a 10 space short stay car park, signposted as short stay with a maximum stay of two hours.

2.6 Allowing for business rates, repairs, maintenance (including landscaping and fencing) and asset management, the car park currently costs the council around £4k per annum in revenue. With the need for future resurfacing and boundary treatment, the car park will also require future capital expenditure over and above the annual revenue cost.

2.7 The car park is located within a largely residential location, approximately 175m from the middle of Prestbury High Street. There are around 23 on-street car parking



¹ 2022 to 2027, adopted January 2022 (note – this does not include the council's housing stock, which is subject to a separate and distinct asset management regime)

spaces located within a similar distance to that of Idsall Drive, along with additional privately owned car parking available for customer use.

- 2.8 The council “acquired” the freehold of the site from Tewkesbury Borough Council (“TBC”) as a result of boundary changes in 1991. TBC had previously entered into a funding agreement with Prestbury Parish Council (1986) to contribute to the running of it as a short stay car park. Under this agreement, the Parish Council contributed the sum of £10k over a 5 year period, subject to claw back provisions in the event that “the car park shall be sold or otherwise pass from the ownership of the [Tewkesbury] Borough Council or be leased...for a term of 10 years or more...”. One Legal have previously advised that this claw back provision would have transferred to CBC as a result of the statutory provisions of the boundary changes.
- 2.9 In terms of legal restrictions on the title, there appears to be a covenant attached to the land from a previous transaction which restricts any future development to no more than a “*single private dwelling house and garage*”. However, whether this covenant is capable of being enforced is questionable on two grounds:
- i) The beneficiary, Morland Development Company Limited, no longer appears to exist and it is unclear whether another party has acquired the benefit of this restricted covenant;
 - ii) Regardless of i) above, whether any beneficiary that may exist owns land which benefits from the covenant and could, therefore, enforce it.
- 2.10 Further legal investigation will be required, along with the potential to either apply to have the covenant lifted through the Lands Tribunal or insure against any claim that could come forward in the event it was breached.
- 2.11 Regardless, the council could potentially appropriate the site for planning purposes and use its planning powers to override such covenant, which whilst would give rise to potential compensation to the beneficiary, would be based solely on the diminution of the benefiting property. Again, further legal advice will be required but in the opinion of the author, and assuming there is a benefiting property (which is questionable), any such diminution will be nil.

Usage

- 2.12 A review of the use of the car park was undertaken in 2022 (copy attached), which covered both the traditional summer holiday period and a typical school term time. This involved surveying the usage every 2 hours over 14 random days, including a Saturday and Sunday, from 8.30am to 6.00pm. On each visit, vehicle registration numbers were noted in order to assess both the number of vehicles parked within the car park and the typical duration of stay.
- 2.13 In addition to surveying the usage of the car park, during the hours of 10.30am to 4.30pm a note of available spaces within the 23 on-street spaces identified was also undertaken to allow overall capacity to be assessed. The overall results are set out in the attached

“car parking survey” background paper.

- 2.14 In summary, the results showed that 3 vehicles accounted for 33% of total usage, 2 of which were commercial vehicles and 1 of which regularly exceeded the two hour stay (being parked on site most of the time on most of the visits). Overall, there was a substantial number of vehicles which exceeded the two hour stay, a large number of which by a substantial period of time, i.e. not for short stay parking for trips to the High Street.
- 2.15 Throughout the course of the survey, there was generally a surplus of available car parking within easy access of the High Street, i.e. within the same distance as the car park.

Impact on Prestbury High Street

- 2.16 It has previously been stated that closure of the car park will result in adverse impact on Prestbury High Street. However, the High Street is largely residential in character, with only 3 shops, 2 hairdressers, a café/delicatessen and a pub/restaurant with its own 32 space car park.
- 2.17 Notwithstanding abuse of the car park (i.e. long stay and commercial), the surveys show that there is generally more than sufficient on-street parking available within a comparable distance to suit the functioning of those remaining shops and services within the High Street.

EV Charging

- 2.18 As part of the council’s strategy to support the roll out of EV charging points across the Borough, a wide range of operators were provided a list of some 40+ sites in the ownership of the council and to confirm whether or not they would be of interest to them. This list included Idsall Drive.
- 2.19 In terms of interest, the response rate for Idsall was relatively low, with only two considered positive responses and was certainly not as popular as more central or prominent locations. It is, therefore, anticipated that interest for this use will be limited and any value nominal.
- 2.20 However, the site will be openly marketed and details forwarded to those operators who did express an interest, considered or otherwise, and they will be able to bid for it alongside all other interested parties.

Prestbury Parish Council

- 2.21 As referenced above at 2.8, a sale of the site will trigger a financial payment to Prestbury Parish Council as a consequence of the original funding agreement between them and TBC. The basis of this payment is set out on one of three options, for the Parish Council to determine as they see fit. These options comprise:

- i) The value of the original funding provided, i.e. £10,000;
- ii) The value of the original funding provided, indexed linked to RPI (calculated to be £37,784 as at June 2023); or
- iii) The value of the original funding provided plus a profit share of any uplift in the market value of the site over and above £53,500 (calculated to be £15,350 as at June 2023, using a hypothetical market value of £100,000).

2.22 The council held discussions with the Parish Council regarding a disposal of the car park in 2021 and an offer was made by the Parish to purchase it at a stated value of £40k, net of repayment of the funding originally provided by it to TBC. However, after further consideration, the Parish decided not to proceed with the purchase and withdrew their proposal.

Summary

2.23 Taking into account ongoing revenue liabilities and the potential for future capital expenditure requirements, it is therefore recommended that Cabinet declare the site surplus to requirements and authorise a disposal of the site on terms that represent best consideration within the meaning of s.123 Local Government Act 1972.

3 Reasons for recommendations

- 3.1 To secure revenue savings and avoid future capital expenditure and deliver a capital receipt; and
- 3.2 To make best use of public owned assets for the delivery of services and projects for the residents of Cheltenham Borough, in accordance with the council's adopted asset management strategy.

