

# Cheltenham Borough Council Cabinet

**Meeting date:** Tuesday, 13 February 2024

**Meeting time:** 6.00 pm

**Meeting venue:** Council Chamber - Municipal Offices

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## **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 - 16)

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 Gloucestershire City Region Board (Pages 17 - 38)  
Report of the Leader, Councillor Rowena Hay

6 M5 Junction 10 Improvements Scheme - Delegation Approval (Pages 39 - 46)  
Report of the Cabinet Member for Customer and Regulatory Services, Councillor Martin Horwood

7 Award of rent support grant to voluntary sector organisation (Pages 47 - 56)  
Report of the Cabinet Member for Finance and Assets, Councillor Peter Jeffries

8 Council Tax Premium on Empty Properties and Second Homes (Pages 57 - 74)  
Report of the Cabinet Member for Finance and Assets, Councillor Peter Jeffries



**CHELTENHAM**  
BOROUGH COUNCIL

## **SECTION 6 : BRIEFING SESSION**

### **9 Briefing from Cabinet Members**

Update from Leader and Cabinet Members

## **SECTION 7 : DECISIONS OF CABINET MEMBERS**

Member decisions taken since the last Cabinet meeting

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

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# Cheltenham Borough Council

## Cabinet

## Minutes

**Meeting date:** 19 December 2023

**Meeting time:** 6.00 pm - 7.02 pm

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**In attendance:**

**Councillors:**

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

**Also in attendance:**

Claire Hughes (Corporate Director and Monitoring Officer), Gareth Edmundson (Chief Executive) and Paul Jones (Executive Director of Finance, Assets and Regeneration)

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### 1 Apologies

Apologies were received from Councillor Collins.

### 2 Declarations of interest

There were none.

### 3 Minutes of the last meeting

The minutes of the meeting held on 05 December were approved as a true record and signed accordingly.

### 4 Public and Member Questions and Petitions

Two public questions had been received, as follows:

- 1. Question from Mr David Redgewell to Cabinet Member for Customer and Regulatory Services, Councillor Martin Horwood**

The large increase in graffiti and tags on public and private buildings and bus shelters all around the town is making the town centre look uncared for and feel unsafe, especially at night. What action is the council taking, in partnership with the police, bus companies, and other agencies, to catch the people responsible for this criminal damage?

### **Cabinet Member response**

The council adopted a [new graffiti policy](#) this year. We also [increased the fine](#) for graffiti offences from £150 to £500.

This policy has a dual purpose:

1. Clarifying roles and responsibilities and the council's enforcement approach to dealing with unwanted graffiti and tags; and
2. Clarifying the council's requirements on businesses and residents on the removal of unwanted graffiti and tags on property they are responsible for.

Catching people responsible for graffiti and tags is a difficult and complex task because they purposely operate under the cover of darkness and in areas not covered by surveillance. However, council officers are proactive in both pursuing all lines of enquiries and evidence that they can obtain.

This includes, for example, proactive operations with the police, scrutinising CCTV footage where this is available and gathering information on serial taggers to build up intelligence around their activities (including online).

Where there is sufficient evidence to prosecute offenders, the council will always seek to do so because we recognise the adverse impact this sort of crime has on communities.

It is important that people report graffiti because it helps officers build an intelligence and an evidence base that helps with catching people who blight the town with their unlawful graffiti and tags.

### **Supplementary question**

What, if any, prosecutions have taken place as a result of criminal damage on buildings and businesses in Cheltenham over the last few months?

### **Cabinet Member response**

Thank you your question and for attending the meeting. I do not have the figure to hand, but will ask the officer to get the information from the court or the police and share it via email.

## **2. Question from Mr David Redgewell to Cabinet Member for Customer and Regulatory Service, Councillor Martin Horwood**

Does Cheltenham Borough Council have a cleaning budget, as other councils in the area do, to remove graffiti and tagging, including at the Royal Well bus station? Is there a service level agreement with Ubico, and would the council consider serving notice on building owners to clean the graffiti on their buildings?

### **Cabinet Member response**

There is a service level agreement (SLA) between the council and Ubico. The SLA outlines the duties Ubico is responsible for including, amongst other things, graffiti removal. Ubico's work to remove graffiti on behalf of the council is funded through the contract sum agreed by the council as part of the budget setting process. Individual requests for graffiti removal are actioned in accordance with Ubico's agreed prioritisation process.

Neighbourhood Officers, employed by the council, also have funding available to deal with small areas of graffiti that does not require a response by Ubico.

Under the newly adopted graffiti policy, the council does specify the timescales for removal and consequences for not doing so. The policy stipulates:

- **Priority 1 - Offensive** - Must be removed within 14 days of receiving formal notice from the authority requesting removal.
- **Priority 2 - Other** - Must be removed within 28 days of receiving formal notice from the authority requesting removal.

Failure to action this process may result in a Community Protection Notice (CPN) being issued.

There policy makes some provision for delays caused by factors outside resident's and businesses' control.

### **Supplementary question**

Graffiti and tagging are out of control in Cheltenham, and worse than in other towns and cities in the area. Is there a proper budget to deal with the problem and what money is being put aside for cleaning contractors to clean it off immediately, as the county council does? Removing it immediately and then serving notice is more effective than serving notice first and then removing the graffiti.

### **Cabinet Member response**

As set out in the original response, the council has a significant budget set aside for the Neighbourhood and Public Protection Teams to tackle anti-social behaviour, including graffiti, as well as a service level agreement with Ubico. However, the council can't be responsible for removing all graffiti on private buildings in Cheltenham, which are the responsibility of the owners. I will ask officers to look into the situation in Bristol and Bath, but am not sure that it would even be legal for council workers to go onto private property to remove graffiti.

### **5 General Fund Revenue and Capital – Interim Budget Proposals 2024/25 for Consultation**

The Leader explained that Agenda items 5 and 6 would be taken in reverse order, at the request of the Cabinet Member for Finance and Assets.

The Cabinet Member for Finance and Assets introduced his report, and began by reflecting on the economic challenges the council has faced when setting the budget, which have created additional pressure on savings and efficiencies while costs continue to increase:

- inflation – reduced from a 40-year high of 11.1% last December to 4.6% in November, but still above the government's 3% target;
- the Bank of England base rate now at 5.25%, creating significant pressure on temporary borrowing;
- energy prices still double what they were pre-2022;
- government confirmation that our funding and referendum principals on council tax will be below inflation.

Through this turbulence, the council has continued to drive forward its aims and priorities, as set out in the new Corporate Plan, approved in February:

- making Cheltenham the cyber capital of the UK;
- our commitment to make our Council and our town net carbon zero by 2030;
- investment in the sustainable economic growth of the town centre;
- delivery of more housing across the town;
- continued support of our most vulnerable communities through the No Child Left Behind initiatives.

He said that this has not been easy and the challenges will undoubtedly continue into the 2024. The latest budget monitoring report for the current year reported a £700,000 overspend against a budget that already had some of the longer-term inflationary pressures built into it, but where last year we had healthy general balances to support the pressures caused by the cost of living emergency, these are finite and our breathing space now sits at £1.4m.

He told Members that the Local Government Provisional Finance Settlement, released the previous day, places greater reliance on local tax generation and our own commerciality to enable us to balance the budget next year. To do this, we will continue to deliver projects and initiatives which create the savings and efficiencies while delivering core services and our key priorities. Some of these are already in progress – including the process to bring our housing services back in-house, taking informed and realistic decisions about areas of discretionary spend, and developing propositions to generate more commercial income. He said we cannot stop there and need to continue with this work – in particular a detailed review of our environmental services which is the largest area of spend in our budget.



He ended by recommending the budget proposals that allow us to continue to work towards our priorities, whilst protecting our financial sustainability and resilience. If agreed, these will be published for consultation, running until 26 January.

In response to questions, the Cabinet Member for Finance and Assets confirmed that:

- it is disheartening that Cheltenham is in the bottom 20 councils to receive government funding. The Local Government Association is lobbying hard against the lack of investment in local authorities across the country, which amounts to about £4billion;
- priorities for West Cheltenham include young people, jobs and future prosperity, and CBC has committed £140-150m to this project. The government has recently announced £20m funding for it, approximately one-seventh of the total cost.

### **RESOLVED THAT:**

- 1. the interim budget proposals for consultation are approved, including a proposed council tax for the services provided by Cheltenham Borough Council. The proposed Council tax for 2024/25 represents an increase of 2.99% a year for a Band D property, subject to conclusion of the consultation on the Local Government Provisional Finance Settlement;**
- 2. the schedule of target savings and income generation at Appendix 3 is noted;**
- 3. the growth proposals at Appendix 4 are approved;**
- 4. the proposed capital programme at Appendix 6, as outlined in Section 13, is approved;**
- 5. authority is delegated to the Executive Director Finance, Assets and Regeneration, in consultation with the Cabinet Member for Finance and Assets, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for public consultation;**
- 6. consultation responses are sought by 26 January 2024.**

### **6 Housing Revenue Account - Revised Forecast 2023/24 and Interim Budget Proposals 2024/25 for consultation**

The Cabinet Member for Finance and Assets introduced his report, saying that the proposals will be published for consultation, which will run until 26 January. He said the economic challenges outlined earlier continue to put financial pressure on our Housing Revenue Account (HRA), but with confirmation of national rent policy for 2024/25, along with the downward movement in inflation from the peak in 2022, the longer-term position of the HRA has started to show signs of improvement.

He said last year's commitment to continue to grow the HRA and invest in new and existing homes for the benefit of our residents and communities, despite the financial challenges, has proved to be the right approach, and the budget proposals now put forward will maintain and deliver on our ambition to provide a housing service with

residents at the centre of decision-making, delivering high-quality new homes, reinvesting in existing homes and neighbourhoods, and delivering value for money.

The Cabinet Member for Housing thanked the Cabinet Member for Finance and Assets and officers at CBC and CBH for the report, and wondered how important government funding for social housing decarbonisation was? This has reduced with the second wave from 60% to 40%, but the improvements, (such as cavity wall and loft insulation, heat pumps and double glazing) not only improve lifestyles but also make homes more energy-efficient and lower energy bills. The council has already invested £1.4m in Wave 1, but there is still much to do and the improvements are costly.

The Cabinet Member for Finance and Assets shared these concerns, and confirmed that funding from central government is uniquely important in helping tenants and residents all around the country who are suffering from fuel poverty and the cost of living crisis. Without it, the council will have to pay for all the improvements, which takes funds away from other priorities, such as house-building. He was not convinced that the government was fully committed to tackling fuel poverty and decarbonisation of homes, but said CBC tends to carry on with this work in spite of that.

The Cabinet Member for Housing commented that the report is very insightful and shows the breadth of services the council provides through the HRA, from building new homes, to supporting residents with advice on finance and how to make efficiencies in their homes.

The Cabinet Member for Finance and Assets agreed that local government finance has been a roller coaster for the last 12 months, and thanked finance officers again for their work. He was pleased to commend the report to Members.

### **RESOLVED THAT:**

- 1. the interim HRA budget proposals for 2023-24 (shown at Appendix 2) for consultation, including a proposed rent increase of 7.7% and changes to other rents and charges as detailed within the report, is approved;**
- 2. the proposed HRA capital programme for consultation, as shown at Appendix 3, and the detailed capital programme in Appendix 4, is approved;**
- 3. the revised HRA forecast for 2023-24 is noted;**
- 4. authority is delegated to the Executive Director for Finance, Assets and Regeneration, in consultation with the Cabinet Member for Finance and Assets, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for consultation;**

**5. consultation responses are sought by 31 January 2024.**

**7 Infrastructure Funding Statement (IFS) Requirements**

The Cabinet Member for Customer and Regulatory Services introduced his report, which was made up of three documents – the CIL report, the S106 report, and the infrastructure list – as a matter of record and in compliance with legislation.

Summarising the headline figures, he said CBC received £1.35m in CIL contributions in the year to 31 March 2023, with £67.5k put towards administration costs, currently pooled with Tewkesbury Borough Council, and £51.5k raised for 15% of the overall pot in unparished areas of town to create a pot of £127k with the previous years' monies. A community-led bidding process has now been instituted, with over £100k allocated to community projects in 2023. A further £151,867 has been allocated to Charlton Kings, Leckhampton with Warden Hill, and Prestbury parish councils, and is being spent on local necessities such as drainage systems and fencing.

He said the final 80% of the pot – over £1m – has been pooled with Gloucester and Tewkesbury to form the strategic infrastructure pot. The interim list of possible projects is now much broader than previously, and includes social projects, green transport measures, and health infrastructure as well as road works – a massive improvement on previous years and testament to the benefits of joint working.

Also, in fulfilment of a promise to Council last year, this was voted on and approved at last week's Council meeting, ensuring accountability, which provides important reassurance with pooled money. The council will continue to pool funds for strategic infrastructure with Gloucester and Tewkesbury.

S106 financial contributions amount to over £1m, which is largely being devoted to affordable housing – 29 units were built last year, with agreements for a further 156 in place. This is a crucial part of the delivery of the council's pledge to help people in Cheltenham find accommodation they can afford.

He said the overall picture is very positive, with money being spent on great neighbourhood projects, by parish councils and the borough, affordable housing being delivered and administration costs being covered, all with full democratic accountability. He hoped that this emerging system would be preserved by the government.

The Cabinet Member for Housing felt that the report was thorough, interesting and transparent, showing where the money was being invested. She thanked the Cabinet Member for Customer and Regulatory Services for including a covering letter about allocations to non-parished areas through the neighbourhood funding pot, and wondered whether this would be included in next year's full infrastructure funding statement. The Cabinet Member for Customer and Regulatory Services was not sure if this was a statutory requirement, but welcomed the suggestion and committed to including full details in next year's report, through an open and transparent cross-party process.

