

Cheltenham Borough Council Council

Meeting date: 18 March 2024

Meeting time: 2.30 pm

Meeting venue: Council Chamber - Municipal Offices

Membership:

Councillors Matt Babbage (Chair), Paul Baker (Vice-Chair), Glenn Andrews, Victoria Atherstone, Adrian Bamford, Garth Barnes, Ian Bassett-Smith, Graham Beale, Angie Boyes, Nigel Britter, Jackie Chelin, Ed Chidley, Barbara Clark, Flo Clucas, Mike Collins, Iain Dobie, Stephan Fifield, Bernard Fisher, Wendy Flynn, Tim Harman, Steve Harvey, Rowena Hay, Sandra Holliday, Martin Horwood, Peter Jeffries, Tabi Joy, Alisha Lewis, Paul McCloskey, Emma Nelson, Tony Oliver, Richard Pineger, Julie Sankey, Diggory Seacome, Smith, Izaak Tailford, Julian Tooke, Simon Wheeler, Max Wilkinson, Suzanne Williams and David Willingham

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Contact: democraticservices@cheltenham.gov.uk

Phone: 01242 264 246

1 Apologies

2 Declarations of interest

3 Minutes of the last meeting(s) (Pages 5 - 52)

Minutes of the Extraordinary meeting held on 28 September 2023.

Minutes of the meeting held on 23 February 2024

4 Communications by the Mayor

5 Communications by the Leader of the Council

6 To receive petitions

7 Public Questions

8 Member Questions

9 Consideration of the Petition - Stop the Sale of Idsall Drive Car Park (Pages 53 - 64)

Report of the Cabinet Member Finance and Assets

10 Leckhampton with Warden Hill Neighbourhood Plan - Progression to Examination (Pages 65 - 72)

Report of the Leader

11 Capital Non-Treasury Investment, Treasury Management and MRP Strategies and Statements (Pages 73 - 130)

Report of the Cabinet Member Finance and Assets

12 Revisions to the Constitution (Pages 131 - 166)

Report of the Leader

13 Notices of Motion

14 Any other item the Mayor determines as urgent and which requires a decision

15 Local Government Act 1972 -Exempt Information

The committee is recommended to approve the following resolution:-

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

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

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

16 Exempt Minutes (Pages 167 - 170)

Exempt minutes of the meeting held on 23 February 2023

17 Exempt item 001 - A Property Matter

Report of the Cabinet Member Finance and Assets – TO FOLLOW

Gareth Edmundson
Chief Executive

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Cheltenham Borough Council

Council

Minutes

Meeting date: 28 September 2023

Meeting time: 7.00 pm - 7.45 pm

In attendance:

Councillors:

Matt Babbage (Chair), Paul Baker (Vice-Chair), Glenn Andrews, Victoria Atherstone, Adrian Bamford, Angie Boyes, Nigel Britter, Jackie Chelin, Ed Chidley, Mike Collins, Bernard Fisher, Wendy Flynn, Tim Harman, Steve Harvey, Rowena Hay, Sandra Holliday, Martin Horwood, Peter Jeffries, Tabi Joy, Alisha Lewis, Richard Pineger, Julie Sankey, Diggory Seacome, Izaac Tailford, Julian Tooke, Simon Wheeler, Max Wilkinson and Suzanne Williams

Also in attendance:

Paul Jones (Executive Director of Finance, Assets and Regeneration), Claire Hughes (Corporate Director and Monitoring Officer), Gareth Edmundson (Chief Executive), Martin Chastney (Head of Developments, Major Developments & Regeneration), Richard King (Head of Construction, Major Developments & Regeneration) and Paul Minnis (Director of Major Development & Regeneration)

1 Apologies

Apologies were received from Councillors Barnes, Beale, Chidley, Clark, Clucas, Dobie, Fifield, McCloskey, Nelson, Oliver.

2 Declarations of interest

There were none.

3 Minutes of the last meeting

The minutes of the meeting held on 24 July will be considered at the next meeting on 16 October.

4 Communications by the Mayor

The Mayor said he was lucky to attend many events, but wanted to highlight a recent visit to Gottingen. He thanked the Mayor and international relations team for hosting the party from Cheltenham.

5 Communications by the Leader of the Council

The Leader of the Council had no communications to share with Members on this occasion.

6 Public Questions

There were none.

7 Member Questions

There were none.

8 Entering into the Development Finance Agreement

The Cabinet Member for Cyber, Regeneration and Commercial Income began by thanking all officers who have worked so hard on this extremely important report, which he hoped everyone had read in detail. He said the council has been working on the Golden Valley project for a number of years and there is still a long way to go – it is anticipated that it will be 10-15 years before the project is complete – but this report is an important step in the journey.

He made clear to Members that they are not being asked to sign a cheque for £95m – this is the current estimate of what will be needed to complete the Innovation Centre and Hub at the heart of the Golden Valley development. It is the biggest project and will be the second biggest financial commitment CBC has ever undertaken, and we need to make sure that every single facet is right. The legal agreement includes a series of conditions, including a viability test which must be passed before the Council commits to the funding, and we are lucky to have a fantastic team of officers guiding us along every step of the way.

He concluded by saying it is important that all Members feel they can get behind this hugely important project, and hoped that it would receive unanimous support

Member questions

A Member asked about the role that people working in the Innovation Centre and associated buildings will play in contributing towards a cyber-security agenda, enabling energy sources to remain safe in the face of hostile threats and helping the council's net zero aspirations as well as national sustainability goals. Officers confirmed that while the broader occupier strategy for the Golden Valley development is still in progress, the focus of the Innovation Centre is about bringing

together academia, social activities, prime or large corporate entities, smaller entities and public bodies to provide the economic centrepiece and to drive innovation. There is every expectation that, out of that, the new technologies and businesses will go on to build and support the local and national economy, protecting our sustainability requirements and energy infrastructure.