4 Alternative options considered

4.1 Do nothing

Council continue to incur revenue costs and face future capital expenditure with no discernible benefits – Option discounted

4.2 Formalise Car Park

Would require inclusion within the council's car parking order, which may not be confirmed, along with regular enforcement regime. Option discounted as: 1) overall usage is limited; 2) costs of car parking management would increase overall revenue deficit; 3) charges would decant genuine short stay parking to on-street.

5 Consultation and feedback

5.1 Internal only

6 Key risks

- 6.1 Council fails to secure an offer that is acceptable – mitigated through use of local commercial agents to maximise market coverage
 - 6.2 The site is subsequently sold by a third party purchaser for a higher value use – mitigated through inclusion of relevant covenants and overage clauses, allowing the council to claw back any such enhanced value
-

Report author:

Peter Woodley MRICS, Principal Surveyor – Asset Management, Projects & Development,
peter.woodley@cheltenham.gov.uk

Appendices:

- i. Risk Assessment

Background information:

Car Parking Survey Briefing Note (including Appendices 1-4)

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
1	Council fails to secure a purchaser at an acceptable level of value	Gemma Bell, Director for Finance & Assets	5	2	10	Accept	Appoint experienced agents to support the marketing and subsequent negotiations and provide s.123 certification	Peter Woodley MRICS, Principal Surveyor	Ongoing
2	Purchaser obtains subsequent change of use to higher value use	Gemma Bell, Director for Finance & Assets	3	2	6	Accept	Mitigation reference 1 will largely mitigate risk but inclusion of restrictive covenant and/or overage clauses will allow council to benefit in any such future uplift in value	Peter Woodley MRICS, Principal Surveyor	Ongoing

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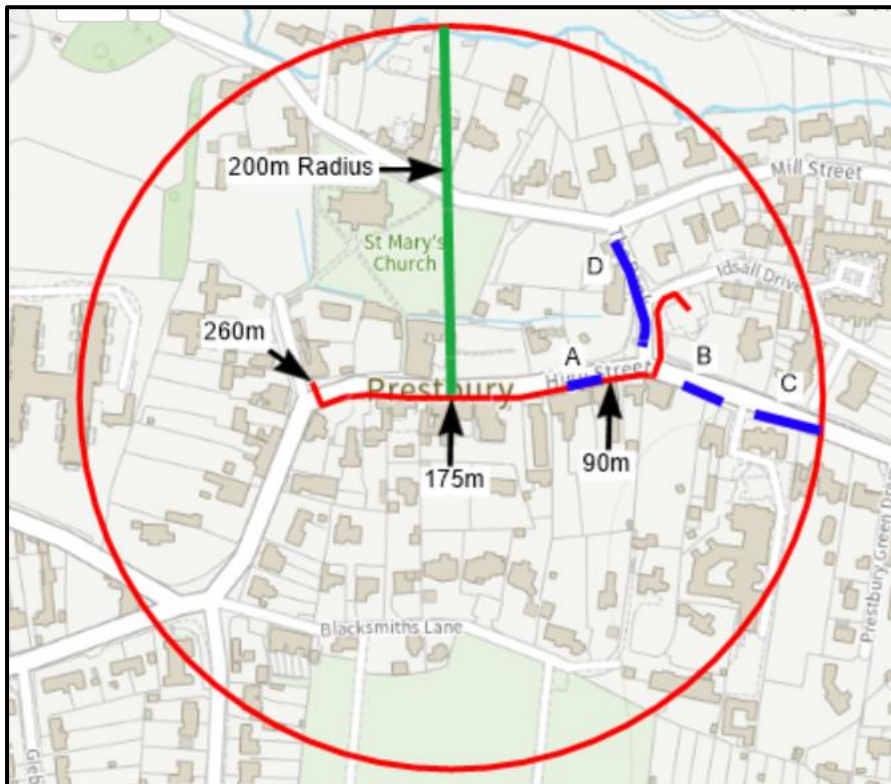
Car Parking Survey at Idsall Drive Car Park, Prestbury

Background

The car park at Idsall Drive is located approximately 55m from the High Street in Prestbury. It is a ten space car park which is currently free to use and is signed as being restricted to a maximum stay of two hours. The rateable value of the car park is stated at £1,500, which equates to rates payable of around £750 per annum. Landscape maintenance, car park maintenance and general property management, combined with business rates, equates to an estimated £4,000 per annum.

The High Street is home to three shops, two hairdresser, a café/delicatessen and the Kings Arms public house, which has its own car park adjoining with some thirty-two spaces. The shops comprise:

1. Butcher
2. Convenience Store
3. Chemist (which is due to relocate into the new medical centre)



In terms of distances from the Idsall Drive Car Park, the Butcher is c.90m, the Convenience Store is c.175m and the Chemist c.260m.

Within a radius of some 175m from the centre of the High Street, less than the distance between the car park and the chemist, there are some 23 on street car parking spaces, comprising:

- A: 3 spaces, restricted to 30 minutes maximum stay
- B: 4 spaces, unrestricted
- C: 6 spaces, unrestricted
- D: 10 spaces, unrestricted

There is further availability of on-street car parking spaces within this radius which are utilised at Idsall Drive, Mill Street and Church Lane, although any spaces within these 3 locations was not included in the capacity analysis.

Whilst not enforced under the council’s car parking order, the signage within the car park states that the maximum stay is 2 hours.