He thanked Tracey Birkinshaw, Paul Hardiman, and other officers who have worked on this technical and complicated piece of work.

**RESOLVED THAT:**

- 1. the publication of the Infrastructure Funding Statement (IFS) relating to the financial year ending 31st March 2023 by 31<sup>st</sup> December 2023 is approved;**
- 2. the publication of the Annual CIL Rate Summary Statement alongside it by the 31<sup>st</sup> December 2023 is noted;**
- 3. the Infrastructure List and decision to approve this by Council on 11 December 2023 is noted.**

**8 Publica Review**

The Leader introduced her report, reminding Members that, following a peer review at Cotswold District Council, an external company was brought in to review the services provided by Publica to the partnership of Cotswold, West Oxfordshire, Cheltenham Borough, and Forest of Dean councils. The assessment of information can be found at Appendix 2 of the report, but the key recommendation was that the majority of services should be returned to councils – although these do not include the services provided to CBC.

She said it will, however, mean significant changes and have a large-scale impact on the existing company and the remaining services that Publica delivers to CBC – if it continues to exist as a Teckal company with fewer services, this will result in a reduced turnover which will, in turn, limit the extent to which it can trade commercially, making it less cost-effective. CBC's strategic finance and HR services are no longer provided by Publica, but while it continues to provide ICT services, the proposed changes will increase the risk that these services may be impacted and result in prolonged instability.

To mitigate the risk, she said that it was recommended that officers undertake a review of Publica services, and bring forward decisions where needed to ensure that the risks are mitigated. The potential options are listed in the report, and include remaining with Publica, bringing everything back in house, investigating an alternative Teckal company to maintain the economies of scale, moving services to a council-shared service arrangement across Gloucestershire, or outsourcing to an external provider. Whatever the decision, we need to be aware of potential risks in the future which will need to be addressed as times move on.

The Cabinet Member for Finance and Assets remembered the inception of Publica, and said there had been many crises over the years since. He said the report was an interesting read and agreed that it was important to be aware of the risks.

The Leader concluded that it was important to note that as times move on, the council needs to evolve with the changing circumstances, to continue to deliver the best possible services to residents.

**RESOLVED THAT:**

- 1. the report by Human Engine in Appendix 2 is noted. It is also noted that the recommendations within the report do not immediately impact the current services provided by Publica to CBC within the scope of the proposed changes;**
- 2. the Chief Executive and Corporate Director (Monitoring Officer) will undertake appropriate due diligence and risk mitigation on the proposed changes to Publica to support the Leader as shareholder to take the necessary shareholder decisions in partnership with Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council in implementing the recommendations of the report.**
- 3. in recognition of the fact that the Human Engine report (Appendix 2) proposes significant changes to Publica and the services it provides to predominantly Cotswold District Council (CDC), Forest of Dean District Council (FoDDC) and West Oxfordshire District Council (WODC), to mitigate risks and ensure that service provision is improved and maintained, responsibility is delegated to the Chief Executive and the Director for Finance, Assets and Regeneration to undertake appropriate service reviews of the remaining Publica services provided to CBC with a view to making recommendations to the Leader and Cabinet where necessary on the future delivery of those services.**

## **9 Safeguarding Policy Review and Update**

The Cabinet Member for Safety and Communities thanked Tracy Brown, who is doing a great job as safeguarding officer, and Councillor Chelin, the council's safeguarding champion. She said the report has been updated as Human Resources (HR) came back into CBC, to ensure that it reflected policy, and has been through HR, Licensing and Procurement to enable those parts of the council to reflect on its contents and make suggestions as to any improvements.

She went on to say a safeguarding policy is necessary because it affects us all. The policy is up-to-date, clear and allows people to access the necessary information. She hopes that it can be inserted into any policy brought forward for training councillors, allowing everyone to act in the best interests of all the people of Cheltenham.

The Cabinet Member for Finance and Assets said this is an important policy – effective, simple and crucial – and that in view of the large numbers of vulnerable adults and children, spreading awareness of the issues in the policy and how to

report them is essential. He agreed that the training aspect is important, and thanked the Cabinet Member for Safety and Communities for bringing the policy forward this evening.

The Leader stressed the importance of not only having these policies in place but also ensuring that they are revisited, reviewed and refreshed on a regular basis, to move with the times.

The Cabinet Member for Climate Emergency said the report is excellent, as it explains how the processes work to people who have not been involved in these issues before, making it simple to grasp and understand – which isn't always the case with safeguarding goals. She thanked officers and the Cabinet Member for Safety and Communities for their incredible work in making this policy.

### **RESOLVED THAT:**

- 1. the revised safeguarding policy is adopted;**
- 2. authority is delegated to the Director of Communities and Economic Development, in consultation with Cabinet Member for Communities and Safety, to agree updates to the policy as we transition our housing services.**

### **10 Briefing from Cabinet Members**

The Leader invited Members to present any briefings they wanted to share.

The Cabinet Member for Climate Emergency said that small and medium-sized business-owners with some spare time over the festive period may want to complete an application to the Cheltenham Zero business fund, which will award grants of up to £10k to energy-efficient projects. The closing date is 28 January.

The Cabinet Member for Waste, Recycling and Street Services put on record his thanks to Ubico staff for their work in keeping the town clean and green, particularly over the holiday period, tackling huge mountains of Christmas waste and recycling, as well as coping with changed bin collections.

The Cabinet Member for Safety and Communities shared four items:

- thanks to everyone who recycles their food waste, as in doing so they are helping food banks to receive fresh food - recycling companies donate a portion of their profits;
- the No Child Left Behind strategy board is looking to extend beyond Cheltenham's borders and help the rest of the county long-term. She thanked Tracy Brown and Richard Gibson for their work which allows this to happen;
- thanks to all officers and everyone else for their incredible commitment to the No Child Left Behind organisation, which has now been running for five years;
- the Safety of Women survey is available on the CBC website until the end of January, and women are encouraged to share their experiences.

The Cabinet Member for Housing said that as part of the move to bring housing services back in house, the council is taking the opportunity to ask tenants and leaseholders to help us shape services going forward. A letter has been sent, with instructions on how to complete the survey, which closes on 11 February. She urged people to complete it, reassuring them that all information is shared in strict confidence, managed by an independent organisation and not shared directly with the council. She said people can ask questions at drop-in centres in St Paul's and Hester's Way, and at on-line webinars, all detailed in the letter.

The Cabinet Member for Customer and Regulatory Services shared the news that two new posts are being added to the planning team. A Senior Enforcement Officer will help with the post-pandemic backlog as well as new cases, and a Borough Ecologist will advise on biodiversity net gain rules, and improve policy and practice in nature recovery.

He went on to say that the Secretary of State had made a speech earlier when launching revisions to the National Planning Policy Framework which berated councils for being too slow to deliver housing but simultaneously said he would make it easier for councils to avoid building in the green belt. In fact Cheltenham is delivering 35k houses with Gloucester and Tewkesbury, at the same time protecting the greenbelt and green spaces, but the Cabinet Member for Customer and Regulatory Services was worried that less conscientious councils may use the NPPF revisions as an excuse to not build anything.

The Leader had three items to share:

- at Council last week, CBC approved the Cheltenham-Gloucester-Tewkesbury Strategic and Local Plans to go out for the first round of consultation under Regulation 18. This is an opportunity to gather evidence and hear residents' thoughts on future strategic development. She encouraged everyone to look at and feed into the consultation;
- all district leaders are writing to the Home Secretary regarding the lack of financial support to allow councils to welcome all refugees in the same way that Ukrainian and Afghan refugees have been supported;
- thanks to all officers, led by Louis Krog, who will be on standby over the festive period.

### **11 Cabinet Member decisions since the last meeting**

Members were invited to give details of decisions made since the previous meeting.

The Cabinet Member for Housing said she was proud that Cheltenham is a town of sanctuary which supports refugees and asylum seekers, and told Members that as part of the government's safe route mechanism, CBC has been asked to make a

minimum pledge of accommodation for those coming to the UK through this scheme. She has pledged a minimum of three homes for families, from 2025.

[Minimum pledge to house refugees coming through the government's safe route mechanisms](#)

The Cabinet Member for Waste, Recycling and Street Services said that, as current Chair of the Gloucestershire Resources and Waste Partnership, he could confirm that the interim strategy followed wide consultation, and has already been adopted by Gloucestershire County Council as the waste disposal authority. He regretted that the strategy is interim, in the absence of overdue and much-needed government direction, for example on extended producer responsibility and the wise principle that the polluter should pay.

[Gloucestershire Resources and Waste Partnership Interim Strategy](#)

In the absence of the Cabinet Member for Cyber, Regeneration and Commercial Income, the Leader presented his decision to enter into a contract with Wring Group Ltd to demolish Holmlea Farm on council-owned land to the west of Cheltenham. This was been subject to anti-social behaviour for some time, and the buildings are in large part demolished, but the site will now be made safe. She added that some houses cannot be demolished yet, pending Western Power disconnecting them from the electric mains.

[Contract with Wring Group Ltd for the demolition of Holmlea Farm](#)



## Cheltenham Borough Council

### Cabinet – 13 February 2024

## Gloucestershire City Region Board

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**Accountable member:**

Leader of the Council, Rowena Hay

**Accountable officer:**

Chief Executive, Gareth Edmundson

**Ward(s) affected:**

All

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**Key Decision:** No**Executive summary:**

To consider the emerging form and function of the Gloucestershire City Region Board (GCRB), the nature of its authority, terms of reference, membership and joint scrutiny arrangements.

The overall aims of the new Board will be to develop and deliver a vision for the future growth of the economic success for the whole of the Gloucestershire economic area. The new City Region Board will also provide an opportunity to establish the City Region as a nationally defined area that is a single economic functional area.

A key function of the GCRB will be to take decisions on and administer the Strategic Economic Development Fund (SEDF). This important funding source created through pooling business rates across all authorities will allow the GCRB to make strategic investment in the County to help achieve the aims of a county-wide economic strategy – creating economic growth and helping to identify and address key gaps in education, skills and training.

**Recommendations: That Cabinet:**

- 1. Agrees to the establishment of the Gloucestershire City Region Board (GCRB, the Board)**
- 2. Delegates authority to the Chief Executive and Corporate Director in consultation**

**with the Leader, to finalise and complete the Inter-Authority Agreement and other key documentation and to take all necessary steps to create the GCRB, including finalising the terms of reference for the GCRB.**

**3. Agrees that the above recommendations will not be effective until all Gloucestershire Councils pass equivalent resolutions.**

**4. Upon the establishment of the GCRB:**

- 4.1 delegates this Council's functions to the GCRB as are necessary for the delivery of the functions identified in the Terms of Reference at Appendix 2 to this report;**
  - 4.2 confirms the appointment of the Gloucestershire County Council as the Administering Authority;**
  - 4.3 agrees to appoint the Leader of the Council to the GCRB as the nominated member of the Board. If the Leader is unable to attend a meeting of the GCRB the Leader will nominate an alternative member of the Cabinet to attend the Board as a substitute.**
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## **1. Implications**

### **1.1 Financial, Property and Asset implications**

The inter-authority agreement provides for a contribution towards the County Council's Administering Authority role, which includes committee administrative support together with the statutory officer responsibilities. Funding for GCC's administering role is drawn from the shared business rates pool funding as part of the GCRB.

The Gloucestershire County Council will act as Administering Authority in the overall management of the Board. This will involve Gloucestershire County Council's Democratic Services and its Legal team supporting the Committee formation process and ongoing Committee Secretariat function, plus additional lead officer input, including S151 and Monitoring Officer, as required, in support of the Council's role as Administering Authority.

Future resource requirements over and above these commitments will be duly considered through the Board.

**Signed off by:** Director of Finance and Assets, Gemma Bell [gemma.bell@cheltenham.gov.uk](mailto:gemma.bell@cheltenham.gov.uk)

### **1.2 Legal implications**

Section 101(5) of the Local Government Act 1972 enables two or more local authorities to discharge any of their functions jointly and arrange for the discharge of those functions by a Joint Committee.

Section 9EB of Part A Chapter 2 of the Local Government Act 2000 Act enables the Secretary of State to make Regulations permitting arrangements under Section 101 (5) where any of the

functions are the responsibility of the executive of the authority. The relevant regulations are the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012/1019 and Regulation 11 allows for a joint committee under Section 101 (5) of the 1972 Act.

The Council's constitution specifically allows Cabinet to enter into joint arrangements with one or more local authorities to exercise Executive functions. Details of any such arrangements will then need to be reflected in the 'Responsibilities for Functions' as set out in Part 3C of the Council's constitution.

**Signed off by:** Director of One Legal, Shahzia Daya [shahzia.day@onelegal.org.uk](mailto:shahzia.day@onelegal.org.uk)

### **1.3 Environmental and climate change implications**

There are no specific implications in relation to the above matters in establishing the Board. However, the Board will consider such implications in making its decisions and in administering the SEDF.

**Signed off by:** Executive Director of Finance, Assets and Regeneration, Paul Jones  
[Paul.jones@cheltenham.gov.uk](mailto:Paul.jones@cheltenham.gov.uk)

### **1.4 Corporate Plan Priorities**

This report contributes to the following Corporate Plan Priorities:

- Making Cheltenham the Cyber Capital of the UK
- Working with residents, communities and businesses to help make Cheltenham #netzero by 2030
- 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

### **1.5 Equality, Diversity and Inclusion Implications**

There are no specific implications in relation to the above matters in establishing the Board. However, the Board will consider such implications in making its decisions and in administering the SEDF.