Member debate

In debate, Members made the following comments:

- this is very important and secures the future of the buildings, people and areas we need to look after and support in Cheltenham. There will inevitably be some setbacks as with all projects of this size, but now is the time to support this intriguing plan with such magnificent potential for Cheltenham. We should grasp the opportunity with both hands;
- this is too large a sum of money, and the risks and unknowns are too great at this point. A number of councils around the country are facing bankruptcy as a result of vast borrowing to deliver projects, and then leaving future generations to pay off the debt if it all goes wrong. Most councillors won't be alive in 50 years to see the project through;
- the project was conceived as a partnership with the developer, but now it appears that CBC will pay the developer fees and shoulder all the risks - this is not a comfortable position;
- the council is selling Regent Arcade and changing its plans for the Municipal Offices – once considered a jewel in its crown to be retained at all costs for future generations. Is this being done to fund the Golden Valley project and if so, where will it end? It is too much of a financial commitment for something outside the council's normal business;
- the Golden Valley project will be a fantastic flagship for Cheltenham as it moves towards its Net Zero aspirations, ensuring it can pay for vital services in the future, in particular in relation to climate change. By leading on the project, CBC has the opportunity to create jobs and ensure that young people will have the opportunity to take advantage of exciting technology and innovation jobs it offers;
- this project has been discussed since 2016, and the council took by far the biggest risk in 2019 when it purchased the land as an empty site. Now there are constant conversations on and around the potential risks which, together with the talented team, provides a feeling of confidence in this great sustainable development;
- the project will provide Cheltenham with many 'jobs of the future' in technology and innovation, not only attracting young talent to the town but also providing opportunities for people across the town, currently at school, starting their careers or looking for a change, keeping Cheltenham vibrant, exciting and clearly on the map. We would be letting ourselves down not to progress with the project;

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- not only will provide jobs and services but also many houses for families and people of all ages, currently on the housing waiting list;
- it is not right to imply that the council is taking all the risk – the team has taken great care to put together a strategy which specifically and carefully sets out a maximum commitment from the council and limits its risk, requiring any costs over and above that to be borne by the developer and any obligations to be underwritten by the developer's parent company;
- this scheme offers a massive opportunity for a cyber-security development of international importance, and demonstrates both the commitment of the local ecosystem to the project and the commitment of CBC and the town to GCHQ to help meet its needs. This is a fantastically important partnership for the future of Cheltenham, and with investment from so many important parties, we can take it forward with confidence;
- this impressive project shows why CBC is different from other councils, choosing to invest in its own project within the borough, attracting new businesses and people, providing job opportunities, houses, and income which can be re-invested in services throughout the town;
- this exciting project has constructive alignment with local and national priorities – in particular cyber-tech and housing – and provides great opportunities for the town's future. The risk management and mitigation measures set out in the papers are reassuring;
- the news cycle has recently focussed on councils around the country in financial trouble and needing to be rescued by central government, but what CBC is committing to here is a very small loan in comparison;
- the risk of CBC not buying the land in 2019 was far greater than the risk of buying it; in doing so, the council has been able to develop and keep control of a highly-sustainable project. This is a great milestone;
- at the start of the council's commercial strategy journey, it was clear that in order to survive, CBC could no longer be risk-averse but must remain risk-aware. The biggest risk was the lack of necessary skills to bring the development forward, but we now have in-house skills for Golden Valley and future major projects. We need to embrace these opportunities, and 'Team Cheltenham' – Members, officers, residents, communities – continue on this journey together;
- the decision tonight will support Cheltenham's largest employer, the defender of critical national infrastructure, and many different industries which rely on cyber communication and security;

- it should be remembered that not everyone working in the cyber security centre will be a cyber expert. All sorts of auxiliary and unskilled jobs will be created, and we are lucky to have and be part of a forward-thinking and progressive council which is making this happen.

The Cabinet Member for Cyber, Regeneration and Commercial Income thanked Members for their positive and informed comments. He said the sale of assets was not related to the financing of this project; the council is simply taking responsibility to maximise the value of its assets for the benefit of the people of Cheltenham today and in the future. He also reaffirmed a Member's comment that many different types of jobs will be created, not just cyber jobs. He thanked officers again, and hoped that Members would give the recommendations their full support.

The Leader requested a recorded vote on this item.

Members resolved to:

- 1. approve entry into the conditional Development Funding Agreement with HBD X Factory with the conditions set out in Appendix ii – Commercial Detail;**
- 2. approve provision of a funding envelope of up to £95m;**
- 3. delegate authority to the Director of Finance, Assets and Regeneration, in consultation with the Cabinet Member for Cyber, Regeneration and Commercial Income and the Cabinet Member for Finance and Assets, to manage the process and ultimate discharge of the funding conditions, referring back to Cabinet or Council for decisions where constitutionally appropriate. These Conditions are:**
 - meeting the Viability Test
 - defining the Maximum Commitment
 - agreeing and obtaining acceptable Pre-let Agreements
 - agreeing detailed designs for the Innovation Centre and the Mobility Hub
 - obtaining an Acceptable Planning permission
 - agreeing an acceptable building contract with a construction contractor
 - discharging any Third Party Rights on the land
 - agreeing plans that define the various Plots for development
- 4. note the protection that the Council is afforded on construction cost over-runs through the provision of a Maximum Commitment;**
- 5. note the investment opportunities outlined in Appendix iii that will provide a better return the Council;**
- 6. delegate authority to the Director of Finance, Assets and Regeneration, in consultation with the Cabinet Member for Cyber, Regeneration and**

Commercial Income and the Cabinet Member for Finance and Assets, to manage and approve expenditure of the Council Variations Budget;

- 7. delegate authority to the Director of Finance, Assets and Regeneration, in consultation with the Cabinet Member for Cyber, Regeneration and Commercial Income and the Cabinet Member for Finance and Assets, to negotiate commercial terms on a Management Agreement for the Innovation Centre and, if appropriate, the Mobility Hub. Approval from Full Council will be sought prior to entering into any Management Agreement.**

The votes were cast as follows:

FOR: Councillors Babbage, Baker, Andrews, Atherstone, Bamford, Boyes, Britter, Chelin, Collins, Fisher, Fifield, Harman, Harvey, Hay, Holliday, Horwood, Jeffries, Lewis, Pineger, Sankey, Seacome, Tailford, Tooke, Wheeler, Wilkinson, Williams (26)

AGAINST: None

ABSTAIN: Councillors Flynn and Joy (2)

9 Any other item the Mayor determines as urgent and which requires a decision

There were none.