High Street

The Bank

30 Min Parking Spaces



Church Lane

Idsall Drive

Mill Street

Methodology

In order to assess the current utilisation of the car park and any impact that closure of it would have on the High Street, a survey of current usage and capacity has been undertaken. This survey was undertaken across fourteen random days, comprising:

Summer Holiday Period			School Term Time		
1	26/07/2022	Tuesday	7	10/09/2022	Saturday
2	27/07/2022	Wednesday	8	11/09/2022	Sunday
3	28/07/2022	Thursday	9	13/09/2022	Tuesday
4	29/07/2022	Friday	10	14/09/2022	Wednesday
5	01/08/2022	Monday	11	15/09/2022	Thursday
6	04/08/2022	Thursday	12	23/09/2022	Friday
			13	26/09/2022	Monday
			14	30/09/2022	Friday

The dates selected covered both the summer school holiday period and “back to school” term time to ensure a complete picture of usage. In total, all days of the week were covered, comprising:

Monday	x	2
Tuesday	x	2
Wednesday	x	2
Thursday	x	3
Friday	x	3
Saturday	x	1
Sunday	x	1

The survey was undertaken between the hours of 8.30am through to 6.00pm, covering a period of 9.5 hours on each day. This allowed for any pattern of usage and subsequent changes outside of

traditional business hours (9.00am to 5.30pm) to be established. The inspections were undertaken at fixed times during each day, comprising:

- | | |
|------------|------------|
| 1. 08.30am | 4. 02.30pm |
| 2. 10.30am | 5. 04.30pm |
| 3. 12.30pm | 6. 06.00pm |

During each inspection both the number of vehicles within the car park was noted, along with registration numbers to establish typical duration of stay. There was also a separation between cars and commercial vehicles parked within the car park. Appendix 1 sets out the detailed results. **For the purposes of the analysis, registration numbers have been anonymised to respect privacy.**

In addition, between the hours of 10.30am to 4.30pm, the number of available on-street spaces was also noted in order to assess usage and capacity. The results are set out at Appendix 2.

Results

The detailed anonymised survey results are attached at Appendix 1. This is colour coded as follows:

- Green fill = Vacant space
- Cream fill = Vehicle parked for at least 2 hours
- Orange fill = Vehicle parked for substantially more than 2 hours
- Bold font = Commercial vehicle
- Red bold font = Commercial vehicle with weight above stated maximum

Taking into account the number of parking spaces with the car park, multiplied by the number of inspections per day and in turn, multiplied by the number of days inspected, there were a total of 840 potential parking “events” (10 x 6 x 14).

During the course of the surveys, the car park was used by 148 different cars and 10 different commercial vehicles, comprising nine vans and one minibus (the latter of which was above the maximum weight stated on signage).

Out of these, there was overall 326 “events”, where a vehicle was parked in a single bay. This equates to an average usage of 38%, meaning that on average there are 6 vacant bays at any one time (the actual number varied between 0 and 9 available spaces).

Of the 158 vehicles that were monitored in the car park just 3 of them accounted for 33% of the total usage, 2 of which were commercial vehicles, 1 of which was parked within the same bay throughout the entire inspection day of 9.5 hours on 11 of the 14 inspection days and for at least 4 hours on a further day.

This single commercial vehicle accounted for just over 21% of the total usage and overall, over 8% of all potential usage, i.e. taking nearly one bay throughout the entire survey period.

Table 1 provides a summary of the outcome of the survey over the 14 day period using averages, with the detail attached at Appendix 3 and some analysis at Appendix 4.

		AVERAGES					
		8.30	10.30	12.30	14.30	16.30	18.00
a	Total Vehicles Parked at Idsall Drive	2.43	4.57	5.57	4.57	3.36	2.50
b	Total Parked At Least 2 Hours		1.43	1.00	0.71	0.43	-
c	Total Parked Substantially Over 2 Hours			1.00	1.21	1.29	1.00
d	Total Short Term Vehicles Parked at Idsall Drive (= a - (b + c))		3.14	3.57	2.64	1.64	1.50
			3.14	3.57	2.64	1.64	1.50
e	Available Spaces On Street		12.43	11.43	12.00	14.29	
f	Surplus / Deficit in Short Term Parking Spaces (= e - d)		9.29	7.86	9.36	12.64	
g	Surplus / Deficit in Overall Parking Spaces (= e - a)		7.86	5.86	7.43	10.93	
		1.00	=	Surplus of Available Car Parking Spaces for Short Term Parking			
		1.00	=	Deficit of Available Car Parking Spaces for Short Term Parking			

Table 1

In summary, taking into account the total average numbers of vehicles parked within Idsall Drive and the overall availability of on-street parking during normal working hours, there is generally a surplus of provision for people seeking short term parking to use the High Street.

The detailed analysis shows only two occasions when there was a deficit of between 1 and 2 spaces available, both of which happened to be on a Sunday. However, when vehicles that have been parked within Idsall Drive Car Park for more than 2 hours are disregarded, this changes to an overall surplus of 4 spaces and in the worst case scenario, 0 remaining available spaces.

APPENDIX ONE: ANONYMISED SURVEY RESULTS

APPENDIX TWO: ON-STREET PROVISION

APPENDIX THREE: TOTALS AND ANALYSIS

APPENDIX FOUR: FURTHER ANALYSIS

Cars = Numbered 1000 to 1148 Commercial Vehicle, i.e. Van = Numbered 2000 to 2010 ■ = vacant space ■ = parked at least 2 hours ■ = parked in excess of two hours ■ = vehicle over 2 ton