### **1.6 Performance management – monitoring and review**

Performance monitoring of the GCRB and specifically any investment of the Strategic Economic Development Fund will be undertaken by the GCRB supported by the Senior Officer Group. These will then be reported back to the GCRB and to Joint Scrutiny arrangements where appropriate.

**Signed off by:** Chief Executive, Gareth Edmundson, [gareth.edmundson@cheltenham.gov.uk](mailto:gareth.edmundson@cheltenham.gov.uk)

## 2 Background

2.1 Gloucestershire local authorities have worked jointly together through membership of several Boards (Severn Vale, Rural Ambitions and Central Gloucestershire City Region) together with the Gloucestershire Economic Growth Joint Committee (GEGJC) for several years. Following a review of the joint working arrangements, Leadership Gloucestershire agreed that the three boards and the Joint Committee should be merged into a single forum under the name of Gloucestershire City Region Board serving the whole of the county. This report sets out the emerging form and function of the Gloucestershire City Region Board, the nature of its authority, terms of reference, membership and joint scrutiny arrangements.

## 3 The Gloucestershire City Region Board – overall structure and function

3.1 The overall aims of the new Board will be to develop and deliver a vision for the future growth of the economic success for the whole of the Gloucestershire economic area. The new Board will also provide an opportunity to establish the City Region as a nationally defined area that is a single economic functional area. City Regions include urban and rural areas that have inter-related economic activities which have the potential for increased success through coordinated interventions which benefit the whole. Gloucestershire is a county with significant growth aspiration and ambition which integrate with and support the national and regional growth agendas.

## 4 Principles of the Gloucestershire City Region Board

4.1 The proposed terms of reference set out in Appendix 2 provide details of the Board's purpose, powers and administrative arrangements.

4.2 The following detailed matters explain the nature of the authority given to the Board which 'empowers' the Board to make binding decisions but subject to the following governance arrangements:

- Whilst the Board's remit is as wide as possible, partner Councils will not delegate economic development or other functions to the Board.
- Leaders will still need to operate within the authority delegated to them by their own Councils when participating at the Board's meetings. Leaders and officers will therefore need to work with their own Councils to secure the necessary authority to facilitate the Board's decisions.
- A partner Council will be free to undertake any economic activity it deems necessary within its own area. Notwithstanding this, it will be necessary for partner Councils to agree a protocol that they will not decide or undertake any activity which is contrary to those decisions made by the Board.

- In order to protect the interest of partner Councils it will be necessary to agree a protocol that although the Board's decisions are by majority, the Board will not make a decision which impacts upon one council's area, without that council's agreement.

4.3 The following principles for the operation of the Gloucestershire City Region Board were developed, following consultation and engagement with Leadership Gloucestershire and all the Gloucestershire authorities:

- The proposed membership of the Board will be through elected representatives from each of the seven Gloucestershire local authorities. Each member will have an equal vote at the Board.
- The proposal is for the Chair of the Board to be a Gloucestershire County Council Cabinet Member. This supports the Governments arrangements through the levelling up agenda where the upper tier authority in a two-tier county, such as Gloucestershire, is given the lead role in negotiation of any county devolution deals. Therefore, Gloucestershire local authorities recognise the opportunity for a county deal is more about providing devolution from central government to Gloucestershire, rather than a mechanism for realigning and removing powers from an individual Gloucestershire local authority.
- Meetings will remain in public and external attendees will be invited to present and engage in the discussion about the economy and growth in Gloucestershire.
- The future development of the Board will be dependent on any County Deal that is negotiated and agreed with Central Government.
- The Senior Officer Group comprising of nominated senior officers from each of the seven Gloucestershire local authorities will continue to support the work of the Board.
- The County Council's GEGJC Scrutiny Committee will be re-constituted and reviewed to be re-focussed on having oversight if the activities of the GCRB. This will potentially include monitoring the delivery of projects that have received investment from the Strategic Economic Development Fund (SEDF) or making suggestions to the GCRB on potential areas of future investment of the fund.

4.4 The proposed Board's operational arrangements between the Gloucestershire authorities will be the subject of an inter-authority agreement. The agreement will include (amongst other things):

- the establishment of the Board (as a Joint Committee),
- agreed terms of reference set out in Appendix 2,
- the operational arrangements mentioned above,

- the Board's resourcing, the role of the County Council as administering authority
- business plan formulation
- the arrangements should the Board wish to widen its powers (which would require all the Gloucestershire authorities to agree such a change) and
- the overall constitutional arrangements for the Board

4.5 Article 11 of the Constitution already recognises the Cabinet's power to establish joint arrangements with other Local Authorities to exercise Executive functions, including the appointment of joint committees, whose members may include elected members of other Local Authorities. The exercise of powers will, as mentioned above, require each constituent council to provide the authority to exercise such powers at the Board.

4.6 Leadership Gloucestershire have considered and support the proposal to establish the Board.

## **5 Strategic Economic Development Fund**

5.1 The Gloucestershire local authorities established the Business Rates Pool which enabled part of the Pool to create the Strategic Economic Development Fund (SEDF). The former GEGJC administered the fund through an approved eligibility and project approval process in November 2018.

5.2 At the GEGJC's final meeting in September 2023, members welcomed the reported growth of the Business Rates Pool and fund. The GEGJC asked whether a more strategic approach could be taken when considering and allocating SEDF funding. The fund operated under the GEGJC on an ad hoc approach – on a first come first served basis. GEGJC noted that projects are not always strategic in nature which risks funding being allocated to projects that may not maximise economic benefit and growth to the county.

5.3 The proposal is for the Board to administer the SEDF. This will enable the Board to reconsider the approach to the allocation of bids by developing a longer vision and a portfolio approach to assessing funding bids in the pipeline. This will enable the Board to apply a more rigorous selection of projects that would deliver and add value in supporting the growth of the local economy through a more strategic approach.

5.4 The former GEGJC considered it was important to establish a new strategic process in advance of the inauguration of the Gloucestershire City Region Board. It was suggested that this strategic approach could be lined up with the Economic Dashboard data and the emerging Countywide Economic Strategy.

5.5 The former Joint Committee Senior Officer Group proposed an approach to the Board's administration of the SEDF Fund as set out in Appendix 3, which will be considered at the Board's inaugural meeting.

5.6 CBC and the Golden Valley Development has been a recipient of SEDF investment in the past which has made an important contribution to activities to promote the importance of Cyber and tech to create growth and prosperity in Gloucestershire. Therefore it is vital that a new joint committee is established to take decisions on SEDF investment and to ensure that timely and strategic investments are being made in development of the Gloucestershire economy. This investment is potentially more important to help invest in business, education and skills to help create growth following the impacts of both the pandemic and recent high inflation which have both acted as significant constraints on the economy.

## **6 Scrutiny Arrangements**

6.1 The activities of the previous GEGJC were scrutinised by the Gloucestershire Economic Growth Scrutiny Committee (GEGSC). This was a County Council scrutiny committee whose membership comprised seven County Councillors and 6 Co-opted District Councillors. Through consultation with all Gloucestershire authorities, it has been agreed that a joint scrutiny function will continue to exist to scrutinise the work of the GCRB. As before each local authority will be able to nominate a representative to that committee.

6.2 The creation of a new GCRB provides a timely opportunity to undertake an appropriate review of the scrutiny function for the new board to ensure that it aligns with the future activities of the GCRB.

6.3 The review of the scrutiny function is proposed to include (not an exhaustive list):

- Scope of the committee
- Review of scrutiny's oversight and monitoring of SEDF Bids
- Development of devolution and the implementation of any agreed County Deals
- Monitoring outcomes and benefits through the implementation of the Gloucestershire Economic Strategy

6.4 Following the review, the GCRB and Leadership Gloucestershire will be consulted on the future scope and activities of the County Council's Gloucestershire Economic Growth Scrutiny Committee. The recommendations from the GCRB and Leadership Gloucestershire will be referred to the County Council's Constitution Committee and full Council for consideration. Subject to the County Council's approval, the new scrutiny arrangements are likely to come into effect in the late summer of 2024 following the creation of the GCRB.

## **7 Alternative options considered**

7.1 As part of the development of the GCRB alternative options were discussed and discounted.

7.2 Retaining both a GCRB and a GEGJC was deemed to create significant duplication and would not be effective.

7.3 Disbanding any joint governance for Gloucestershire authorities to operate individually was also not considered as an option. Without a collective decision making forum to invest pooled business rates funding via the SEDF, Gloucestershire authorities would be

significantly financially worse off without a joint forum in place. In addition, disbanding a joint decision making forum and not proceeding with the GCRB would likely limit Gloucestershire's ability to proceed with and secure further devolution and county-wide powers.

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**Appendices:**

1. Risk Assessment
2. Terms of Reference and Constitution for the Gloucestershire City Region Board
3. Principles for the administration of the SEDF Fund

**Background information:**

Gloucestershire Economic Growth Joint Committee: 9 February 2023: [GEGJC Future Governance Update V2.pdf \(gloucestershire.gov.uk\)](#)

Gloucestershire Economic Growth Joint Committee: 25 September 2023: [GEGJC Pool Update Sept 2023.pdf \(gloucestershire.gov.uk\)](#)



## 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
S398	If the GCRB is not established there will be no mechanism to take decisions on the investment of SEDF	Gareth Edmundson	4	4	16		CBC, along with all Gloucestershire Authorities agree a new Inter authority agreement to establish a new joint committee with decision making power over SEDF investment	Gareth Edmundson	July 2024
O399	If the GCRB is not established it will limit Gloucestershire's potential for future devolution.	Gareth Edmundson	3	3	9		CBC, along with all Gloucestershire Authorities agree a new Inter authority agreement to establish a new joint committee.	Gareth Edmundson	July 2024
O400	If the GCRB is not established there will be no Gloucestershire-wide forum to support and drive and monitor the implementation of the Gloucestershire Economic Strategy.	Gareth Edmundson	4	3	12		CBC, along with all Gloucestershire Authorities agree a new Inter authority agreement to establish a new joint committee.	Gareth Edmundson	July 2024

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## Appendix 2

### Terms of Reference and Constitution for the Gloucestershire City Region Board

#### 1. Governance

- 1.1 The Gloucestershire City Region Board ("**GCR Board**") is a Joint Committee under ss101(5), 102 Local Government Act 1972 and under Part1A Chapter 2 Section 9EB of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012.
- 1.2 Political Proportionality rules will not apply to the GCR Board as so constituted.
- 1.3 The GCR Board will include all of the Partner Authorities.

#### 2. Host Authority

- 2.1 The GCR Board will be hosted under local government arrangements by Gloucestershire County Council. The Host Authority will provide Secretary/Clerk, s151 and Monitoring Officer roles of the GCR Board.

#### 3. Functions of the GCR Board

- 3.1 Each of the Partner Authorities empowers the GCR Board to:
  - 3.1.1 engage in strategic discussion and act as the primary consultative forum to set a dynamic vision for Gloucestershire and to present and discuss issues relating to the following:
    - (a) economy and growth;
    - (b) funding and bids;
    - (c) devolution; and
    - (d) skills and employment;
  - 3.1.2 develop and support a shared vision for strategic growth and economic success for the County of Gloucestershire;
  - 3.1.3 champion that shared vision and its delivery with a single voice inside and outside Gloucestershire, including with strategic partner organisations such as the Western Gateway Partnership.
  - 3.1.4 lobby and bid for funding and support via government growth programmes and Western Gateway Partnership and other partners to support the delivery of the GCR Board's ambitions;
  - 3.1.5 promote the success of the Gloucestershire City Region and its strengths to attract inward investment and growth;

- 3.1.6 work closely with all sections of the Gloucestershire City Region communities, businesses and agencies to engage them in the generation and delivery of the vision;
- 3.1.7 build upon the inter-related strengths of the communities of the Gloucestershire City Region to fulfil the ambitions of each place and maintain their identities;
- 3.1.8 create a positive vision for vibrant rural communities, businesses and infrastructure to maximise their contribution to Gloucestershire;
- 3.1.9 work with partners to ensure the Gloucestershire City Region Vision can guide and integrate with future strategic spatial and infrastructure plans;
- 3.1.10 ensure the development of a Gloucestershire Vision complements other visioning and strategic plans in the County of Gloucestershire;
- 3.1.11 aim to create, through the Gloucestershire City Region Vision, a special county which has uniquely attractive offers as a place to live and visit and a vibrant economy firmly based on modern commercial activity, built on the strengths of our communities;
- 3.1.12 discharge on behalf of Partner Authorities the power to do anything it considers likely to achieve the promotion or improvement of the economic wellbeing of the area of Gloucestershire together with such additional functions as the respective constituent Councils may determine from time to time;
- 3.1.13 facilitate and enable collaboration between the Partner Authorities on economic development, employment and skills, and associated activities;
- 3.1.14 formulate and agree the Gloucestershire County Economic (GCE) Strategy from time to time and other plans and strategies related to economic growth, and to work jointly to ensure their delivery;
- 3.1.15 lobby and carry out other activities that help achieve the promotion or improvement of the economic wellbeing of the area of Gloucestershire;
- 3.1.16 promote the vision contained in the GCE Strategy;
- 3.1.17 seek the allocation of resources to achieve the promotion or improvement of the economic wellbeing of the area of Gloucestershire; and
- 3.1.18 ensure a co-ordinated approach to and liaise with such relevant Groups/Boards as the Partner Authorities and/or the Senior Officer Group may determine from time to time.