Cheltenham Borough Council Council Minutes

Meeting date: 23 February 2024

Meeting time: 2.30 pm – 5.10 pm

In attendance:

Councillors (29):

Matt Babbage (Chair), Paul Baker (Vice-Chair), Glenn Andrews, Victoria Atherstone, Angie Boyes, Nigel Britter, Jackie Chelin, Ed Chidley, Flo Clucas, Mike Collins, Iain Dobie, Bernard Fisher, Tim Harman, Steve Harvey, Rowena Hay, Martin Horwood, Peter Jeffries, Alisha Lewis, Paul McCloskey, Emma Nelson, Richard Pineger, Diggory Seacome, Smith, Izaak Tailford, Julian Tooke, Simon Wheeler, Max Wilkinson, Suzanne Williams and David Willingham

Also in attendance:

Paul Jones (Executive Director of Finance, Assets and Regeneration), Claire Hughes (Corporate Director and Monitoring Officer), Gareth Edmundson (Chief Executive), Gemma Bell (Director of Finance and Assets and Deputy S151 Officer) and Jayne Gilpin (Head of Revenues and Benefits)

1 Apologies

Apologies were received from Councillors Bamford, Barnes, Bassett-Smith, Beale, Clarke, Fifield, Flynn, Holliday, Joy, Olivern and Sankey.

2 Declarations of interest

Councillor Horwood declared an interest in Agenda item 13, and said he would withdraw from the Chamber during the debate for that item.

3 Minutes of the last meeting

The minutes of the meeting held on 11 December 2023 were unanimously approved and signed as a true record.

4 Communications by the Mayor

The Mayor said that although he doesn't normally talk about mayoral engagements as he attends so many and cannot mention them all, but on this occasion, he wanted to highlight the following events:

- the recent No Child Left Behind awards were a credit to all involved – all the groups and young people who were nominated or won awards, and to everyone who gives their time;
- a play at the Everyman Theatre, performed by young Ukrainian people, exploring their experiences of leaving their homes and families. This was particularly poignant as it coincided with the second anniversary of the Russian invasion.

He said that HQ Allied Rapid Reaction Corps (ARRC) have been put forward to be admitted Honorary Freedom of the Borough in recognition and appreciation of the eminent services rendered by them, and Les Bonney, Chung Kong and Michael Ratcliffe MBE have been put forward to be admitted as Honorary Freeman.

Members voted unanimously to approve these names being put forward for official nomination at Extraordinary Council in May.

5 Communications by the Leader of the Council

The Leader updated Members on the following:

- the Housing Services Tenant and Leaseholder Consultation finished on 11 February, with an excellent response of over 10%. Thanks to all who responded;
- planning permission for North Place has been submitted and is awaiting validation. Thanks to BBS and Wavensmere Homes for working collaboratively with the council to bring the site forward with much-needed housing;
- congratulations to everyone involved with the first phase of the community orchard project at Weavers Field in Warden Hill, with 20 fruit trees planted, and 40 members of the community involved, including local councillors, Bournside, Leckhampton High School and Warden Hill Primary School pupils, and local residents. A further ten trees are due to be planted in next month;
- the assessment process for the Cheltenham Zero Small Business grant award scheme is well underway – it has proved extremely popular with a wide range of businesses applying, and will deliver innovative climate adaptation projects to help drive towards the 2030 vision set out in the Corporate Plan;
- a recent tour of the MX showed that it is near completion, with furnishings, carpets and desks in place. It is good to note that the provision of toilets includes changing places facilities. Now some dry weather is needed to complete the outside of the building and landscaping.

Finally, she spoke about local government funding, and began by saying that although the additional £600m released recently released by the government to the local government sector was welcome, not a huge amount was left to distribute across the sector after £500m was top-sliced for top tier councils. With councils around the country going bust, she viewed it as a sticking plaster after 10 years of underfunding and neglect.

She went on to say that what was more concerning was the condition that to receive any additional funding, every council must produce a productivity plan to demonstrate efficiency and how it is eliminating 'wasteful spending', including programmes such as Equality, Diversity and Inclusion (EDI). She said she would have welcomed an opportunity to demonstrate how hard CBC works to protect services and squeeze every efficiency it can from tax payers' money – as evidenced by the recent decision on Cheltenham Borough Homes. She believed that the statement about wasteful spending and comments about EDI were an example of the government's divisive populism and policy by press release as its only strategy.

She said our productivity plan will be brought to Council in July, but thought that the government should also be required to produce one, in view of countless reports from the House of Commons Public Accounts Committee highlighting many examples of government waste – funding which could be released to public services if the government got its own act together.

6 To receive petitions

Councillor Harman presented a petition on behalf of Councillor Fifield, concerning the sale of Idsall Drive Car Park in Prestbury. As more than 750 verified signatures were included, he understood that a debate on the matter would be scheduled for a future meeting.

7 Public Questions

Thirteen public questions had been received, with the responses published and taken as read. There were four supplementary questions:

1. Question from Mr Steven Thomas to the Leader, Councillor Rowena Hay

As a Cheltenham resident who was born here, I am very concerned about the Cheltenham / Gloucester / Tewkesbury "Super City" which will become one of the largest cities in the UK: <https://www.glos2050.com/>

The public consultation that was carried out in 2018 showed that the public are not in support of this, and despite the council saying that there are no plans for this to happen, the development taking place in West Cheltenham contradicts this. First, we have the Cyber Park which will give rise to approximately 3,000 – 4,000 new homes: <https://www.bbc.com/news/uk-england-gloucestershire-67474592>

Secondly, plans were announced a few weeks ago for an additional 4,000 homes in Elm Park: <https://www.bbc.com/news/uk-england-gloucestershire-67522618>

Both of these developments would fuel an exponential rise in the population of Cheltenham, taking it from the “Centre Of The Cotswolds” to a larger urban development much akin to what is being proposed in the “2050 Super City”.