Tuesday 26/07/2022			Wednesday 27/07/2022			Thursday 28/07/2022			Friday 29/07/2022			Monday 01/08/2022			Thursday 04/08/2022			Saturday 10/09/2022			Sunday 11/09/2022			Tuesday 13/09/2022			Wednesday 14/09/2022			Thursday 15/09/2022			Friday 23/09/2022			Monday 26/09/2022			Friday 30/09/2022								
Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration	Time	Bay	Registration									
8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1		8.30	1							
8.30	2		8.30	2	2001	8.30	2	2003	8.30	2		8.30	2		8.30	2		8.30	2		8.30	2		8.30	2		8.30	2		8.30	2		8.30	2		8.30	2		8.30	2	1132						
8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3		8.30	3							
8.30	4	2000	8.30	4	2000	8.30	4	2000	8.30	4	2000	8.30	4	1040	8.30	4	1040	8.30	4	2004	8.30	4		8.30	4		8.30	4		8.30	4		8.30	4		8.30	4		8.30	4							
8.30	5		8.30	5		8.30	5	1016	8.30	5	1016	8.30	5	1009	8.30	5		8.30	5		8.30	5		8.30	5		8.30	5	1091	8.30	5		8.30	5		8.30	5		8.30	5							
8.30	6		8.30	6	1010	8.30	6		8.30	6		8.30	6		8.30	6		8.30	6	2000	8.30	6	2000	8.30	6	2000	8.30	6	2000	8.30	6	2000	8.30	6	2000	8.30	6	2000	8.30	6	2000						
8.30	7		8.30	7		8.30	7	2004	8.30	7	2004	8.30	7		8.30	7	2004	8.30	7		8.30	7		8.30	7		8.30	7	2004	8.30	7	2004	8.30	7	2004	8.30	7	2004	8.30	7	2004						
8.30	8		8.30	8	1001	8.30	8		8.30	8		8.30	8		8.30	8		8.30	8		8.30	8		8.30	8		8.30	8	1092	8.30	8		8.30	8		8.30	8		8.30	8							
8.30	9		8.30	9	1011	8.30	9		8.30	9		8.30	9		8.30	9		8.30	9		8.30	9		8.30	9		8.30	9		8.30	9		8.30	9		8.30	9		8.30	9							
8.30	10		8.30	10		8.30	10		8.30	10		8.30	10		8.30	10	2006	8.30	10	1016	8.30	10	1016	8.30	10		8.30	10		8.30	10		8.30	10		8.30	10		8.30	10							
Commercial Vehicles Parked			1			2			3			2			0			2			2			1			2			2			2			2			1			2					
Total Vehicles Parked			1			5			4			2			2			3			1			3			2			2			2			2			2			3					
10.30	1		10.30	1		10.30	1		10.30	1	1033	10.30	1		10.30	1		10.30	1		10.30	1		10.30	1		10.30	1	1096	10.30	1		10.30	1		10.30	1		10.30	1							
10.30	2	2001	10.30	2	2002	10.30	2	1022	10.30	2		10.30	2		10.30	2	1061	10.30	2	1077	10.30	2		10.30	2		10.30	2		10.30	2	1105	10.30	2	1116	10.30	2	2002	10.30	2	1139						
10.30	3		10.30	3	1012	10.30	3		10.30	3		10.30	3	1041	10.30	3	1062	10.30	3	1078	10.30	3	1002	10.30	3		10.30	3		10.30	3	1106	10.30	3		10.30	3		10.30	3	1144						
10.30	4	2000	10.30	4	2000	10.30	4	2000	10.30	4	2000	10.30	4	1042	10.30	4	1050	10.30	4	1063	10.30	4	1079	10.30	4		10.30	4	1107	10.30	4	1117	10.30	4		10.30	4		10.30	4							
10.30	5	1000	10.30	5		10.30	5		10.30	5		10.30	5	1043	10.30	5	1051	10.30	5	2007	10.30	5		10.30	5		10.30	5		10.30	5		10.30	5		10.30	5		10.30	5							
10.30	6		10.30	6	1013	10.30	6		10.30	6		10.30	6	2002	10.30	6	2000	10.30	6	2000	10.30	6	2000	10.30	6	2000	10.30	6	2000	10.30	6	2000	10.30	6	2000	10.30	6	2000	10.30	6	2000						
10.30	7		10.30	7		10.30	7	2004	10.30	7	2004	10.30	7		10.30	7	1064	10.30	7		10.30	7		10.30	7		10.30	7		10.30	7	1118	10.30	7	1118	10.30	7	1118	10.30	7	1140						
10.30	8		10.30	8	1001	10.30	8		10.30	8		10.30	8		10.30	8		10.30	8		10.30	8		10.30	8		10.30	8	1108	10.30	8	1108	10.30	8	1108	10.30	8	1108	10.30	8	1141						
10.30	9	1001	10.30	9	1011	10.30	9		10.30	9		10.30	9		10.30	9		10.30	9	1080	10.30	9	1080	10.30	9		10.30	9	1022	10.30	9		10.30	9		10.30	9		10.30	9							
10.30	10		10.30	10	1005	10.30	10		10.30	10		10.30	10		10.30	10	2006	10.30	10	1016	10.30	10	1016	10.30	10		10.30	10		10.30	10		10.30	10		10.30	10		10.30	10	1142						
Commercial Vehicles Parked			1			2			3			2			1			2			1			2			2			2			2			1			2			1					
Commercial Vehicles Parked at least 2 Hours			1			1			2			2			1			1			2			1			2			2			1			1			1			1					
Total Vehicles Parked			4			7			4			3			4			7			6			3			3			7			4			2			6			6					
Vehicles Parked at least 2 Hours			1			3			2			2			0			2			1			2			2			2			1			1			1			1					
12.30	1		12.30	1		12.30	1		12.30	1		12.30	1	1052	12.30	1	1052	12.30	1	1081	12.30	1	1093	12.30	1	1097	12.30	1		12.30	1		12.30	1		12.30	1		12.30	1	1143						
12.30	2	2001	12.30	2	1014	12.30	2	1023	12.30	2	1034	12.30	2	1044	12.30	2	1053	12.30	2	1065	12.30	2	1077	12.30	2		12.30	2	1105	12.30	2	1119	12.30	2		12.30	2		12.30	2							
12.30	3		12.30	3	1015	12.30	3	1024	12.30	3	1016	12.30	3	1041	12.30	3		12.30	3	1066	12.30	3	1078	12.30	3	1002	12.30	3		12.30	3	2004	12.30	3		12.30	3		12.30	3							
12.30	4	2000	12.30	4	2000	12.30	4	2000	12.30	4	2000	12.30	4	1042	12.30	4	1050	12.30	4	1063	12.30	4	1079	12.30	4		12.30	4	1107	12.30	4	1117	12.30	4		12.30	4		12.30	4							
12.30	5	1000	12.30	5		12.30	5		12.30	5	1025	12.30	5	1035	12.30	5	1010	12.30	5	1054	12.30	5	1067	12.30	5		12.30	5		12.30	5		12.30	5		12.30	5		12.30	5							
12.30	6		12.30	6	1013	12.30	6	1026	12.30	6	1001	12.30	6		12.30	6	2000	12.30	6	2000	12.30	6	2000	12.30	6	2000	12.30	6	2000	12.30	6	2000	12.30	6	2000	12.30	6	2000	12.30	6	2000						
12.30	7		12.30	7		12.30	7	2005	12.30	7	2036	12.30	7		12.30	7	2004	12.30	7		12.30	7		12.30	7		12.30	7		12.30	7	1120	12.30	7	1120	12.30	7	1120	12.30	7	1140						
12.30	8	1002	12.30	8		12.30	8		12.30	8		12.30	8		12.30	8		12.30	8	1068	12.30	8	1084	12.30	8		12.30	8	1108	12.30	8	1121	12.30	8		12.30	8		12.30	8							
12.30	9	1001	12.30	9	1011	12.30	9	1027	12.30	9		12.30	9		12.30	9	1027	12.30	9	1069	12.30	9	1085	12.30	9		12.30	9	1110	12.30	9		12.30	9		12.30	9		12.30	9							
12.30	10	2004	12.30	10		12.30	10	1028	12.30	10	1037	12.30	10		12.30	10	1016	12.30	10	1016	12.30	10	1016	12.30	10		12.30	10		12.30	10		12.30	10		12.30	10		12.30	10	1142						
Commercial Vehicles Parked			2			1			2			1			0			1			0			1			1			1			0			1			0			1					
Commercial Vehicles Parked at least 2 Hours			1			0			0			0			0			0			0			0			0			0			0			0			0			0			0		
Commercial Vehicles Parked Substantially Over 2 Hours			1			2			1			0			1			1			1			1			1			1			1			1			1			1			1		
Total Vehicles Parked			6			4			8			7			3			5			8			10			4			5			7			3			3			3					
Vehicles Parked at least 2 Hours			3			4			0																																						