- 3.2 To provide political and democratic accountability by:
- 3.2.1 monitoring the delivery of each priority, plan, project or programme included in the GCE Strategy and by ensuring that action is taken to review and prepare revised action plans as necessary;
  - 3.2.2 monitoring the Annual Budget;
  - 3.2.3 advising and making recommendations to the Administering Authority;
  - 3.2.4 providing Leadership Gloucestershire with regular updates in respect of the work of the GCR Board and (where appropriate) the governance of the GCR Board.

**4. Membership of the GCR Board and appointment of the Chair**

- 4.1 The GCR Board shall be comprised of:
- 4.1.1 One member from each of the District Authorities ; each such member to be an appointed executive member (where executive arrangements are in place) from the relevant District Authority (voting); and
  - 4.1.2 One member from the Administering Authority, such member to be an appointed executive member (where executive arrangements are in place) from the Administering Authority (voting), who shall also act as the Chair.

The GCR Board may from time to time at its absolute discretion appoint one non-voting member to the GCR Board from Gloucestershire's business community. Each such appointment shall continue for a fixed term to be determined by the GCR Board unless removed earlier by the GCR Board.

- 4.2 Each District Authority shall appoint a substitute member (being an executive member of the relevant District Authority where executive arrangements are in place). The substitute member shall have the same rights of speaking and voting at meetings as the member for whom the substitution is made.
- 4.3 The Administering Authority shall appoint a substitute member (being an executive member of the Administering Authority where executive arrangements are in place). The substitute member shall have the same rights as the member for whom the substitution is made in respect of speaking, voting and acting as the Chair at meetings.
- 4.4 Each GCR Board member appointed by a Partner Authority shall remain in office until removed and replaced by his or her appointing Partner Authority, or in the case of an executive member, until he or she ceases to be a member of the Executive of the appointing Partner Authority.

5. **Voting**

- 5.1 One member one vote for each Partner Authority .
- 5.2 Normal rules as to declarations of interest to be applied in accordance with the Gloucestershire County Council Code of Conduct.
- 5.3 Except as otherwise provided by the Local Government Acts 1972 and 1985 and subject to the protocol in respect of the Chair's casting vote set out in **Error! Reference source not found.**, all matters shall be decided by a majority of the votes of the voting members present.
- 5.4 Subject to the protocol in respect of the Chair's casting vote set out in **Error! Reference source not found.**, in the event of an equality of votes the Chair shall have the casting vote in addition to their vote as a member of the GCR Board.

6. **Quorum**

- 6.1 The quorum for a meeting shall be the member from the Administering Authority together with 3 (three) other voting members. No business shall be transacted unless quorum is reached. If quorum is not reached within thirty (30) minutes of the start of the meeting (or if quorum ceases to be present during a meeting), the meeting shall be adjourned to the same time and venue to a date determined by the Chair.

7. **Meetings**

- 7.1 The Chair of the meeting shall be the member from the Administering Authority or their substitute, also from the Administering Authority
- 7.2 Each member entitled to attend will send a substitute member as per paragraphs 4.2 and 4.3 in the event of his or her unavailability. The Secretary/Clerk for the GCR Board shall be informed prior to the commencement of the meeting of any substitute members attending.
- 7.3 A meeting of the GCR Board must be convened by the Chair within twenty-eight (28) days of the receipt of a requisition of any two voting members of the GCR Board addressed to the Secretary/Clerk to the GCR Board. All requisitions shall be in writing and no business other than that specified in the requisition shall be transacted at such a meeting.

8. **Constitution**

- 8.1 The Constitution of Gloucestershire County Council shall apply to the GCR Board.

9. **Attendance**

- 9.1 Members of the SOG, together with the Administering Authority's s151 Officer, Legal Advisor and the Clerk shall be entitled to attend meetings of the GRC

Board to advise the GCR Board on matters relevant to the functions and activities of the GCR Board but shall have no voting rights.

9.2 Each Partner Authority may send any of its officers (as it considers to be appropriate) to meetings of the GCR Board, or any sub-committee thereof, to support its GCR Board Members or those invited to observe the meeting.

10. **Responsibilities of the Chair and (if applicable) their substitute**

10.1 The role of the Chair and (if applicable) their substitute, is to ensure that the meetings of the GCR Board are conducted efficiently and in accordance with the Standing Orders and Rules of Procedures.

10.2 The role of the Chair's substitute is to deputise for the Chair during any period of the Chair's absence or at other times as appropriate and his responsibilities shall be the same as those of the Chair.

10.3 Subject to the protocol in respect of the Chair's casting vote set out in **Error! Reference source not found.**, the Chair or (if applicable) their substitute shall have a second or casting vote in the event of an equality of votes when presiding at a meeting of the GCR Board.

11. **Meetings of the GCR Board**

11.1 Part I of Schedule 12 of the LGA 1972 shall apply to meetings of the GCR Board.

11.2 At its first meeting and at each Annual General Meeting thereafter the GCR Board shall:

11.2.1 adopt a Scheme of Delegation; and

11.2.2 approve the schedule of meetings for the remainder of the year.

11.3 Subject to paragraph 11.5 below, and the need exceptionally to call additional meetings, the GCR Board shall meet at least four times each year. The Chair shall decide the venue, date and time of all meetings of the GCR Board.

Wherever practicable, at least ten (10) Business Days' notice of such meetings shall be given to each GCR Board Member, the Senior Manager, the Administering Authority's s151 Officer, the Legal Advisor and to each of the Partner Authorities by the Clerk.

11.4 Meetings of the GCR Board shall be open to the public and press except during consideration of items containing confidential or exempt information in accordance with the provisions of sections 100 to 100K of the LGA 1972; and reports to and the minutes of the GCR Board shall (subject to the provisions of sections 100 to 100K of the LGA 1972) be available to the public and press as though they were the reports or minutes of a meeting of a Partner Authority.

- 11.5 Any GCR Board Member may requisition a meeting of the GCR Board by giving notice of such requisition to the Chair and to the Clerk. Immediately upon receipt of such requisition, the Chair shall call a meeting of the GCR Board in accordance with paragraph 11.3 which shall be no later than ten (10) Business Days after the receipt by the Clerk of the notice of requisition.
- 11.6 The Standing Orders and Rules of Procedure shall be applicable to meetings of the GCR Board. The Standing Orders and Rules of Procedure may only be amended or replaced if the amendment or replacement is agreed by not less than three-quarters of the GCR Board Members
- 11.7 If a quorum is not present within thirty (30) minutes of the time set for the commencement of a meeting of the GCR Board (or a quorum ceases to be present during a meeting) the meeting shall be adjourned to the same time and venue five (5) Business Days later or to such other date, time and venue as the Chair (or other person who is chairing the meeting) shall determine.
- 11.8 The Chair shall normally preside at all meetings of the GCR Board. If the Chair is not present within fifteen (15) minutes of the time for the commencement of a meeting, or being present does not wish to preside or is unable to do so, then their substitute shall preside at that meeting. If (in the event of the absence or non-availability of the Chair) their substitute is not present within fifteen (15) minutes of the time for the commencement of the meeting or does not wish to preside or is unable to do so, the meeting shall be adjourned to the same time and venue five (5) Business Days later.
12. **Delegation to Sub Committees and Officers**
- 12.1 The GCR Board may arrange for any of its functions to be discharged in accordance with the provisions of a Scheme of Delegation as approved by the GCR Board.
- 12.2 The GCR Board may appoint working groups consisting of GCR Board Members, officers from the Administering Authority (including of the SOG) and officers of any of the Partner Authorities to consider specific matters and report back to the GCR Board or any sub-committee with recommendations.
13. **Scrutiny Arrangements**
- 13.1 Subject as set out in this paragraph 13 the decisions made by the GCR Board shall for the time being be subject to the Scrutiny Arrangements of each Partner Authority and each Partner Authority acknowledges the requirements in paragraph 13.8 below for cooperation between the respective Scrutiny Committees of each Partner Authority.
- 13.2 Any decision of the GCR Board, except those agreed as urgent in accordance with paragraph 13.3 shall not be implemented until the Scrutiny Arrangements



of the Partner Authority whose membership has called in the decision or action has been completed.

- 13.3 Where the GCR Board decides that a decision must be implemented without delay and as a matter of urgency it shall record the reasons for such urgency in the minutes of the meeting and any subsequent 'call in' of that decision should normally relate only to the process leading to the decision and not to the decision itself and the chairmen of the Partner Authorities Scrutiny Committees shall be advised immediately.
- 13.4 A summary record of decisions made by the GCR Board will be made available to the public via the website of the Administering Authority within two (2) Business Days of the decision being made. At the same time the Administering Authority will provide a copy of the summary record of decisions to all Partner Authorities for them to make available to their members as they see fit. The summary record will indicate which of the decisions are subject to the urgency provision and therefore are not available to be 'called in' prior to implementation.
- 13.5 All decisions of the GCR Board (unless urgency is specified in accordance with paragraph 13.3) to be subject to call-in processes of each Partner Authority. If not called in during that period any decision shall then be available for implementation.
- 13.6 The GCR Board Members and the relevant officers from each Partner Authority shall fully cooperate with the relevant Scrutiny Committee of any of the Partner Authorities and attend as directed by the Scrutiny Committee. The GCR Board Chair may nominate the GCR Board Member(s).
- 13.7 Where a decision is called in by more than one Partner Authority, the Scrutiny Committee of each of the Partner Authorities calling in the decision will be invited to request the County Council to convene a meeting of the Gloucestershire Economic Growth Overview and Scrutiny Committee to hear evidence, views, options considered, reasons for decision and to ask questions of appropriate GCR Board Member(s) and officers of the Administering Authority (including of the SOG) and others invited to participate.
- 13.8 After these "hearings", each relevant Scrutiny Committee will meet separately to decide on what comment, view or recommendations (if any) it wishes to make to the GCR Board.
- 13.9 Where the account to be given to the Scrutiny Committee requires the production of a report, then the GCR Board Member or officer concerned will be given sufficient notice to prepare the documentation.

- 13.10 Once it has formed recommendations on a call-in (or proposals for development in accordance with paragraph 13.13) a Scrutiny Committee shall prepare a formal report and submit it for consideration by the GCR Board.
- 13.11 The GCR Board shall consider the report of a Scrutiny Committee at its next suitable meeting and shall issue a formal response to such a report.
- 13.12 The Clerk shall monitor the operation of the provisions relating to call-in and urgency annually, and submit a report to the GCR Board with proposals for review if necessary.
- 13.13 A Scrutiny Committee should notify one of the GCR Board Members for its Partner Authority if it includes in its work programme any aspect of policy development or review relating to the work or functions of the GCR Board.

14. **Annual Budget**

- 14.1 The GCR Board and the Partner Authorities will prepare the Annual Budget for future Financial Years in accordance with the following deadlines:
  - 14.1.1 No later than 31 July in each Financial Year the Administering Authority or the Senior Manager (if appointed) shall submit a draft Annual Budget to the SOG in respect of the next Financial Year;
  - 14.1.2 The SOG shall within twenty (20) Business Days of receipt of the draft Annual Budget consider and provide comments on or suggest amendments to be included in a revised draft Annual Budget;
  - 14.1.3 No later than 30 September in each Financial Year the GCR Board will approve the draft Annual Budget;
  - 14.1.4 Each Partner Authority will consider, as part of its budget setting process the draft Annual Budget;
  - 14.1.5 No later than 30 November in each Financial Year each Partner Authority will provide any comments or proposed amendments to the draft Annual Budget to the GCR Board;
  - 14.1.6 No later than 15 January in each Financial Year the Administering Authority's s151 Officer will insert the actual costs to the GCR Board into the draft Annual Budget and circulate it to the s151 officer and to the GCR Board;
  - 14.1.7 No later than 18th February in each Financial Year each Partner Authority will approve any amendments to the draft Annual Budget; and
  - 14.1.8 The GCR Board will approve the Annual Budget by no later than 28 February in each Financial Year.
- 14.2 If the Partner Authorities or the GCR Board are unable to approve the draft Annual Budget for a Financial Year before 26 February in any year, the GCR

Board shall perform its delegated functions and activities set out in paragraph 2 in conformity with the approved Annual Budget for the previous Financial Year, subject to an adjustment for inflation using indices determined by the Administering Authority's s151 Officer from time to time, until such time as an Annual Budget is approved in accordance with this paragraph 14.

- 14.3 At any time within a Financial Year the GCR Board may agree by a majority vote amendments to the Annual Budget for that Financial Year to accommodate any unforeseen change in circumstances and to assist the GCR Board in performance of its functions.
- 14.4 Where the GCR Board is to consider amendments in accordance with paragraph 14.3 above, the County Council or the Senior Manager (if appointed) shall forthwith notify the Chief Executive of each of the Partner Authorities of the proposed amendments to the Annual Budget. Each Partner Authority shall have a period of twenty (20) Business Days from receipt of the proposed amendments in which to consider them and to notify the County Council or the Senior Manager (if appointed) that such amendments require the approval of the Partner Authority.
- 14.5 Where no Partner Authorities serve notice (in accordance with paragraph 14.4) on the County Council or the Senior Manager (if appointed) the GCR Board may implement such proposed amendment.
- 14.6 Where one or more of the Partner Authorities has notified the County Council or the Senior Manager (if appointed) that it needs to approve the proposed amendments, the GCR Board shall not implement such proposed amendments unless and until the notifying Partner Authority has approved the proposed amendments and informed the County Council or the Senior Manager (if appointed) that it has approved such proposed amendments.
- 14.7 The Partner Authorities shall pay any due contribution of the Annual Budget to the Administering Authority in accordance with clause **Error! Reference source not found.** of the Agreement and any additional contributions which may arise as a result of the operation of paragraphs 14.3 to 14.6 above shall be paid in accordance with clause **Error! Reference source not found.** of the Agreement.
15. **GCR Board Member Conduct**
  - 15.1 GCR Board Members shall be subject to the code of conduct for elected members adopted by the Partner Authority that nominated them to be a GCR Board Member.
16. **Liability of GCR Board Members**

- 16.1 A GCR Board Member shall have the same responsibilities and liabilities as those that apply when sitting on other committees and bodies as an appointed representative of his nominating Partner Authority.