I listened to the entirety of the council meeting on the 11th December 2023, and heard many concerning quotes being thrown around by members of the council:

“We mustn’t lose the ambition to spread the load”, and “Tewkesbury has far more ability to build”. (in reference to housing).

“We ***have made the commitment***, *but have to test*” (in respect to developing on the Green Belt), which implies the decision to develop has already been made.

Cheltenham, Gloucester and Tewkesbury each have their own unique heritage, so why is there such a push to rapidly redevelop them into something that the public do not want? This is not just my opinion, but one that is shared by many others who have lived here all our lives and are proud of our cultural history. It seems to all of us that Cheltenham Borough Council are going full steam ahead with the Super City but are trying not to overtly call it that in any of the meetings or refer to it as such through the Joint Core Strategy between the three councils.

Cabinet Member response:

I would like to thank Mr Thomas for his question which I will answer in two parts.

The first part of the question relates to the adopted Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (JCS), approved in 2017. The sites referenced, Elms Park and West Cheltenham, are both strategic allocations which were allocated for development through the preparation of the JCS. This plan forms part of the statutory development Plan for Cheltenham and was the subject of statutory public consultation together with an independent examination in public. The evidence base which informed the preparation of this plan can be viewed via the following link <https://www.jointcorestrategy.org>.

To respond to the second part of the question. In line with the council’s statutory duty to keep its development plan up to date we have refreshed our approach to plan making and this was the report debated at council on 11th December. At that meeting the council confirmed the preparation of Cheltenham, Gloucester and Tewkesbury Strategic and Local Plan (SLP) and our ongoing commitment to work with our partners Gloucester and Tewkesbury. I will not set out the detail of that report again here as the background is available via the council report which can be viewed via the following link

https://democracy.cheltenham.gov.uk/documents/s46064/Cheltenham_Gloucester_Tewkesbury_Strategic_Local_Plan_Consultation.pdf. I will however highlight the importance all three councils place on recognising the unique character each district has and the importance of recognising and ensuring appropriate local policies are in place as we prepare the SLP. For Cheltenham, heritage, as you have pointed out is a good example of this, as are other local issues such as local green space.

As a point of reference, the 2050 vision was essentially a conversation across a range of partners which originated in 2017 around a commitment to look at the longer-term challenges facing the county, and to consider what changes might be needed to address those challenges to deliver improved outcomes for future generations. The University of Gloucestershire facilitated the 2050 vision study, and it was subject to wider public consultation focussed around what was considered large scale transformational projects. Whilst this is relevant as part of the wider evidence base in preparing development plans, it is only one element. In addition, it represents a point in time. Since that time the councils of Gloucestershire have prepared and agreed a Gloucestershire Statement of Common Ground, this includes a series of 37 very broad and high level agreements dealing with a range of environmental issues and land use matters including addressing the climate and ecological emergencies, housing and economic needs, the Green Belt, transport provision, the natural environment and green infrastructure, health and social infrastructure, infrastructure delivery and minerals and waste. This was approved by Cheltenham Borough Council on 18 July 2022 and can be viewed via the following link

<https://democracy.cheltenham.gov.uk/ielssueDetails.aspx?IId=24877&PlanId=0&Opt=3#AI21584>

The SLP is currently subject to public consultation, and I would very much encourage you to get involved in that process. All details can be found via the following link <https://strategiclocalplan.org/>. The consultation includes a variety of in-person and online events and full details can be found under the events page of the strategic local plan website.

Supplementary Question

Cheltenham residents are very concerned and unhappy about the globalist agenda CBC is implementing, financed by them but without their consent, including the super-city of Cheltenham Gloucester and Tewkesbury, the Net Zero agenda, and the building out of 5G. When can a town hall forum be introduced, to discuss and debate these issues like adults?

Cabinet Member response

Please send your question to Democratic Services; I will respond in writing.

2. Question from Mr Peter Frings to the Leader, Councillor Rowena Hay

Cheltenham Borough Council has a non-exec director on the Board of Gloucestershire Airport to represent and safeguard the interests of local residents and the council. From July 2018 to March 2023, this was Roger Whyborn. From 31 March 2023, it has been Adrian Bamford.

The accounts for the airport over the last 6 financial years (2018 to 2023) show consistently declining operational profitability. Over this period, if property revaluations and the notional loss on the disposal of the third runway are excluded, the airport has made a loss of £4.8m over this period.

If instead you include all the property valuation adjustments including the third runway, the loss over the 6 year period is £4.1m. These figures would be even higher if it were not for a one-off boost to turnover in 2023, which I presume is from the sale of the long leasehold on CGX Connect business park.

Aircraft movements were 80k in 2018 declining to 61k in 2023.

What interventions or actions have the non-exec directors representing CBC on the Gloucestershire Airport's board taken over the last 6 years to address the long-term decline in the financial health of the airport; if any were taken, were these reported back to council officers and the Cabinet? Please provide dates and summary of each intervention.

Cabinet Member response

Thank you for your question.

Whilst the Council nominates one of its members to be a non-executive director on the Board of Gloucestershire Airport, once appointed, that director is required by law to hold office according to the constitution of the company.

This means that once the appointment has been confirmed, the member takes on all the responsibilities of that position, and their duty when acting as a director is to the company, and not to their appointing council. They must therefore act in accordance with what they consider necessary to promote the success of the company.

In light of this the Council is unable to provide information in relation to any actions that the non-executive director may have taken in relation to their role on the Board of Gloucestershire Airport.