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High Street On-Street Parking by Waghornes Butchers (3 Spaces - 30 mins max)

Tuesday 26/07/2022		Wednesday 27/07/2022		Thursday 28/07/2022		Friday 29/07/2022		Monday 01/08/2022		Thursday 04/08/2022		Saturday 10/09/2022		Sunday 11/09/2022		Tuesday 13/09/2022		Wednesday 14/09/2022		Thursday 15/09/2022		Friday 23/09/2022		Monday 26/09/2022		Friday 30/09/2022	
Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces
10.30	2	10.30	2	10.30	3	10.30	2	10.30	0	10.30	1	10.30	1	10.30	1	10.30	2	10.30	1	10.30	3	10.30	2	10.30	2	10.30	1
12.30	1	12.30	2	12.30	2	12.30	1	12.30	1	12.30	1	12.30	0	12.30	0	12.30	0	12.30	2	12.30	1	12.30	1	12.30	1	12.30	1
14.30	3	14.30	2	14.30	2	14.30	3	14.30	2	14.30	3	14.30	2	14.30	0	14.30	2	14.30	2	14.30	1	14.30	1	14.30	2	14.30	0
16.30	1	16.30	0	16.30	1	16.30	1	16.30	3	16.30	2	16.30	3	16.30	1	16.30	2	16.30	1	16.30	2	16.30	3	16.30	2	16.30	1

High Street On-Street Parking - 34 to 38 High Street (4 Spaces - unrestricted) + to front of Bay Tree Court (6 spaces - unrestricted)

Tuesday 26/07/2022		Wednesday 27/07/2022		Thursday 28/07/2022		Friday 29/07/2022		Monday 01/08/2022		Thursday 04/08/2022		Saturday 10/09/2022		Sunday 11/09/2022		Tuesday 13/09/2022		Wednesday 14/09/2022		Thursday 15/09/2022		Friday 23/09/2022		Monday 26/09/2022		Friday 30/09/2022	
Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces
10.30	9	10.30	9	10.30	7	10.30	8	10.30	6	10.30	6	10.30	9	10.30	8	10.30	6	10.30	7	10.30	8	10.30	6	10.30	8	10.30	7
12.30	8	12.30	8	12.30	7	12.30	7	12.30	5	12.30	7	12.30	9	12.30	7	12.30	7	12.30	8	12.30	8	12.30	8	12.30	8	12.30	8
14.30	6	14.30	9	14.30	7	14.30	8	14.30	7	14.30	6	14.30	8	14.30	8	14.30	6	14.30	7	14.30	7	14.30	8	14.30	8	14.30	7
16.30	7	16.30	7	16.30	9	16.30	7	16.30	9	16.30	8	16.30	7	16.30	8	16.30	6	16.30	8	16.30	7	16.30	9	16.30	9	16.30	8

The Bank On-Street Parking (10 Spaces - Unrestricted)

Tuesday 26/07/2022		Wednesday 27/07/2022		Thursday 28/07/2022		Friday 29/07/2022		Monday 01/08/2022		Thursday 04/08/2022		Saturday 10/09/2022		Sunday 11/09/2022		Tuesday 13/09/2022		Wednesday 14/09/2022		Thursday 15/09/2022		Friday 23/09/2022		Monday 26/09/2022		Friday 30/09/2022	
Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces	Time	Vacant Spaces
10.30	4	10.30	3	10.30	2	10.30	3	10.30	2	10.30	2	10.30	1	10.30	6	10.30	4	10.30	4	10.30	5	10.30	3	10.30	6	10.30	3
12.30	0	12.30	4	12.30	1	12.30	3	12.30	1	12.30	3	12.30	1	12.30	2	12.30	4	12.30	3	12.30	7	12.30	1	12.30	7	12.30	3
14.30	3	14.30	5	14.30	3	14.30	4	14.30	1	14.30	5	14.30	2	14.30	0	14.30	2	14.30	3	14.30	3	14.30	1	14.30	7	14.30	2
16.30	6	16.30	2	16.30	3	16.30	5	16.30	7	16.30	8	16.30	4	16.30	4	16.30	5	16.30	3	16.30	7	16.30	4	16.30	7	16.30	3