## Appendix 3

### Principles for the administration of the SEDF Fund

- To establish two calls for funding bids in a financial year – for 2023/24. These are currently proposed as November 2023 and April 2024. This will enable the Senior Officer Group and Gloucestershire City Region Board (GCRB) to have a pipeline of projects to consider at any time.
- The Fund to remain open to other partners and organisations, as well as all the Local Authority Partners, and LEP successor. Any potential bids will still need to have a Local Authority or LEP successor project sponsor in order for it to be submitted and considered.
- Strategic Alignment/Fit – important that any funding requests align with strategic priorities, as the basis for filtering those bids that can be considered and assessment through the SEDF process. SOG recommend using the strategic priorities in the emerging County Economic Strategy.
- To maximise the impact of the funding, projects need to demonstrate their reach and benefit to as many districts/areas and local communities as possible.
- Projects/bids will need to be able to demonstrate clearly the leverage and impact that any SEDF funding would achieve in particular the economic & social benefits and outcomes. Projects/bids that identify/secure other direct match funding will be viewed favourably.
- Financial sustainability is an important factor, and any projects or bids would need to provide details as part of an exit strategy, to show how they will be financially sustainable once any SEDF funding awarded has been spent.
- For those more commercially focussed projects, to consider on a case by case basis, the potential to recover a proportion of any SEDF awarded – use of a super profits clause (as per Local Growth Deal funded contracts).
- To establish a more robust monitoring regime to assist with the testing of the value for money, and demonstrating the added value and impacts against envisaged benefits and outcomes. This would also assist officers with spotting worthy proposals and bids for future consideration. The scale of monitoring required will also be commensurate to the value of the funding sought/awarded. We would expect more monitoring of a £200k project compared to a £20k project. Officers will amend the current Expression of Interest form, and add an evaluation section for applicants to complete that identifies SMART measures such as amount of public/private sector leverage, job creation/retention, number of beneficiaries, geographic areas that have benefitted.
- To retain the current eligibility criteria, and officers to review the current guidance on the nature and type of projects that could be eligible for funding,

and review and revise the current assessment template including the criteria, which translates into a point system.

- To investigate and put in place a light touch independent/external appraisal for any project that makes it through the initial pipeline shift process, for consideration for funding by the SOG and GCRB. This approach has been in place previously for the LEP Growth Deal and Get Britain Building Fund, as well as the GIFF loan funding.

## Cheltenham Borough Council

### Cabinet – 13<sup>th</sup> February 2024

## M5 Junction 10 Improvements Scheme – Delegation

### Approval

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**Accountable member:**

Cabinet Member Customer & Regulatory Services, Cllr Martin Horwood

**Accountable officer:**

Director Communities & Economic Development, Tracey Birkinshaw

**Ward(s) affected:**

Swindon Village, Springbank, St. Peters, Hesters Way

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**Key Decision:** Yes

**Executive summary:**

This report provides an update on the M5 Junction 10 Improvements Scheme Development Consent Order (DCO) process, which is being promoted by Gloucestershire County Council (GCC) as scheme promoter. GCC have submitted a DCO to the Secretary of State for independent examination.

Consultants AtkinsRealis are appointed jointly on behalf of the planning authorities of Cheltenham and Tewkesbury and the Highways Authority of Gloucestershire County Council (the Joint Councils) to support on the technical specialisms relating to the DCO application.

This report seeks Cabinet authorisation to delegate authority to the appropriate officer to represent the Council through the DCO process in respect of M5 Junction 10 with the support of our appointed consultants. The delegation is required to respond to what will be an ongoing and iterative process.

**Recommendations: That Cabinet:**

1. notes the update on the M5 Junction 10 process, and
2. delegates authority to the Director Communities & Economic Development to:

- a. **respond formally on behalf of Cheltenham Borough Council (as statutory consultee) through our appointed consultants AtkinsRealis to the DCO process in consultation with Cabinet Member Customer & Regulatory Services.**
  - b. **make representations at the DCO hearings and meetings (either directly or through Cheltenham Borough Council designated officer or through our appointed consultants AtkinsRealis) concerning the M5 Junction 10 project in accordance with the Council's responses (as statutory consultee) to the consultation.**
- 

## 1. Implications

### 1.1 Financial, Property and Asset implications

Due to the technical nature of the M5 Junction 10 project, Cheltenham has aligned with the local planning authority of Tewkesbury Borough and the Highways Authority of Gloucestershire County Council to engage consultants to support officers on the technical documentation. To date this has been funded through a grant from Homes England. Ongoing engagement is taking place to seek commitment for this funding through the remaining DCO process.

The consultants AtkinsRealis have been procured utilising Gloucestershire County Council agreed procurement framework. However, acknowledging that Homes England funding at the time of writing remains unconfirmed, the commitments related to this are £47,664.75 across 2023/24 and 2024/25. If the Homes England Funding is unsuccessful further review will be required and a further budget decision may be required in year.

**Signed off by:** Director Finance & Assets [gemma.bell@cheltenham.gov.uk](mailto:gemma.bell@cheltenham.gov.uk)

### 1.2 Legal implications

The use of Statements of Common Ground is an integral part of the Development Consent Order process. There will be an expectation from the examining authority that the local authorities will engage in the process. The Statement of Common Ground is designed to clarify which issues are agreed and which issues remain in dispute between the promoter of the Development Consent Order and the local authorities.

As stated in the report, the Council will also need to input into the Local Impact Reports and, in addition, may be required/expected to input into other matters throughout the process including: written representations; participation at hearings, meetings and site visits; responding to written questions or requests for further information; and commenting on other interested parties representations and submissions.

The completion of the Development Consent Order examination will follow a timetable set by the examining authority which is required to meet the statutory timescale for the examination. To this end the responses by the local authorities on the Statement of Common Ground and Local Impact Reports and to other requests will need to be both flexible and timely meeting deadlines set by the examination. Local authorities are to assume that the examination timetable will not



be structured around local authority committee cycles and it therefore needs to ensure it has adequate delegations in place.

**Signed off by:** One Legal [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

### 1.3 Environmental and climate change implications

The main climate change ramifications are associated with the following objectives:

- Deliver a package of measures which is in keeping with the local environment, establishes biodiversity net gain and meets climate change requirements.
- Provide safe access to services for the local community and including for users of sustainable transport modes within and to West and North-West Cheltenham

An Environmental Impact Assessment is part of the DCO process to identify environmental impacts and identify mitigation where necessary. A framework of engagement with the Climate Team will be established to ensure as the project evolves there are mechanisms in place to deliver against the above objectives.

**Signed off by:** Climate Emergency Support Officer [Maizy.McCann@cheltenham.gov.uk](mailto:Maizy.McCann@cheltenham.gov.uk)

### 1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Making Cheltenham the Cyber Capital of the UK
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity

### 1.5 Equality, Diversity and Inclusion Implications

In line with the Public Sector Equality Duty, an equality impact assessment has already been carried out on the proposed scheme

<https://www.gloucestershire.gov.uk/media/cugnp1tv/equalities-impact-assessment-tr010063-app-76-status-final.pdf>

The equality impact assessment will continue to be monitored throughout the Scheme life cycle and where necessary, updated to ensure all impacts are captured, allowing for suggesting and implementing any required mitigation.

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## 2 Background

2.1 The DCO process is a planning procedure for dealing with proposals classed as nationally significant infrastructure projects such as the M5 Junction 10 project, which are determined by the Secretary of State (SoS) and considered by the Examining Authority. DCOs were established under the Planning Act 2008 (as amended) and involve an examination of major proposals.

2.2 The DCO process contains many areas where local authorities have a specific role to undertake and therefore their participation is expected throughout the process. Participation

is not obligatory, but it is advised as local authorities are expected to provide a local perspective of potential impacts of a submitted proposal. The local authorities in this case are Gloucestershire County Council, Tewkesbury Borough Council and ourselves.

2.3 The DCO, once confirmed, is set out as a statutory instrument and grants planning permission for the proposal.

2.4 The DCO process has six-stages:

1. Pre-application - **complete**
2. Acceptance (this is a 28 day period) - **complete**
3. Pre-examination - **live**
4. Examination
5. Decision, and
6. Post-submission

2.5 Pre application was made on 23<sup>rd</sup> October 2023; however, the Examining Authority raised a number of technical queries and as a response GCC withdrew the application. On 19<sup>th</sup> December 2023, the DCO was resubmitted with GCC providing further information in relation to the M5 diversion routes during the construction phase along with additional technical plans. On 16<sup>th</sup> January 2024 the Examining Authority accepted the application for examination and the project is now at the pre-examination stage.

2.6 Those with an interest in progress of the DCO may track this [online](#).

2.7 As we proceed through the pre-examination and examination stages there will be key documents that need to be prepared. These include (but not limited to):

**Statement of Common Ground (SoCG)** A draft of this is already underway. The purpose of the SoCG is to set out areas of agreement and disagreement relating to a range of issues, including technical and procedural. The SoCG will be submitted to the Examining Authority, however given the nature of the DCO process, and the continuing need to engage and update the SoCG its production will be an ongoing and iterative process.

**Local Impact Reports (LIR)** As part of the DCO process, the relevant local authorities are invited to submit a LIR giving details of the likely impact of the proposed development on the authority's area. This is a flexible report and may cover any topics the local authority considers is relevant to their area. It is a point of record and is not subject to public consultation. However, the submission of the LIR is set a fixed timetable with strict deadlines for submission. Timely responses are therefore required.

**Written representations** This is a standard part of independent examination. It is expected that the Examining Authority will set a series of questions which it will expect formal response from the local authorities on. In addition, as the examination commences further questions and queries may well arise and again responses will be required. Written representations will be set within a fixed timetable with strict deadlines for submission. Timely responses are therefore required.

**Technical evidence/advice** As the examination unfolds, there may be a series of requests

for evidence and advice which cannot be pre-determined at this stage. The Examining Authority will expect the relevant local authorities to be as helpful as possible in responding to these requests to support the DCO process, again within a timetable set by the DCO process and examination.

- 2.8 The Examination is predominantly a written process, based upon the relevant and written representations of interested parties and the written responses to questions asked by the Examining Authority. Written submissions will be the main type of evidence which the Secretary of State will take into account when making a decision.
- 2.9 Written evidence is an important part of the Examination and it is essential that we make any points we wish to make in writing, within the deadlines that will be set by the Examining Authority during the Examination. The deadlines will be very short, and often we will need to provide responses to questions or comments on the submissions of interested parties within days of first seeing them.
- 2.10 The Examining Authority will also set Hearings at intervals throughout Examination. These will be reserved for the discussion of key issues. The Joint Councils may wish to or may be instructed by the Examining Authority to appear at Hearings to make the Joint Councils case. Technical Experts may be called upon to attend hearings if necessary.
- 2.11 The following table sets out key dates. These dates are set by the Examining Authority. They are liable to change; however, the Joint Councils have no powers to make changes to the deadlines.

Deadline	Estimated J10 Date (assume Exam start 16/04/24)	Joint Councils Deliverables
1	14 May 24	<ul style="list-style-type: none"> <li>• Written Representations</li> <li>• Local Impact Report</li> <li>• Statement of Common Ground</li> <li>• Written Responses to Examining Authority Questions</li> <li>• Responses to Interested Party’s Relevant Representations</li> </ul>
2	31 May 24	<ul style="list-style-type: none"> <li>• Comments on the submissions of Interested Parties at Deadline 1</li> <li>• Statement of Common Ground</li> <li>• Further information requested by Examining Authority</li> </ul>
	w/c 03 June 24	<ul style="list-style-type: none"> <li>• Issue Specific Hearings and Open Floor Hearings</li> </ul>
3	20 June 24	<ul style="list-style-type: none"> <li>• Comments on the submissions of Interested Parties at Deadline 2</li> <li>• Statement of Common Ground</li> <li>• Further information requested by Examining Authority</li> </ul>

4	03 July 24	<ul style="list-style-type: none"> <li>• Comments on the submissions of Interested Parties at Deadline 3</li> <li>• Statement of Common Ground</li> <li>• Further information requested by Examining Authority</li> </ul>
	w/c 15 July 24	<ul style="list-style-type: none"> <li>• Issue Specific Hearing,</li> <li>• Compulsory Acquisition Hearing</li> </ul>
5	31 July 24	<ul style="list-style-type: none"> <li>• Comments on the submissions of Interested Parties at Deadline 4</li> <li>• Statement of Common Ground</li> <li>• Further information requested by Examining Authority</li> </ul>
6	21 August 24	<ul style="list-style-type: none"> <li>• Written Responses to Examining Authority Questions</li> <li>• Comments on the submissions of Interested Parties at Deadline 5</li> <li>• Statement of Common Ground</li> <li>• Further information requested by Examining Authority</li> </ul>
7	02 Sept 24	<ul style="list-style-type: none"> <li>• Comments on the submissions of Interested Parties at Deadline 6</li> <li>• Further information requested by Examining Authority</li> </ul>
8	20 Sept 24	<ul style="list-style-type: none"> <li>• Comments on the submissions of Interested Parties at Deadline 7</li> <li>• Comments on Examining Authority proposed changes to the DCO,</li> <li>• Comments on RIES</li> <li>• Statement of Common Ground</li> <li>• Further information requested by Examining Authority</li> </ul>
9	11 October 24	<ul style="list-style-type: none"> <li>• Comments on the submissions of Interested Parties at Deadline 8</li> <li>• Final Statement of Common Ground</li> <li>• Further information requested by Examining Authority</li> </ul>

### 3 Reasons for recommendations

3.1 Due to timing requests which will be set by the Examining Authority in examining the DCO, it is not possible to bring reports to Cabinet due to the required lead in times of reports and the set times of the forward plan. In delivering an efficient and effective examination, the Examining Authority require prompt responses within prescribed time limits.