Supplementary question

The Companies Act states that directors must act to promote the success of the company for the benefit of its members, so the idea that the non-exec director representing the council at the airport does not have a responsibility to its shareholders would be a new one for the business world. What meetings have you had or initiated in the last six years of the airport's continuing operational losses to address the issues on behalf of residents who ultimately own the asset?

Cabinet Member response

I can provide information on actions and interventions since I became shareholder three years ago, but will have to look back at records and come back with a written response.

3. Question from Mr Peter Frings to the Leader, Councillor Rowena Hay

On 23 December 2021, in answer to an enquiry, the CBC Customer Relations and Information Officer gave me the following information in writing about the airport:

“Further to your question we can confirm that Gloucestershire Airport’s proposal at the December 2020 meeting contained no suggestion that any increase in aviation flights was envisaged or proposed, whether that was for private flights or the introduction of any public passenger flights.

The number of flights permitted are covered by the ‘Green Policy’ which stipulates both the number of flights permitted and hours of operation. The number of flights and out of hours flights is governed by the original planning permission for the runway safety project as set out below:

16: *The Airport shall be limited to Code 2 Runway operations as defined by the Civil Aviation Authority.*

17: *the number of air movements at the airport shall not exclude 95,000 a year (excluding police, emergency and military-related flights)*

18: *the airport’s main hours of operation shall be restricted to between the hours of 0830 – 1930 with no more than 1.5% of movements per annum outside of these hours (excluding police, emergency and military flights, and those arriving late for operational reasons).*

19: *The number of movements between the hours of 23.00 and 6.00 shall be limited to 100 per calendar year (excluding police, emergency and military-related flight).”*

Can the council confirm that all these conditions on the operation of the airport will be maintained in the event of the airport being sold?

Cabinet Member response

Thank you for your question.

These are operational matters for Tewkesbury Borough Council, as planning authority, and the Civil Aviation Authority to decide and enforce in their statutory capacities.

However, the councils are taking legal advice on the nature and structure of legal covenants that can be imposed on a sale to safeguard the future operation of the airport.

4. Question from Phillip Angell to the Leader, Councillor Rowena Hay

Councillor Rowena Hay was quoted on the Gloucestershire Airport in December 2023 saying “...the timing is now right for both councils to bring in a new owner to take it (the airport) forward”. However, when the Council’s most recent draft statement of accounts was published in June 2023, it stated on page 62 that the 50% of shares in Gloucestershire Airport held by the council “are not held for trading

and there are no plans to dispose of them". When was the decision to sell the airport taken, which councillors were involved in this decision, and what prompted the sudden change of strategy?

Cabinet Member response

Thank you for your question Mr. Angell.

The decision to approve the exit strategy for the Council's shareholding in Gloucestershire Airport was made by Full Council on 7th December 2020 and is a matter of public record.

<https://democracy.cheltenham.gov.uk/mgAi.aspx?ID=19148>

Full delegation was approved whereby the Executive Director Finance and Assets (in consultation with the relevant Cabinet Member for Gloucestershire Airport Limited and the Borough Solicitor) be authorised to take such actions and make such arrangements as are necessary for the implementation of the recommendations within that report including such legal processes and agreements as are necessary.

In September 2023, alongside the Leader at Gloucester City Council, we formally exercised that delegation and informed the Board of Gloucestershire Airport Limited that it was both Council's intention to dispose of our interests at Gloucestershire Airport and that our intention was to formally bring the sale to the market.

5. Question from Phillip Angell to the Leader, Councillor Rowena Hay

Gloucester City Council Leader Richard Cook said in a written response (as reported by the BBC) that the full Gloucester City Council had already approved an exit strategy (i.e. sale) for the airport at its meeting on 15 December 2020. Cheltenham Borough Council, in closed session at its December 2020 meeting, approved a multi-million pound loan to refurbish the airport runways. Was Cheltenham Borough Council also aware of an intention to sell the airport at the time at which they agreed in December 2020 to invest in the runway refurbishment? Specifically, was an intention to sell the airport as part of a future exit strategy explicitly mentioned in the proposal documents that Cheltenham Borough councillors saw at that December 2020 meeting?

Cabinet Member response

Thank you for your question Mr. Angell.

As stated in my answer to your previous question, I can confirm that the decision to approve the exit strategy for the Council's shareholding in Gloucestershire Airport was made by Full Council on 7th December 2020 and is a matter of public record.

<https://democracy.cheltenham.gov.uk/mgAi.aspx?ID=19148>

6. Question from Miriam Frings to the Leader, Councillor Rowena Hay

It appears that a decision to seek a buyer for the airport has been taken very suddenly, possibly triggered by a belated awareness of the steady losses at the airport; or because of a perceived risk to the council's own finances; or as means to get a one-off cash injection to shore up the council's finances. But the airport is a 300 acre prime site, very close to Cheltenham and Gloucester, and could be a huge potential public asset. Will the council engage with all residents over other possible uses for the site, rather than just maintaining an airport for a small number of hobbyists and private jets, or handing the asset over at a fire-sale price to a private developer?

Cabinet Member response

Thank you for your question.

Whilst I accept not all residents may support Gloucestershire Airport, previous studies have found that there is an economic value from having an operational airport, contributing around 475 FTE jobs and £52m of (Gross Valued added) GVA (economic productivity metric that measures the contribution to an economy) to the local area. Closure of the Airport would see these benefits lost from the local area as there would be no alternative for relocation of operators. If the Airport were to cease operations, this could have detrimental consequences for the ability to attract high value companies to the area, including as part of the 'Golden Valley Development'.

The significant investment in the main runway allowed the strategic decision to be taken to close the rarely used north-south runway (thus saving maintenance costs) and release previously sterilised land for development, now known as the CGX Business Park. This will enable significant job creation as part of the economic recovery and be realised through private investment.

A further study concluded that closure of the whole site for housing could deliver net returns of £97 million over a 30 year period but this would require release from Green Belt and could take some time to be realised. Alternative commercial uses would also give rise to the same planning issues and would be likely to realise lower land values.