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	Tuesday 26/07/2022	Wednesday 27/07/2022	Thursday 28/07/2022	Friday 29/07/2022	Monday 01/08/2022	Thursday 04/08/2022	Saturday 10/09/2022	Sunday 11/09/2022	Tuesday 13/09/2022	Wednesday 14/09/2022	Thursday 15/09/2022	Friday 23/09/2022	Monday 26/09/2022	Friday 30/09/2022	
	Time	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	
Total Vehicles Parked at Idsall Drive	8.30	1	5	4	2	2	3	1	3	2	2	2	2	3	
Total Vehicles Parked at Idsall Drive	10.30	4	7	4	3	4	7	6	3	3	7	4	2	6	
Available Spaces On Street	10.30	15	14	12	13	8	11	15	11	13	14	12	16	11	
Total Parked At Least 2 Hours	10.30	1	3	2	2	0	2	2	1	1	2	1	1	1	
Total Vehicles Parked at Idsall Drive as Short Stay Only	10.30	3	4	2	1	4	5	4	2	2	5	3	1	5	
Surplus (Blue Font)/Deficit (Red Font) of Overall Parking Spaces	10.30	11	7	8	10	4	4	9	8	10	7	8	14	5	
Surplus (Blue Font)/Deficit (Red Font) of Overall Parking Spaces Excluding Vehicles Parked in Excess of 2 Hours	10.30	12	10	10	12	4	6	11	9	11	9	9	15	6	
Total Vehicles Parked at Idsall Drive	12.30	6	4	8	7	3	8	10	4	5	5	7	3	3	
Available Spaces On Street	12.30	9	14	10	11	7	11	9	11	11	17	10	16	13	
Total Parked At Least 2 Hours	12.30	3	0	0	0	1	1	3	2	0	2	2	0	0	
Total Parked Substantially Over 2 Hours	12.30	1	0	1	1	0	2	2	1	1	1	1	1	1	
Total Vehicles Parked at Idsall Drive as Short Stay Only	12.30	2	4	7	6	2	5	5	1	4	2	4	2	2	
Surplus (Blue Font)/Deficit (Red Font) of Overall Parking Spaces	12.30	3	10	2	4	4	3	-1	7	6	12	3	13	10	
Surplus (Blue Font)/Deficit (Red Font) of Overall Parking Spaces Excluding Vehicles Parked in Excess of 2 Hours	12.30	7	10	3	5	5	6	4	10	7	15	6	14	11	
Total Vehicles Parked at Idsall Drive	14.30	5	4	2	3	5	6	10	5	2	2	7	3	5	
Available Spaces On Street	14.30	12	16	12	15	10	12	8	10	12	11	10	17	9	
Total Parked At Least 2 Hours	14.30	0	1	0	2	0	0	2	0	2	0	0	0	0	
Total Parked Substantially Over 2 Hours	14.30	3	2	1	1	1	2	0	2	0	1	1	1	1	
Total Vehicles Parked at Idsall Drive as Short Stay Only	14.30	2	1	1	0	4	4	8	3	0	1	6	2	4	
Surplus (Blue Font)/Deficit (Red Font) of Overall Parking Spaces	14.30	7	12	10	12	5	6	-2	5	10	9	3	14	4	
Surplus (Blue Font)/Deficit (Red Font) of Overall Parking Spaces Excluding Vehicles Parked in Excess of 2 Hours	14.30	10	15	11	15	6	8	0	7	12	10	4	15	5	
Total Vehicles Parked at Idsall Drive	16.30	5	6	3	4	2	5	4	3	5	3	2	1	1	
Available Spaces On Street	16.30	14	9	13	13	19	14	13	13	12	16	16	18	12	
Total Parked At Least 2 Hours	16.30	0	1	0	0	1	1	1	2	0	0	0	0	0	
Total Parked Substantially Over 2 Hours	16.30	2	2	1	2	1	1	0	1	1	1	1	1	1	
Total Vehicles Parked at Idsall Drive as Short Stay Only	16.30	3	3	2	2	0	3	3	0	4	2	1	0	0	
Surplus (Blue Font)/Deficit (Red Font) of Overall Parking Spaces	16.30	9	3	10	9	17	9	9	10	7	13	14	17	11	
Surplus (Blue Font)/Deficit (Red Font) of Overall Parking Spaces Excluding Vehicles Parked in Excess of 2 Hours	16.30	11	6	11	11	19	11	10	13	8	14	15	18	12	
Total Vehicles Parked at Idsall Drive	18.00	3	4	3	2	2	4	2	1	0	3	3	1	1	
Total Parked At Least 2 Hours	18.00	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Parked Substantially Over 2 Hours	18.00	2	2	1	0	1	1	2	1	0	1	1	1	1	
Total Vehicles Parked at Idsall Drive as Short Stay Only	18.00	1	2	2	2	1	3	0	0	0	2	2	0	0	
		----- School Holidays -----						----- Term Time -----							