3.2 By authorising officers, supported by appropriate consultancy support with relevant knowledge and experience, this will ensure that the Council responds to the DCO application

in a timely manner. Responses to the DCO will be discussed with the Lead Cabinet Member prior to submission.

3.3 Authorising officers to respond to the DCO application on the Council's behalf will ensure that there is a clear audit trail in respect of the decision-making process.

#### **4 Alternative options considered**

4.1 N/A

#### **5 Consultation and feedback**

5.1 Engagement with Cabinet Member Customer & Regulatory Services

#### **6 Key risks**

6.1 See Appendix 1.

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#### **Report author:**

Director Communities & Economic Development [tracey.birkinshaw@cheltenham.gov.uk](mailto:tracey.birkinshaw@cheltenham.gov.uk)

#### **Appendices:**

i. Risk Assessment

#### **Background information:**

N/A

## Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
N/A	If the council does not have a satisfactory approach to responding in a timely manner to the M5 Junction 10 Improvements Scheme Development Consent Order process, then any representations made by the Council may not be accepted and taken in account by the Examining Authority.	Director Communities & Economic Development	2	1	2	Avoid – by delegating authority	Decision to delegate authority to appropriate officer by Cabinet	Director Communities & Economic Development	Cabinet meeting - decision
N/A	If Homes England funding is not confirmed for 2024/25 and 2025/26, then the Council will not have the committed funding to fulfill its responsibilities as a statutory authority	Director Communities & Economic Development	3	3	9	Mitigate – by keeping budget position under review alongside ongoing engagement with Homes England	Ongoing engagement with Homes England.  If funding is not secured successfully either in part or in full then a further in year budget decision may be required	Director Communities & Economic Development  Director of Finance & Assets	March 2024

## **Cheltenham Borough Council**

### **Cabinet – 13 February 2024**

## **Award of rent support grants to voluntary sector organisations**

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#### **Accountable member:**

Cabinet Member Finance and Assets, Cllr Peter Jeffries

#### **Accountable officer:**

Executive Director Finance, Assets and Regeneration, Paul Jones

#### **Ward(s) affected:**

Lansdown

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#### **Key/Significant Decision: No**

#### **Executive summary:**

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

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

An application for a rent support grant has been received from the Gardens Gallery. This report sets out the proposed level of rent support grant to be awarded.

**Recommendations: That Cabinet:**

- 1. agrees to a rent support grant of 74% of current market rent to the Gardens Gallery, Proscenium Building, Montpellier Gardens**
  - 2. delegates authority to the Participation and Engagement Team Leader, in consultation with the Director: One Legal to agree the terms of a rent support grant agreement with the applicant.**
- 

**1. Implications****1.1. Financial, Property and Asset implications**

The Gardens Gallery was previously in receipt of a rent support grant of 100%. Following the review of their lease terms, cabinet agrees to a new rent support grant of 74% which will mean the tenant will pay an annual rent of £1,040 per annum. Please see appendix 2 for more details.

**Signed off by:** Andy Taylor, Principal Commercial Accountant,  
[andy.taylor@cheltenham.gov.uk](mailto:andy.taylor@cheltenham.gov.uk)

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

**Signed off by:** Simon Hodges, Principal Estates Surveyor,  
[simon.hodges@cheltenham.gov.uk](mailto:simon.hodges@cheltenham.gov.uk)

**1.2. Legal implications**

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

Granting a lease at market rent, whilst implementing a policy of grant support, means that if the tenant at any time fails to meet the grant criteria, there is no complicated legal mechanism for ensuring that the rent is uplifted to market value: the grant is simply suspended. Accordingly, the Policy for Property Lettings and Disposals to the Third Sector, Voluntary and Community Groups was adopted by Cabinet on 13 December 2016.

When considering the giving of financial assistance, the council must ensure that it is not giving an unlawful subsidy under the Subsidy Control Act 2022 (the Act). The



subsidy control regime has replaced state aid which applied before the UK's withdrawal from the EU.

One of the requirements for a subsidy to be present is for financial assistance being given to an 'enterprise' which is defined in the Act as a person (including all legal entities) who is engaged in an economic activity that entails offering goods or services on a market. The Gardens Gallery does not carry out such economic activity so there will be no subsidy present when providing the proposed rent support grant.

**Signed off by:** One Legal: [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

### **1.3. Environmental and climate change implications**

There are no direct climate change implications arising from this report, but the Gardens Gallery has in its application for rent support detailed the measures being taken to respond to climate change and promote sustainability.

**Signed off by:** Maizy McCann, Climate Emergency Officer,  
[Maizy.mccann@cheltenham.gov.uk](mailto:Maizy.mccann@cheltenham.gov.uk)

### **1.4. Corporate Plan Priorities**

This report contributes to the following Corporate Plan Priorities:

- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

### **1.5. Equality, Diversity and Inclusion Implications**

There are no direct equality implications from the recommendations, though the organisation will continue to promote equality and diversity in line with their own policy.

### **1.6. Performance management – monitoring and review**

The council will put in place a monitoring process whereby recipients of a rent support grant will submit a monitoring form to explain the activities that have been delivered from the premises.

The quality and timeliness of previous monitoring information will be taken into account, if the applicant wishes to re-apply for a rent support grant at the end of the five-year period.

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## **2. Background**

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

- 1.2** We know that appropriate rent support to community-based organisations and services can support the viability of such organisations and the services they provide to the benefit of the social and economic well-being of the town. However, the Council will continue to encourage voluntary and community sector organisations to become more self-sufficient and less reliant upon financial support from the Council.
- 1.3** A revised rent support grant process was adopted by the council in December 2016. This is based on assessing an application against the following four outcomes:
- Cheltenham's environmental quality and heritage is protected, maintained and enhanced
  - Sustain and grow Cheltenham's economic and cultural vitality
  - People live in strong and safe communities
  - We will work to strengthen the emotional and physical wellbeing of all Cheltenham residents
- 1.4** The maximum rent support grant that any organisation will be able to apply for will be 80% of their current market rent and that the assessment process will determine the level of grant to be offered up to this maximum and will be staggered incrementally, as follows:
- Meeting one outcome –up to 20% grant
  - Meeting two outcomes –up to 40% grant
  - Meeting three outcomes –up to 60% grant
  - Meeting four outcomes –up to 80% grant
- 1.5** Each outcome is subject to a stepped discount between 0 and 20% depending upon the impact of the defined sub-elements of each outcome.
- 1.6** Cabinet retains the discretion to award a further grant of 10%, bringing the maximum rent support grant that any organisation could receive to 90%. This will only be in exceptional cases and any such decision will only be taken after detailed consideration of the organisation's financial and business case for the rent support.
- 1.7** In addition, the council will scrutinise the applicant's financial standing and make an assessment of the following:
- That the reason for applying for the rent support grant is backed up by the organisation's financial health in that the grant award will support the financial viability of the operation of the building
  - That the organisation has reasonable longer-term plans in place to be able to sustain activities being delivered from the building beyond the term of the grant.
- 1.8** The offer of a grant will be for a maximum of five years that will be reviewed at the end of each 12 month period to ensure that the applicant continues to deliver the activities set out in the original application. The council reserves the right to either review the grant amount awarded or withdraw it completely if there are changes to the activities being delivered. In addition, if the organisation is in debt arrears to the council; the grant will be withdrawn.

### **3. Reasons for recommendations**

- 3.1.** The submissions from the Gardens Gallery has been assessed against the criteria detailed in 1.4.

- 3.2. The Gardens Gallery demonstrated strong evidence of their contribution to the themes assessed against, particularly in terms of sustaining and growing Cheltenham's economic and cultural vitality through supporting artists to become established.
- 3.3. The recommendation of a rent support grant of 74% is made up of 64% as recommended by the assessment panel (**please see appendix 3** for the assessment of the submission), plus the discretionary additional 10% awarded by Cabinet as per paragraph 1.6, given that the Gardens Gallery was previously in receipt of 100% discount and is a small voluntary organisation which derives income from the weekly rental charges to local aspiring artists, craftspeople and community groups to use the space.

#### **4. Alternative options considered**

- 4.1. None

#### **5. Consultation and feedback**

- 5.1. None

#### **6. Key risks**

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

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#### **Report author:**

Helen Down, Participation and Engagement Team Leader, [helen.down@cheltenham.gov.uk](mailto:helen.down@cheltenham.gov.uk)

#### **Appendices:**

- i. Risk Assessment
- ii. Gardens Gallery Assessment

#### **Background information:**

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

## Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	If appropriate and transparent grant agreements are not put in place, tenants may not understand the consequences if they fail to meet the terms of any subsidised letting arrangement.	Helen Down	2	2	4	Accept	Rent support grant agreement to be put in place, in conjunction with One Legal	Helen Down	February 2024
	If prospective tenants cannot demonstrate a robust business plan when taking on property commitments from the Council, there is an increased risk of failure and associated financial and reputation impacts for the authority.	Gemma Bell	2	3	6	Accept			
	If the grant expires or is terminated, tenants will remain responsible for payment of rent at market value. This may result in an increase in arrears.	Gemma Bell	2	2	4	Accept			

## Rent Support Assessment Process

<b>Date of rent support assessment:</b>	16.8.23 and 19.10.23
<b>Carried out by:</b>	Richard Gibson, Andy Taylor, Helen Down, Simon Hodges, Councillor Peter Jeffries
<b>Name of Applicant:</b>	The Gardens Gallery
<b>Is the applicant a legally constituted, not-for-profit voluntary and community sector organisation?</b>	Company limited by guarantee, number 6156629. Not for profit.
<b>Name /address of property</b>	Proscenium Building, Montpellier Park, Cheltenham
<b>Current rent</b>	The current rent is £3500 and the applicant has been in receipt of a 100% rent support grant.

<b>Rent Support outcomes</b>	<b>Submission</b>	<b>Proposed score against the sub-elements (up to a maximum of 20% per outcome)</b>
<p><b>Cheltenham's environmental quality and heritage is protected, maintained and enhanced.</b></p> <p>This could include</p> <ul style="list-style-type: none"> <li>Promoting bio-diversity</li> <li>Responding to climate change</li> <li>Promoting sustainable living</li> <li>Protecting and enhancing parks, gardens and open spaces</li> <li>Protecting and enhancing the built environment</li> </ul>	<p>The submission demonstrates efforts that have been made to respond to climate change and reduce the carbon footprint through replacing the old lighting with LED lighting and exploring solar panels (although these were not possible). Electricity consumption has been reduced by 70% through actions including fitting an air to air heat pump.</p> <p>The organisation maintains and makes available to the public a building which is a focal point in the Montpellier Gardens. It enhances the visitor experience in the park as well as attracting visitors to the park when they come to visit the gallery and its exhibitions.</p> <p>The gallery is responsible for the maintenance of the interior, so looking after the well-being of the building. Its uniqueness adds to the enjoyment of the park by visitors and local people alike.</p>	<p><b>Promoting bio-diversity</b></p> <p><b>Responding to climate change – 4%</b></p> <p><b>Promoting sustainable living – 4%</b></p> <p><b>Protecting and enhancing parks, gardens and open spaces – 4%</b></p> <p><b>Protecting and enhancing the built environment – 4%</b></p> <p><b><u>The recommended rent subsidy for this element is 16%</u></b></p>
<p><b>Sustain and grow Cheltenham's economic and cultural vitality.</b></p> <p>This could include:</p> <ul style="list-style-type: none"> <li>Helping people into employment</li> </ul>	<p>The gallery provides an inexpensive facility for local artists and craftsmen to exhibit their work to the public, regardless of ability and age. The gallery sponsored the inaugural "en plein aire" event in the Montpellier Park in the summer of 2022. The gallery</p>	<p><b>Helping people into employment – 4%</b></p> <p><b>Helping businesses to get established – 4%</b></p> <p><b>Supporting cultural activity – 8%</b></p>