I can assure the questioner that the Council's finances are robust and sustainable as can be demonstrated from the budget related reports that are on the agenda for today's meeting. If this Council was in need of a one-off cash injection to shore up the council's finances, as the questioner suggests, then I feel it right to point out that we would probably not be selling this prized County asset as an on-going airport.

7. Question from Miriam Frings to the Leader, Councillor Rowena Hay

If offers to buy the airport are received, will the decision as to whether to accept an offer come to full Council or only to the Cabinet?

Cabinet Member response

Thank you for your question.

The decision to approve the exit strategy for the Council's shareholding in Gloucestershire Airport was made by Full Council on 7th December 2020 and is a matter of public record.

<https://democracy.cheltenham.gov.uk/mgAi.aspx?ID=19148>

Full delegation was approved whereby the Executive Director Finance and Assets (in consultation with the relevant Cabinet Member for Gloucestershire Airport Limited and the Borough Solicitor) be authorised to take such actions and make such arrangements as are necessary for the implementation of the recommendations within that report including such legal processes and agreements as are necessary.

Therefore, in line with the delegation above, the decision as to whether to accept an offer will be made by myself and the Leader of Gloucester City Council with support from relevant senior officers at both Councils.

8. Question from Dr Diane Cook to the Leader, Councillor Rowena Hay

80% of aircraft movements at Gloucestershire Airport are from Aero Club flights and private flying (Civil Aviation Authority statistics). The financial accounts of the airport make it clear that the airport is unprofitable in operational terms, and only survives on property and rental income. It is likely that any potential buyer will be much more interested in the development potential of the site, rather than trying to make the airport profitable from aviation activities. Given that the airport falls under Tewkesbury Council in planning terms, neither Cheltenham or Gloucester councils will have any planning control over what happens to the site once it is sold. In these circumstances, does the council intend to impose any covenants on the sale in order to control future development, or to ensure the airport continues to operate its two runways, for example?

Cabinet Member response

Thank you for your question.

At this stage the intention is to impose restrictive covenants in respect of the protected zones and the key operational areas that are essential to the day-to-day operation of the airport, in which no development will be permitted (bar operational and infrastructure).

Beyond these areas but within the boundary of the wider site, it is intended that there will be restrictive covenants preventing any development that would be detrimental to the operation of the airport and in any event, no housing development with Use Class C3: Dwelling-houses.

The councils are taking legal and professional advice on this matter and will be exploring further measures to protect the operation of the airport, whilst providing any investor with the maximum flexibility to undertake appropriate commercial development which will support and enhance its ongoing viability.

9. Question from Dr Diane Cook to the Leader, Councillor Rowena Hay

The council voted in July 2019 to declare a climate emergency. Almost five years later, there has been negligible concrete action or progress towards achieving 'net zero' in Cheltenham. The Government Climate Change Committee makes it clear that we must rapidly increase renewable electricity generation, and at the same time dramatically reduce those activities such as aviation which are most harmful in generating CO2 emissions. Aviation, particularly private aviation, has to be curtailed due to the climate emergency. The airport is a failing business, making substantial losses over recent years. The airport runways are a flat site, very close to large numbers of houses in Cheltenham and Gloucester. It is therefore a prime site for a solar farm which could provide clean, renewable electricity for a very substantial number of local homes. If the council is serious about wanting to take climate action, why doesn't it commission a feasibility study on closing down the airport runways, compensating affected businesses on the airport site, and establishing a major solar farm?

Cabinet Member response

I would like to thank Dr Cook for her question to which I would respond as follows:

Climate Emergency Action Plan

When the Council declared a climate emergency in 2019, it drew up an action plan to address emissions and has made good progress in terms of implementation against this. <https://democracy.cheltenham.gov.uk/documents/b12519/Climate%20Emergency%20Review%20-%20updated%20report%2004th-Sep-2023%2018.00%20Overview%20Scrutiny%20Committee.pdf?T=9> Progress is also evident from the Council's own internal carbon footprint calculations (scope 1,2 and 3 emissions) which have continued to fall by 15% per annum from the agreed baseline, in line with the requisite 14% straight line trajectory required to meet the net zero goal.

Airport Closure & Aviation Emission Reduction

The Climate Change Committee estimate the emissions from aviation nationally to be around 7%^[1]. Unfortunately, shutting the airport would likely relocate rather than reduce demand and address associated emissions. In 2022, the government has put in place a Jet Zero Strategy to address emissions associated with air transport. This plan will necessitate a significant increase in the production and use of Sustainable Aviation Fuel, alongside new aircraft design (such as the hydrogen planes under development by Zero Avia elsewhere in Gloucestershire).

^[1] <https://www.theccc.org.uk/publication/2023-progress-report-to-parliament/>

Locations Suitable for Renewable Energy Generation

The Council are considering suitable locations for renewable energy development within the development of the Strategic and Local Plan (SLP). To support development of the SLP, the Centre for Sustainable Energy were commissioned to deliver a two-part study. Project • Renewable Energy Study (citizenlab.co). This report explores renewable energy potential at a strategic level. Part two of the study, to be conducted following the first stage of public engagement on the new plan (the first Regulation 18 Consultation), will explore area-specific opportunities, and provide recommendations for renewable energy policies.

However, the potential for renewable generation must be balanced against other options for land use. In this case, given the existing businesses located at the airport, rather than being utilised as an energy asset, it is felt that the land is best sold as a going concern, maintaining jobs and growth potential.

10. Question from Gary Clarke to the Leader, Councillor Rowena Hay

In the Council's Draft Statement of Accounts, page 43 states that the Managing Director for Place and Growth left on 31 August 2022, and on page 24 it totals his termination benefits as £264,662. What percentage of this payment was discretionary (i.e. over and above the minimum required by employment law), and how does the council justify a payment of this size, particularly at a time of intense pressure on the council's finances?

Cabinet Member response

I would like to thank Mr Clarke for his question and for considering our draft Statement of Accounts which our finance team work so hard each year to publish by the statutory deadline.

In relation to the exit payment for the Managing Director for Place and Growth, all elements of the payment were calculated in line with statute and no discretionary payments were made.