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Vehicle	No Times Parked
2000	69
2001	4
2002	4
2003	1
2004	18
2005	1
2006	2
2007	1
2008	2
2009	1
2010	3
1000	2
1001	8
1002	3
1003	1
1004	1
1005	2
1006	1
1007	1
1008	1
1009	2
1010	2
1011	5
1012	1
1013	1
1014	1
1015	2
1016	19
1017	1
1018	1
1019	1
1020	1
1021	1
1022	2
1023	1
1024	1
1025	1
1026	1
1027	1
1028	1
1029	1
1030	1
1031	2
1032	2
1033	1
1034	3
1035	1
1036	1
1037	2
1038	1
1039	1
1040	1
1041	5
1042	1
1043	1
1044	1
1045	2
1046	1
1047	1
1048	1
1049	1
1050	4
1051	1
1052	1
1053	3
1054	2
1055	1
1056	1
1057	1
1058	1
1059	1

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
8.30														
8.30		2001	2003										1132	
8.30														1138
8.30	2000	2000	2000	2000	1040		2004							
8.30			1016		1009				1091					
8.30		1010					2000	2000	2000	2000	2000	2000	2000	2000
8.30			2004	2004		2004				2004	2004	2004	1133	2004
8.30		1001												
8.30		1011							1092					
8.30					2006	1016	1016							
10.30				1033						1096				
10.30	2001	2002	1022				1061	1077			1105	1116	2002	1139
10.30		1012			1041		1062	1078	1002		1106			1144
10.30	2000	2000	2000	2000	1042	1050	1063	1079			1107	1117		
10.30	1000		2002		1043	1051	2007							
10.30		1013			2002		2000	2000	2000		2000	2000	2000	2000
10.30			2004	2004		2004	1064		2010	2000	2004	1118		1140
10.30		1001								2004	1108			
10.30	1001	1011						1080			1022			1141
10.30		1005				2006	1016	1016						1142
12.30					1052		1081	1093	1097					1143
12.30	2001	1014	1023	1034	1044	1053	1065	1077			1105	1119		
12.30		1015	1024	1016	1041		1066	1078	1002			2004		
12.30	2000	2000	2000	2000		1050	1063	1079		1098		1117		
12.30	1000		1025	1035	1010	1054	1067	1082		1099	1109	1120	1134	
12.30			1026	1001			2000	2000	2000	2000	2000	2000	2000	2000
12.30			2005	1036		2004		1083	2010					
12.30	1002						1068	1084			1108	1121		
12.30	1001	1011	1027				1069	1085		1100	1110			1144
12.30	2004		1028	1037			1016	1016				1122	1135	
14.30								1086		1097				1145
14.30	2001			1034	1045	1053		1077	1016			1123	1136	
14.30		1015		1016	1041			1087				1124		1146
14.30	2000	2000	2000	2000	1046	1050	1070	1079	1094	1098	1111			1147
14.30	1003	1016			1047	1054		1082				1125	1137	
14.30							2000	2000	2000		2000	2000	2000	2000
14.30					1048	2004		1071	1088	2010				
14.30			1029					1072	1084			1126		
14.30	1001	1011					2008	1089				1127		
14.30	1005			1037		1055	1016	1016	1095			1128		1148
16.30										1101				
16.30	1006	1017		1034	1045	1053	1073	1090						
16.30	1007	1018	1030		1041									
16.30	2000	2000	2000	2000		1050	1074		1094	1098		1129		
16.30		1016		1038										
16.30			1031				2000	2000	2000	1102		2000	2000	2000
16.30	1008					2004	2009				2000			
16.30	1001									1103	1112			
16.30		1011		1039			2008	1089		1104				
16.30		1019						1016	1095			1113		
18.00													1130	
18.00					1049	1056	1075					1114	1131	
18.00		1020	1031	1016	1041	1057						1115		
18.00	2000	2000	2000											
18.00		1016					1058	1076						
18.00						1059		2000	2000			2000	2000	2000
18.00	1009													
18.00	1001													
18.00				2000		1060								
18.00		1021	1032			1032	1016	1016						

	6	6	6	6	0	0	6	6	6	3	6	6	6	6
	25	30	24	22	18	25	33	34	19	17	22	25	13	19
		Events	Total Usage	Top 3 Users	%									
		69	326	106	33%									

Top User 21.17% Proportion of Overall Actual Parking (69 out of 326)
 Top User 8.21% Proportion of Total Potential Events (69 out of 840)

840 Potential Events
 326 Actual Events
 38.81% Usage
 61.19% Underutilised Capacity

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Cheltenham Borough Council

Cabinet – 19th September 2023

Freehold/Head Leasehold Investment Disposal

Accountable member:

Deputy Leader & Cabinet Member for Finance & Assets, Councillor Peter Jeffries

Accountable officer:

Paul Jones, Executive Director for Finance, Assets & Regeneration

Ward(s) affected:

n/a

Key Decision: Yes**Executive summary:**

The council own both freehold and long leasehold (c.163 years unexpired) interests in Regent Arcade Shopping Centre and shown edged red on the Plan (“the Centre”), which in turn are let to Canada Life under a long lease at a ground rent equal to 15.24% of net rental income, subject to a minimum base rent of £575k per annum.

Aside, the council have a lease back of the 523 space car park at a peppercorn rent for a remaining term of c.87 years.

This report and the recommendations refer only to the council’s principal interests and not the car park.

In accordance with the council’s adopted Asset Management Strategy, a review of the council’s interests was undertaken at 2022/23; see attached Briefing Note and the Addendum to this report (Exempt Information: Local Government Act 1972, Schedule 12A, Part 1, Paragraph 3).

For the period 06/21 to 06/22, the Centre delivered a net income to the council equivalent to the base rent of £575k. This performance has been consistent over the last 10 years+.

With changes in retailing and High Streets, it is considered that the time is now right for the council to sell its principal interests in the Centre and allow the market to invest in its future, allowing the council to reinvest the funds generated into new projects that will deliver both

financial returns and secure economic, environmental and social outcomes.