Rent Support outcomes	Submission	Proposed score against the sub-elements (up to a maximum of 20% per outcome)
<ul style="list-style-type: none"> <li>Helping businesses to get established</li> <li>Supporting cultural activity</li> <li>Providing advice and information</li> <li>Supporting tourist activities</li> </ul>	<p>is an integral part of the biannual Cheltenham Open Studios event where about 150 local artists exhibit their work at over 80 locations.</p> <p>The Gallery performs an important role in assisting aspiring artists on their journey to reaching their potential. An important part of this is learning how to exhibit and price their work. To be able to do this in a good gallery at a reasonable price in a great location is phenomenal and the Council showed much forethought in delivering this.</p> <p>There are a number of commercial art galleries in the Montpellier area as well as the Wilson in the town centre. The Gardens Gallery is an integral part of that art scene in Cheltenham and due to its unique location is the focal point for many visitors who are interested in the arts.</p>	<p><b>Providing advice and information – 0%</b></p> <p><b>Supporting tourist activities – 4%</b></p> <p><b><u>The recommended rent subsidy for this element is 20%, due to the high level of support for cultural activity provided by the organisation.</u></b></p>
<p><b>People live in strong and safe communities.</b></p> <p>This could include</p> <ul style="list-style-type: none"> <li>Enabling local residents to meet together and socialise</li> <li>Engaging residents in positive social networks</li> <li>Enabling local residents to contribute their time and efforts into community activity</li> <li>Enabling local residents to feel safer in their communities</li> <li>A place for young people to meet and feel safe</li> </ul>	<p>Artists are encouraged to interact with the visitors and discuss both their work and the wider art scene. It has been observed that a number of older residents come to the gallery on a weekly basis. In doing so, they often meet up with friends to enjoy the art and to socialise.</p> <p>The gallery is run by volunteers who are not paid. Professional services such as cleaning, IT support and book keeping are paid for at pepper corn rates. Each exhibition is manned by the artist(s), bringing them into contact with the wider community.</p> <p>The Gardens Gallery has also indicated that they are happy to sign up to the No Child Left Behind community agreement and to explore use of the space for young people’s workshops.</p>	<p><b>Enabling local residents to meet together and socialise – 4%</b></p> <p><b>Engaging residents in positive social networks – 4%</b></p> <p><b>Enabling local residents to contribute their time and efforts into community activity – 4%</b></p> <p><b>Enabling local residents to feel safer in their communities – 0%</b></p> <p><b>A place for young people to meet and feel safe – 4%</b></p> <p><b><u>The recommended rent subsidy for this element is 16%.</u></b></p>
<p><b>We will work to strengthen the emotional and physical wellbeing of all Cheltenham residents</b></p> <p>This could include:</p> <ul style="list-style-type: none"> <li>Enabling local people to be active</li> <li>Helping local people make healthy</li> </ul>	<p>Visitors have to walk to the gallery as there is no on-site parking. Visits are frequently part of a longer trip around Cheltenham.</p> <p>Creativity and especially painting and drawing have long been recognised as beneficial to mental health. Providing a facility for local people to take pride in their work by displaying it to the</p>	<p><b>Enabling local people to be active – 4%</b></p> <p><b>Helping local people make healthy lifestyle choices – 0%</b></p> <p><b>Reducing the harm caused by alcohol – 0%</b></p> <p><b>Improving mental health – 4%</b></p> <p><b>Improving health &amp; wellbeing into older age</b></p>

Rent Support outcomes	Submission	Proposed score against the sub-elements (up to a maximum of 20% per outcome)
lifestyle choices <ul style="list-style-type: none"> <li>• Reducing the harm caused by alcohol</li> <li>• Improving mental health</li> <li>• Improving health &amp; wellbeing into older age</li> </ul>	<p>public is an integral part of this process.</p> <p>It has been observed that a number of older residents come to the gallery on a weekly basis. In doing so, they often meet up with friends to enjoy the art and to combat isolation.</p>	<p>– 4%</p> <p><b><u>The recommended rent subsidy for this element is 12%.</u></b></p>
<b>Summary and recommended rent support grant</b>	<b>The Gardens Gallery has demonstrated its contribution across all of the themes assessed against, most particularly in helping to sustain and grow Cheltenham’s cultural vitality through providing an outlet for aspiring artists.</b>	<p><b><u>The total recommended rent support grant is 64%.</u></b></p> <p>Cabinet has discretion to add a further 10% which would bring the total rent support grant to 74%.</p>

<b>Financial considerations</b>	<b>Panel assessment</b>
<p>Will the grant award will support the financial viability of the operation of the building?</p>	<p>The CIC makes either a small profit or loss each year and strives to keep the weekly rental fee affordable for local artists, craftsmen and community groups. The Gardens Gallery has had to increase weekly rental charges to artists following increases in utility costs.</p> <p>The organisation has previously been in receipt of 100% rent subsidy and will now be paying 26% of the market value rent, which has increased to £4000 since the last review. The organisation will therefore pay £1040 per annum, which will have an impact on an organisation which runs at making only a small surplus.</p> <p>There are also weeks where footfall is very low, when summer festivals are in the park so the number of weeks which can be let has reduced, which has been taken into account when determining the recommended award.</p>
<p>Has the organisation got reasonable longer-term plans to sustain activities being delivered from the building beyond the term of the grant?</p>	<p>The organisation will need to generate additional income in the longer term, through increasing the rental charges.</p>



## **Cheltenham Borough Council**

### **Cabinet – 13 February 2024**

# **Council Tax Premiums on Empty Homes and Second Homes**

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**Accountable member:**

Councillor Peter Jeffries, Cabinet Member Finance, Assets and Regeneration

**Accountable officer:**

Jayne Gilpin, Head of Revenues and Benefits

**Ward(s) affected:**

All

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**Key Decision:** Yes

**Executive summary:**

The Council has discretionary powers to impose a council tax premium on empty homes. The Levelling up and Regeneration Act 2023 makes changes to the premium and introduces a new premium for second homes. This report makes recommendations to implement the changes.

**Recommendations: That Cabinet**

- 1. Recommends that Council approves the change to the Empty Homes Premium so that properties which have been unoccupied and unfurnished for one year, instead of two, will become subject to the 100% premium from April 2025.**
- 2. Recommends that Council approves the implementation of the 100% Second Homes Premium from April 2025.**

- 3. Recommends that Council gives delegated authority to the Executive Director for Finance Assets and Regeneration in consultation with the Cabinet Member Finance and Assets to amend the policy so that it meets the requirements of any guidance/ regulations due to be issued by Government and to ensure the premiums are administered efficiently.**
- 

## **1. Implications**

### **1.1 Financial, Property and Asset implications**

The proposed changes will generate additional council tax income from 2025/26 proportionate to the share of council tax. However, the estimate is based on current caseloads which will change and they are also likely to be reduced once the Government confirms the expected exceptions. The income will also reduce as properties subject to a premium are brought in to use as homes.

It should be noted that these changes will also impact on the Housing Revenue Account if there are Council-owned properties that meet the qualifying criteria

**Signed off by:** Gemma Bell, Director of Finance and Assets [gemma.bell@cheltenham.gov.uk](mailto:gemma.bell@cheltenham.gov.uk)

### **1.2 Legal implications**

The Levelling Up and Regeneration Act 2023 amends the Local Government Finance Act 1992 as follows

#### Long-term empty dwellings

Section 79 of the 2023 act amends Section 11b of The Local Government Finance Act 1992 so that for financial years beginning on or after 1 April 2024 dwellings unoccupied and substantially unfurnished for a continuous period of at least one year, instead of two years, are subject to the council tax premium

#### Dwellings occupied periodically

Section 80 of the 2023 inserts a new Section 11(C) of The Local Government Finance Act 1992 giving the Council power, by determination, to charge a premium of 100% where there is no resident of a dwelling, and the dwelling is substantially furnished.

The first determination must be made at least one year before the beginning of the financial year to which it relates meaning this cannot come into effect before 1 April 2025. In respect of both in exercising its functions under both section 11B and 11C the Council must have regard to any guidance issued by the Secretary of State.

There is a requirement to publish any determination made under section 11B or 11C in a local newspaper.

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Section 67(2) of The Local Government Finance Act 1992 provides that the power to decide to introduce a premium can only be exercised by full Council.

**Signed off by:** One Legal, [legalservices@onelegal.org.uk](mailto:legalservices@onelegal.org.uk)

### **1.3 Environmental and climate change implications**

None arising directly as a result of this report

**Signed off by:** Maizy McCann, Climate Emergency Officer,

[Maizy.McCann@cheltenham.gov.uk](mailto:Maizy.McCann@cheltenham.gov.uk)

### **1.4 Corporate Plan Priorities**

This report contributes to the following Corporate Plan Priorities:

- Increasing the number of affordable homes
- Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity
- Being a more modern, efficient and financially sustainable council

### **1.5 Equality, Diversity and Inclusion Implications**

An equality impact assessment has been completed and is in Appendix 2

[richard.gibson@cheltenham.gov.uk](mailto:richard.gibson@cheltenham.gov.uk)

### **1.6 Performance management – monitoring and review**

The impact of council tax premiums will be monitored closely and further changes will be considered as required

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## **2 Background**

2.1 Once a property becomes unoccupied and unfurnished a 25% council tax discount is awarded for up to 6 months. The full council tax is then payable until the property has been unoccupied and unfurnished for a period of two years, at which point a premium can be levied.

2.2 This Council has used its discretionary powers to levy a council tax premium on long term empty properties since April 2018. The decisions made support the Council's strategy to bring empty homes back in to use more quickly and generate additional council tax income.

2.3 Appendix 3 details the level of discount or premium implemented so far and the proposed changes from April 2025.

2.4 The current level of premium and the number of properties being charged are as follows:

Period property empty/level of premium	Number of properties subject to a premium at January 2024
100% premium on properties which have been empty for more than two years but less than five years	143
200% premium on properties which have been empty for five years or more but less than ten years	42
300% premium on properties which have been empty for ten years or more	4
<b>Total</b>	<b>189</b>

- 2.5 For council tax purposes all properties that are furnished but where no-one lives as their main home are classed as second homes.
- 2.6 The Council has used its discretionary powers to charge the maximum 100% council tax on second homes but currently is not able to levy a premium.
- 2.7 This means there is a loophole where properties that would be subject to the empty homes premium can be furnished so that they are classed as second homes instead and avoid paying the premium. The number of properties classed as second homes at January 2024 is 963.
- 2.8 The Levelling Up and Regeneration Act 2023 introduced changes to the Local Government Finance Act 1992 which will allow the Council to charge the empty homes premium once properties have been empty for one year, instead of two. The act also introduced a new power to charge a premium on second homes.
- 2.9 Any determination to vary the empty homes premium must be made by council before the financial year in which it relates but the first decision to implement the second homes premium must be made by Council at least one year before the premium can be levied. The premium cannot therefore be charged before April 2025.
- 2.10 The Levelling Up and Regeneration Act 2023 also includes a requirement for the Council to have regard to any guidance issued by the Secretary of State in respect of the premium for both long term empty and second homes. It is expected that guidance will be issued in due course setting exceptions from both the empty homes and second home premium.

### **3 Changes to the Empty Homes Premium**

- 3.1 Currently the 100% premium on long term empty homes can be levied once the property has been unoccupied and unfurnished for a continual period of 2 years. The continual empty period starts from the date a property becomes unoccupied and unfurnished. It does not start again as a result of a change in owner or tenant.
- 3.2 The amendments made to the Local Government Finance Act 1992 change the definition of long term empty homes so that the 100% premium can be levied once a property has been unoccupied and unfurnished for a continual period of one year, rather than two.
- 3.3 The 100% premium will continue to apply until a property has been empty for five years when it increases to 200% and then 300% after ten years.
- 3.4 The Government has given strong indication that subsequent guidance will be issued requiring the council to apply certain exceptions to the empty homes premium. The exceptions could include circumstances such as where a property is undergoing probate or major repairs and where a property is actively being marketed for sale or rent.
- 3.5 There are currently 73 properties that have been empty between one and two years. The caseload is continually changing and due to any exceptions that may be applied the number of properties is expected to change. If the premium was levied on these cases, based on expected 2024/25 council tax levels this would generate additional income of approximately £13,500 for this Council.
- 3.6 The change to the empty homes premium can be effective from April 2024 but the recommendation is to implement the change from April 2025 which will be the same date as the second home recommendation in this report. This will also allow time to publicise the changes and make owners, landlords and council taxpayers generally, aware of the change and consider taking action to bring their properties back in to use as a home.

### **4 Introduction of the premium on second homes**

- 4.1 Currently a council tax premium can only be levied on long term empty properties and the maximum charge on properties classed as second homes is 100%.
- 4.2 The amendments made to the Local Government Finance Act 1992 gives billing authorities the power to levy a premium of up to 100% on properties where there is no resident and the property is substantially furnished (second homes).
- 4.3 As the decision to impose the second homes premium must be made by Council a full financial year before it takes effect the earliest it can be levied on relevant properties is April 2025.
- 4.4 As with the empty homes premium the Government has given strong indication that subsequent regulations or guidance will be issued requiring the council to apply certain

exceptions to the second homes premium. The exceptions are likely to be the same as for the Empty Homes Premium.

4.5 The current number of properties classed as second homes is 963. As an indication the 100% premium applied on all of these properties would generate additional income of approximately £190,000 for this Council. However, the caseload will change and due to any exceptions that may be applied the number of properties is expected to reduce by April 2025, meaning this figure is expected to be lower.

4.6 A full review of all properties classed as second homes will be undertaken over the coming months and owners of all second homes will be notified of the premium.

4.7 Some owners of second homes, where they are let for short term periods as holiday homes, may be able to have the properties classed as business properties and transferred from council tax to business rates. Due to the reliefs that are available the amount of business rates due to be paid may be considerably less than the council tax. The current rules for a property to be treated as a business require the owner to evidence that it was openly available to let for more than 140 nights in the current and previous tax years and that it was actually let for at least 70 nights in the previous 12 month period. The Valuation Office Agency (VOA) assesses the evidence and make the decision as to whether the property should be treated as council tax or business rates. The VOA is regularly monitoring any short term let holiday homes in business rates and where the requirements are not met they are moved back in to the council tax system.

## **5 Reasons for Recommendation**

5.1 Reducing the number of long term empty properties is identified as a priority in the Council's Housing, Homelessness and Rough Sleeping Strategy.

5.2 Empty homes and second homes can have a negative impact on local communities and contribute to the housing supply pressures. Long term empty properties in particular, are more likely to fall into disrepair and be subject to anti-social behaviour such as squatting or vandalism.

5.3 With increasing pressure to find homes for people in need levying the premium on empty homes and second homes is one of the powers available to the Council to incentivise owners to bring properties in to use, for the benefit of all residents.