The payment was approved in line with the Council's constitution as part of the business case for the structure proposed as part of phase one of the Council's organisational review to re-align our resources, this one off payment helped to deliver efficiencies to reinvest and continue delivering the Council's Corporate Priorities.

11. Question from Gary Clarke to the Leader, Councillor Rowena Hay

The Draft Statement of Accounts reports that the council's usable reserves at 31 March 2021 were £19m. At 31 March 2022 they were £10m. At 31 March 2023 they were down to £4m. Commentators are predicting that in the next two years, more and more local councils will be at risk of predicted expenditure exceeding available funds. It appears that CBC has been forced to make substantial inroads into its

reserves over the last two years, at a rate which will exhaust the usable reserves during this current financial year. What is the Chief Financial Officer's estimate of the likelihood that CBC will have to issue a section 114 notice within the financial years ending March 2025 and March 2026, and what, if any, asset sales are built into the Chief Financial Officer's planning and predictions over this time period?

Cabinet Member response

I would like to thank Mr Clarke for his question as it raises the profile and specifically, the sustainability of local government finance.

Since 2009/10 this Council has had its core funding from the Government cut by more than 50%. In addition to this, the last multi-year financial settlement from central government was in 2016/17 which gives little opportunity for budget planning afforded to many other areas within the public sector.

The principles of that settlement in 2016/17 saw a shift away from freezing council tax to using council tax to generate additional funding. Reserves were also noted as being one element of an efficiency plan through a voluntary drawdown of reserves as the price for greater certainty for future settlements.

Whilst your analysis on our total reserves, taken from the draft statement of accounts, is correct, I do need to qualify the rationale for these movements. During the pandemic, central government provided significant grants through the business rates system to compensate business for lost income during the various lockdowns. Due to the timing differences between receiving the money from central government and passing these funds to local businesses, these funds were earmarked within our reserves.

As at 31st March 2021, £14.771m was held in the business rates retention equalisation reserve. As at 31st March 2022, this had fallen to £5.985m and at 31st March 2023 it had fallen back to just £23,820. Taking this into account, you will note that our remaining reserves in general have remained constant over the last 3 years, albeit personally I would like our reserves to be higher to ensure we are resilient to shocks such as a pandemic and the recent cost of living crisis.

Having said the above, the Council needs to ensure the right balance when determining the level of its reserves. There appears to be an assumption that having high levels of reserves is a good measure which doesn't necessarily fit well with the equity perspective that councils should not be sitting on high levels of reserves as this is being funded by local taxpayers that are not getting any benefit.

The latter part of your question refers to our Chief Financial Officer's assessment as to whether he believes we are likely to issue a section 114 notice and what assumptions he has made on asset sales and what planning and predictions have been made for the next two financial years.

The Local Government Act 2003 Section 25 includes a specific duty on the Chief Finance Officer (Section 151 Officer) to make a report to the authority when it is considering its annual budget and council tax levels. The report must deal with the robustness of the estimates and the adequacy of the reserves included within the

budget. (For the purpose of the Act 'reserves' includes 'general fund balances'.) The Act requires the Council to have due regard to the report in making its decisions at the Council's budget and council tax setting meeting. This report can be found at Appendix 2 to the General Fund budget report which forms part of today's agenda.

I trust you will find comfort from his report which is a comprehensive independent assessment on the robustness of the estimates and the adequacy of the reserves.

12. Question from David Redgewell to Cabinet Member for Finance and Assets, Peter Jeffries

What is the budget for maintenance and improvements to Royal Well bus and coach station, and does this include maintenance of bus stops and shelters in the bus and coach station, CCTV and lighting? Are the charges from bus and coach services departing the bus and coach station - National Express Coaches Limited, Go Ahead Oxford bus company [formally Pulham Coaches], Stagecoach West and tourist coaches, and money from the private car park on site, reinvested in the up-keep of the bus and coach station?

Cabinet Member response

I thank Mr Redgewell for his question. The budget for maintenance and management of the Royal Well bus node for 2024/25 is £9,000, including the utility costs associated with the site. In addition to this there are costs incurred through the Ubico contract for the landscaping, planting and grass cutting of the area.

These costs are covered by the income generated from the service operators who use the site.

However, due to the business rates payable on the site the net cost to the council of running the site is £21k.

Supplementary question

What discussions are taking place with the county council and the bus service improvement plan to upgrade the facilities at Royal Well, which still a major National Express hub? Running the site may cost £21k in council tax, but it brings a lot of money in economic development to Cheltenham, and a lot of buses services pass the site but don't stop, using less accessible town centre bus stops instead.

Cabinet Member response

I agree; buses and the public transport system are very important, particularly as we want a more joined-up way of travelling across the town and to other areas. I haven't had any precise, detailed conversations with the county council on this - it is a tricky subject, as their priorities are different from ours, and ideally, there should be a review of the whole transport system across the county. I will speak with officers and double check if there is any information regarding this to be shared.

13. Question from David Redgewell to Cabinet Member for Finance and Assets, Councillor Peter Jeffries

In this year's budget, has any money been allocated to improve customer experience and facilities at Cheltenham Spa Royal Well bus and coach station, or into the public realm in Cheltenham Town centre for bus and coach passengers including bus shelters?

Cabinet Member response

I thank Mr Redgewell for his question. The details of the budget for the Royal Well bus node is included in the response to question 12. With regards to wider public realm in Cheltenham for bus and coach passengers, all other bus shelters including those on the Royal Well Road are owned and managed by the County Council. Whilst we work closely with the County Council on improving the accessible and green transport offer for the town, it is not within our authority to directly invest or improve the existing infrastructure that sits outside our ownership.

Supplementary question

I'm concerned that allocation of finance for a passenger bus station isn't ring-fenced, and that the budget goes into some public realm, where the Department of Transport would expect it ring-fenced for the site. It is complicated by the fact that CBC owns the site, but the county is responsible for the infrastructure, but a ring-fenced budget would make it clear to the public and the Department of Transport what they money is being spent on at Royal Well and the town, especially as this will be included in the Bus Service Improvement Plan which the county is due to submit to the government on 12 June.