Recommendations: That Cabinet:

- i. **delegates to the Executive Director for Finance, Assets & Regeneration, in consultation with the Deputy Leader and Cabinet Member for Finance & Assets, authority to dispose of the freehold and head leasehold interests in Regent Arcade Shopping Centre for best consideration and upon such other terms as are deemed appropriate; and**
 - ii. **authorises the Executive Director for Finance, Assets & Regeneration, in consultation with Deputy Leader and Cabinet Member for Finance & Assets and the Director of One Legal, to prepare and conclude the necessary legal documentation to reflect the terms negotiated.**
-

1. Implications

1.1 Financial, Property and Asset implications

The property and asset implications are addressed within the body of this report. In line with the principles of the Council's asset management strategy, the disposal of our interest in Regent Arcade will provide both capital and revenue resources to re-allocate to the key priorities outlined in the Corporate Plan. The disposal will provide a capital receipt which can be used for investment in any of the key projects outlined or to reduce the Council's borrowing at a time when interest rates are the highest in 15 years. Likewise, although the asset provides a positive net contribution to the general fund at present, there are options for re-investment which will increase the revenue benefit for the Council where a higher return could be generated.

Signed off by: Gemma Bell, Director for Finance & Assets, gemma.bell@cheltenham.gov.uk

1.2 Legal implications

Pursuant to section 123 of the Local Government Act 1972 ("Section 123 LGA 1972"), the Council has the power to dispose of land in any manner it wishes, subject to certain provisions. The Council has a statutory duty to obtain the best price reasonably obtainable, subject to certain exemptions. Section 123(2) permits a disposal at less than the best price reasonably obtainable with the consent of the Secretary of State. When considering the duty under section 123 LGA 1972, what is reasonable in any particular case depends entirely on the facts of the transaction

In the event that a sale does not proceed the land remains in the Council's legal occupation and the Council will retain responsibility including upkeep and, for example, for occupiers' liability.

The Car Park Underlease for a term of 99 years from 4.6.82 has absolute restriction against CBC's assigning, underletting or parting with possession of the demised premises (although CBC can grant an operating licence with landlord's consent, not to be unreasonably withheld or

delayed)

The proposed transaction is complex given that the Council owns part of the freehold and a long leasehold (c.163 years unexpired) interest in the Centre. There are various limitations on disposal of the Centre with regard to the Freehold, Leasehold and Underlease interests and care must be taken to ensure that no obligations or restrictions are breached to ensure that the structure of the transaction, and its related documents, do not transgress against the Council's statutory obligations.

Signed off by: Andrew Perry, Senior Lawyer, andrew.perry@onelegal.org.uk

1.3 Environmental and climate change implications

No Comments Received – A sale will deliver a capital receipt for reinvestment in the council's corporate plan, which takes into account environmental and climate change implications.

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

The capital receipt will be used to deliver on the council's corporate priorities, which include the promotion of equality, diversity and inclusion.

Performance management – monitoring and review

The disposal will be managed by Peter Woodley, MRICS, Principal Surveyor – Asset Management, Projects and Development, in consultation with the Cabinet Member for Finance & Assets and the Executive Director for Finance, Assets and Regeneration.

2 Background

Introduction

2.1 Local Government own a wide range of land and property, which serve a multitude of purposes and functions, including:

- Service delivery (leisure centres, car parks, community centres, crematorium, etc)
- Operational (depots, storage, vehicle maintenance, etc)
- Administrative (offices)
- Cultural, Heritage & Recreation (galleries, museums, theatres, etc)
- Economic Development (workspace, land for development, training facilities, etc)
- Strategic Planning/Place-Making (land, ransom strips, etc)

- Infrastructure (roads, bridges, flood defences, etc)
- Environmental promotion and well-being (parks, gardens, streetscape, etc)
- Social value (promoting employment, health and training opportunities)
- Investment & Financial Returns (ground leases, shops, offices, industrial units, etc)

2.2 More than often, an individual property or landholding will serve more than one purpose or function; for instance, the authority may hold land for development to deliver planning and place-making outcomes, promote economic development and social value, secure environmental improvements and generate capital/revenue receipts.

2.3 As part of the council's adopted Strategic Asset Management Strategy¹, it consistently reviews the performance of individual properties to establish whether the outputs being delivered meet expectations or align with the wider corporate objectives of the authority. This will include a review of the historic, current and projected future performance, taking into account numerous factors, including:

- Utilisation and capacity
- Environmental performance (especially with increasing minimum energy efficiencies standards "MEES") and energy costs
- Running (revenue) costs, projected capital expenditure and whole life costing
- Financial returns, including growth expectations against inflationary measures
- Planning considerations, including population growth, changes in lifestyle trends, etc
- Technology and changes in demand, including working styles, customer need, service transformation and organisational collaboration
- Opportunity cost of capital against alternative investment vehicles

2.4 The rationale behind monitoring the continuous performance of the portfolio is to ensure that the council secures the best financial and strategic returns from its portfolio and to deliver the greatest value for money for its residents.

Regent Arcade

2.5 In respect of Regent Arcade Shopping Centre ("the Centre"), the council has held its various interests in the shopping centre since it was first developed, around 1983. During this time the headlease to Canada Life has been previously varied to adjust the length and rent, the last time being around 2011, to the current terms.

2.6 Whilst part of the original intention to maintain an underlying interest in the Centre was undoubtedly to exercise some control as landowner of an important town centre site, the other principal reason would have been to deliver an income linked to the financial performance of the centre. With changes in the market and town centres across the UK,

¹ 2022 to 2027, adopted January 2022 (note – this does not include the council's housing stock, which is subject to a separate and distinct asset management regime)

Appendices:

- i. Risk Assessment

Background information:

Addendum: Private & Confidential – Exempt Information

Briefing Report: Private & Confidential – Exempt Information

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
1	Council fails to secure a purchaser at an acceptable level of value	Paul Jones, Executive Director for Finance, Assets & Regeneration	5	2	10	Accept	Appoint experienced agents to support the marketing and subsequent negotiations and provide s.123 certification	Peter Woodley MRICS, Principal Surveyor	Ongoing

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