5.4 There are a number of enforcement options available to the Council and consideration will be given to acquiring long term empty homes, if necessary by way of Compulsory Purchase Order, and converting them into affordable homes. Using these enforcement powers will be considered in individual cases, based on the circumstances.

5.5 Guidance and/or regulations regarding exceptions that must be applied to both premiums are not yet available. Authority is being sought from Council for the Executive Director for Finance, Assets and Regeneration in consultation with the Cabinet Member Finance and

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Assets to make the necessary amendments to include exceptions and any other changes necessary to administer the empty homes and second homes premium.

### 6 Next Steps

- 6.1 If Cabinet and Council approve the recommendations in this report details will be made available on the Council's website and communication will be made with council taxpayers to make them aware of the changes from April 2025.
- 6.2 Once details of any exceptions are known these will be incorporated into communication with council taxpayers and publicised on the website.
- 6.3 There is a legal requirement to publish any decision made regarding the premiums in a local newspaper within 21 days of the decision.

### 7 Alternative options considered

- 7.1 The Council could opt not to levy the empty homes premium when a property has been empty for between one and two years or to levy the second homes premium. This would not incentivise owners to bring properties in and support the Council's strategy to increase housing supply

### 8 Consultation and feedback

- 8.1 The Government undertook an extensive consultation on these proposals during July and August 2023.

### 9 Key risks

- 9.1 The risks are in Appendix 1

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#### Report author:

Jayne Gilpin, Head of Revenues and Benefits, [jayne.gilpin@cheltenham.gov.uk](mailto:jayne.gilpin@cheltenham.gov.uk)

#### Appendices:

- i. Risk Assessment
- ii. Equalities Impact Assessment
- iii. Council Tax discounts on empty properties

#### Background information:

1. The Local Government Finance Act 1992, as amended <http://www.legislation.gov.uk/ukpga/1992/14/contents>
2. The Levelling Up and Regeneration Act 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
	If it becomes difficult to collect the higher council tax or owners use tactics to avoid the premium then the additional income, even after the exemptions, may not be fully realised	Jayne Gilpin	2	3	6	Accept	monitoring	Jayne Gilpin	23/02/2024 and ongoing
	If owners continue to leave properties empty or as second homes the number properties in these categories will not reduce		1	1	2	Accept	Monitor and consider enforcement action in individual cases	Jayne Gilpin	23/02/2024 and ongoing



# Community impact assessments – for services, policies and projects

What is a community impact assessment? ..... 1

    Background ..... 1

    Step 1: About the service, policy or project .....Error! Bookmark not defined.

    Step 2: What do you already know about your existing and potential customers? .....Error! Bookmark not defined.

    Step 3: Assessing community impact.....Error! Bookmark not defined.

    Step 4: What are the differences?.....Error! Bookmark not defined.

    Step 5: Taking things forward.....Error! Bookmark not defined.

## What is a community impact assessment?

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

By undertaking an impact assessment, we are able to:

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

## Background

<b>Name of service / policy / project and date</b>	<b>Revenues and Benefits. Council Tax Premiums from 1 April 2025</b>
<b>Lead officer</b>	<b>Jayne Gilpin, Head of Revenues and Benefits</b>
<b>Other people involved in completing this form</b>	<b>David Wyatt, Deputy Revenues and Benefits Manager</b>

## Step 1 - About the service / policy / project

<p><b>What is the aim of the service / policy / project and what outcomes is it contributing to</b></p>	<p>The Levelling Up and Regeneration Act 2023 amended the Local Government Finance Act 1992, giving additional discretionary powers to billing authorities in respect of charging a premium on long term empty properties and second homes. These powers are:</p> <ul style="list-style-type: none"> <li>• To charge the premium once properties have been unoccupied and unfurnished for one year instead of two</li> <li>• To implement a premium on empty properties that are unoccupied and furnished (second homes) for the first time from April 2025.</li> </ul> <p>The proposal to exercise these discretionary powers and adopt the changes from April 2025 has the following key aims:</p> <ul style="list-style-type: none"> <li>• Encourage owners of empty properties to bring them back in to occupation as a home</li> <li>• Increase council tax income</li> <li>• Ease housing supply pressures</li> <li>• Reduce negative impacts, such as anti-social behaviour around empty homes</li> <li>• Reductions in rental &amp; market values on surrounding properties, desirability of an area</li> </ul>
<p><b>Who are the primary customers of the service / policy / project and how do they / will they benefit</b></p>	<p>Owners and other council taxpayers of properties which have been unoccupied and unfurnished for between one and two years and of second homes will be required to pay a higher level of council tax. The Government is due to make regulations so that in certain circumstances properties will be exempt from the premium</p> <p>Local communities and residents of Cheltenham will benefit if properties are brought in to use to ease housing supply pressures</p>
<p><b>How and where is the service / policy / project implemented</b></p>	<p>Council tax billing and collection is undertaken in the Revenues and Benefits service</p>

<p><b>What potential barriers might already exist to achieving these outcomes</b></p>	<p>Council taxpayers impacted by these changes may choose to keep their properties empty of as a second home</p>
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**Step 2 – What do you know already about your existing / potential customers**

<p><b>What existing information and data do you have about your existing / potential customers e.g. Statistics, customer feedback, performance information</b></p>	<p>Any council tax payer of an empty property or second home could be affected by these if they are implemented from April 2025. As an indication, based on information at January 2024:</p> <p style="padding-left: 40px;">73 properties have been empty for between one and two years 963 properties are classed as second homes</p>
<p><b>What does it tell you about who uses your service / policy and those that don't?</b></p>	<p>If the policy is adopted the premium will be charged on properties that meet the statutory criteria, subject to ar exemptions.</p>
<p><b>What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?</b></p>	<p>There is no requirement to consult on these proposals. As the proposals will not come into effect until April 20 All council taxpayers identified as being potentially impacted will be contacted. The decision will be published in a local newspaper and on the Council's website</p>
<p><b>If not, who do you have plans to consult with about the service / policy / project?</b></p>	<p>Not applicable.</p>

### Step 3 - Assessing community impact

How does your service / policy / project impact on different groups in the community?

Group	What are you already doing to benefit this group	What are you doing that might disadvantage this group	What could you do differently to benefit this group	No impact on this group
<b>People from black and minority ethnic groups</b>	No specific benefits identified for this group	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due to the higher level of council tax they will be required to pay
<b>People who are male or female</b>	No specific benefits identified for this group	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due to the higher level of council tax they will be required to pay
<b>People who are transitioning from one gender to another</b>	No specific benefits identified for this group	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due to the higher level of council tax they will be required to pay
<b>Older people / children and young people</b>	A person must be over the age of 18 to be a council taxpayer otherwise. Communication with all potentially vulnerable people is handled sensitively	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due to the higher level of council tax they will be required to pay
<b>People with disabilities and mental health challenges</b>	No specific benefits identified for this group .  Communication with all potentially vulnerable people is handled sensitively and with an identified third party	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due to the higher level of council tax they will be required to pay
<b>People who have a particular religion or belief</b>	No specific benefits identified for this group	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due

				to the higher level of council tax they will be required to pay
<b>People who are attracted to their own sex, the opposite sex or to both sexes.</b>	No specific benefits identified for this group	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due to the higher level of council tax they will be required to pay
<b>People who are married or in a Civil Partnership</b>	No specific benefits identified for this group	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due to the higher level of council tax they will be required to pay
<b>People who are pregnant or who are on maternity leave</b>	No specific benefits identified for this group	No specific disadvantages identified for this group	Nothing identified	There may be an impact on some customers due to the higher level of council tax they will be required to pay
<b>Other groups or communities</b>	No specific benefits to these groups	No specific disadvantages to these groups or communities	There is no requirement to do things differently to benefit these groups	There may be an impact on some customers due to the higher level of council tax they will be required to pay

## Step 4 - what are the differences

<p><b>Are any groups affected in different ways to others as a result of the service / policy / project?</b></p>	<p>The Government is due to introduce some exemptions and these are expected to include circumstances such as where a property is undergoing probate or major repairs and where a property is actively being marketed for sale or rent.</p> <p>An increase in the level of council tax may cause financial difficulties for any council taxpayer. As appropriate the following measures may be adopted to support those impacted by these proposals</p> <ul style="list-style-type: none"> <li>• Realistic payment arrangements</li> <li>• Arrangements for balance to be paid from proceeds of sale</li> <li>• Referral for financial assistance/debt advice</li> <li>• Help and advice is available from the Council on how to sell or let a property</li> <li>• Details of empty properties are shared with relevant teams within the Council who work with owners to help bring properties back into occupation as a home.</li> </ul>
<p><b>Does your service / policy / project either directly or indirectly discriminate?</b></p>	<p>No.</p>
<p><b>If yes, what can be done to improve this?</b></p>	<p>N/a</p>
<p><b>Are there any other ways in which the service / project can help support priority communities in Cheltenham?</b></p>	<p>The Council tax team will deal with cases on an individual basis and take account of any specific circumstances</p>

## Step 5 – taking things forward

<p><b>What are the key actions to be carried out and how will they be resourced and monitored?</b></p>	<p>If the proposals are approved by Cabinet and the Council a notice will be published in a local newspaper and details will be on the Council's website. During the 12 month lead in time to when the changes take effect communication will be issued to council tax payers so that that are aware of the changes. With regards to second homes all cases will be reviewed and the status clarified.</p>
<p><b>Who will play a role in the decision-making process?</b></p>	<p>The council tax team will assess cases to determine the appropriate council tax liability. Any requests to reconsider will be made by the Senior Revenues Officer, Deputy Revenues and Benefits Manager or the Head of Revenues and Benefits</p>
<p><b>What are your / the project's learning and development needs?</b></p>	<p>Full training will be provided to Revenues and Benefits staff</p>

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

The proposed changes will to be introduced from 1 April 2025. The activities required to review properties and communicate will be over several months and is not expected to impact significantly on service planning. However the implementation will forms part of the annual billing process in February 2025 and will be overseen by the Head of Revenues and Benefits and the Deputy Revenues and Benefits Manager.

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## Council Tax Empty Property Discounts and Premiums

Appendix 3

Empty Property Class	Discount/Premium Level up to and including 31 March 2019	Discount/Premium Level with effect from 01 April 2019	Discount/Premium Level with effect from 01 April 2020	Discount/Premium Level with effect from 01 April 2021	Discount/Premium Level with effect from 01 April 2025
					These may be subject to further policy or legislative change prior to 01/04/2025
<b>Class C Empty and unfurnished for up to 6 months</b>	25% discount	25% discount for up to 6 months	25% discount for up to 6 months	25% discount for up to 6 months	25% discount for up to 6 months
<b>Class C Empty and unfurnished for more than 6 months but less than 2 years until 31/03/2025 then up to 1 year from 01/04/2025</b>	Zero discount  100% council tax payable where properties have been empty and unfurnished for more than 6 months but less than 2 years	Zero discount  100% council tax payable where properties have been empty and unfurnished for more than 6 months but less than 2 years	Zero discount  100% council tax payable where properties have been empty and unfurnished for more than 6 months but less than 2 years	Zero discount  100% council tax payable where properties have been empty and unfurnished for more than 6 months but less than 2 years	Zero discount  100% council tax payable where properties have been empty and unfurnished for more than 6 months but less than 1 year
<b>Class C  Premium on Long Term Empty Properties empty more than 2 years until 31/03/2025 then empty for 1 year from 01/04/2025</b>	50% Premium  150% council tax payable where properties have been empty and unfurnished for more than 2 years	100% Premium  200% council tax payable where properties have been empty and unfurnished for more than 2 years	100% Premium  200% council tax payable where properties have been empty and unfurnished for more than 2 years, but less than 5 years	100% Premium  200% council tax payable where properties have been empty and unfurnished for more than 2 years, but less than 5 years	100% Premium  200% council tax payable where properties have been empty and unfurnished for more than 1 years, but less than 5 years

<p><b>Class C</b></p> <p><b>Premium on Long Term Empty Properties – empty more than 5 years</b></p>			<p>200% premium</p> <p>300% council tax payable where properties have been empty and unfurnished for more than 5 years</p>	<p>200% premium</p> <p>300% council tax payable where properties have been empty and unfurnished for more than 5 years but less than 10 years</p>	<p>200% premium</p> <p>300% council tax payable where properties have been empty and unfurnished for more than 5 years but less than 10 years</p>
<p><b>Class C</b></p> <p><b>Premium on Long Term Empty Properties – empty more than 10 years</b></p>				<p>300% premium</p> <p>400% council tax payable where properties have been empty and unfurnished for more than 10 years</p>	<p>300% premium</p> <p>400% council tax payable where properties have been empty and unfurnished for more than 10 years</p> <p>Exemptions may apply</p>
<p><b>Second Homes - properties which are furnished but not occupied as anyone’s main home</b></p>	<p>Zero discount – 100% council tax payable</p>	<p>Zero discount – 100% council tax payable</p>	<p>Zero discount – 100% council tax payable</p>	<p>Zero discount – 100% council tax payable</p>	<p>100% Premium</p> <p>200% council tax payable</p> <p>Exemptions may apply</p>
<p><b>Class D</b></p> <p><b>Empty and unfurnished and undergoing major works/structural repairs for up to 12 months *</b></p>	<p>25% discount for up to 12 months</p>	<p>25% discount for up to 12 months</p>	<p>25% discount for up to 12 months</p>	<p>25% discount for up to 12 months</p>	<p>25% discount for up to 12 months</p>

In respect of all classes C and D If a property is re-occupied or substantially furnished for a period of less than 6 weeks this will be disregarded for the purposes of determining the date it became empty and unfurnished. No further discount will be awarded unless the property is re-occupied for a period more than 6 weeks