Cabinet Member response

This is more of a county conversation, although the council engages where it can and considers any financial risk. I am not altogether comfortable with the two-tier system, but it would not be right to ring-fence money when we don't know what the county has in mind. We would respond positively to any conversation around necessary investment, though I cannot say what the result would be.

The Mayor thanked the questioners, those in attendance, and Cabinet Members for their responses.

8 Member Questions

Eleven Member questions had been received. The responses were taken as read.

1. Question from Councillor Paul Baker to Cabinet Member for Finance and Assets, Councillor Peter Jeffries

It is right that the Council is looking to increase Council tax on empty residential properties unless there are extenuating circumstances. I am equally concerned that the Council should be charging business rates on empty commercial property, be that retail or industrial. Empty properties represent a wasted opportunity and owners must be encouraged and cajoled to let them, even if it means reducing rents.

I understand no business rates are payable for the first three months that a property is empty but after that the full charge will be levied whether the property is empty or not. Members will all be aware of empty properties in their area, in the High Street; I know of one in Swindon Road which has been empty for as long as I can remember, and there will be others.

I understand that there are exemptions such as listed buildings, properties owned by charities, and buildings with a rateable value under £2,900, but can the Cabinet Member assure me that, where we can, full business rates are being levied on qualifying empty commercial properties?

Cabinet Member response:

I thank Councillor Baker for his question. It is correct that the Council is looking to charge a higher level of council tax on residential properties treated as second homes. We already charge higher council tax on long term empty properties and I welcome the change in legislation allowing us to do the same on second homes. Charging the higher level of council tax will encourage all owners to consider bringing their properties in to use as much needed homes and generate additional council tax income. There will be some exemptions for extenuating circumstances. We don't have the details yet but these will be applied before the increased charges start in April 2025.

With regards to business premises, regrettably the council doesn't have any power to increase the level of business rates on empty properties so can't use this as a tool to incentivise owners to bring their business properties in to use.

Legislation dictates that an exemption must be given when properties first become empty. Industrial premises are exempt for 6 months and all other types of premises, such as retail or offices get 3 months. The business rates team monitor all business properties. They collect lots of information and make checks including inspecting properties before deciding, in line with what the rules say, whether occupied or empty rates should be charged. Where properties are classed as empty and not exempt, such as listed properties then yes empty business rates are being charged.

Supplementary question

It is reassuring to hear that we are on top of the business rates situation with regard to long-term empty commercial properties in the town, and a shame that we don't have the power we have with residential properties whereby we can charge a higher rate on long-term empty commercial properties. Would the Cabinet Member consider taking this up with our MP, to see if the government would review how

business rates are calculated on long-term empty properties. It is a scandal, with some properties empty for 20 years.

Cabinet Member response

I agree that this is a problem, and more reform of the business rates system is needed – long-term empty properties are a blight. I will take this up with our MP.

2. Question from Councillor Tim Harman to the Leader, Councillor Rowena Hay

The closure of Cavendish House and the uncertainty over its future poses a challenge for the Promenade and the Town Centre . The Leader has stated that this is an opportunity and I hope she is right. The decision by this Council to possibly sell the Municipal offices is another factor increasing uncertainty.

Does the Council have any plan to respond to these challenges, working with the business community to promote the Town centre in the short and medium term while the uncertainty remains?

Cabinet Member response:

I thank Councillor Harman for his question, and he will be familiar with the loss of high-profile names from the High Street, with the latest being Bodyshop entering administration. However, it is not a doom and gloom picture as referenced in the recent article in the The Guardian which describes Cheltenham as “the handsome town centre streets are bustling, business seems to be, if not booming, then not exactly in existential crisis”, this alongside the recent announcement that M&S are investing in their high performing high street premises just goes to show that there is more positives than negatives.

High Streets are evolving and as a Council, we are best placed to help facilitate the changes needed to ensure Cheltenham continues to maintain its place as a destination, supporting our businesses, communities and expanding our visitor base. Whilst change brings uncertainty it also brings opportunity, as reflected in our Corporate Plan which identifies supporting the high street and increasing town centre living as key drivers.

Cheltenham attracted almost 2 million visitors in 2022 (latest data set) and the town is a popular destination for local, regional and national visitors’ thanks, in part, to extensive promotional activity carried out by the council and other stakeholders. Landlords and agents cite a high demand from incoming businesses for shop units in the town, particularly in key streets where the footfall is high, and while there have been a small number of longer-term vacancies, empty units in Cheltenham in the main experience active churn when users vacate.

In 2023 we agreed the Cheltenham Vacant Units Action Plan, with its key objectives being to:

- Understand the current and ongoing position of empty shops in the town centre.

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

In many ways, Cheltenham bucks trends seen nationally, with increasing visitor numbers and a lower than average vacancy rate for town centre units. Nonetheless, the action plan seeks to address vacancies and improve the town centre by focussing on identifying vacancies, improving the look and feel of vacant units, and promoting opportunities to potential occupiers.

Engagement with the business community is key and active and ongoing engagement takes place with key stakeholders, for example Cheltenham BID, Cheltenham Chamber of Commerce and the Federation of Small Business alongside our ongoing interactions with agents, landlords and developers. Our strong relationships are demonstrated in the recent vacant units piece which was co-commissioned with the Cheltenham BID.

Turning specifically to Cavendish House, Canada Life is the landowner and I am sure you will have seen their press release following the announcement of the closure of the store that makes their commitment to bringing forward a solution that supports the vitality and viability of the High Street.

The council is proactively engaging with Canada Life to support them in this transition phase. While any decisions about short, medium or longer-term occupation of the building sit with Canada Life, the council has offered to support where possible. Discussions are ongoing and more information will be shared about next steps in due course.

The planning team is currently in pre application engagement with the agent representing Canada Life with the expectation that an application will be presented shortly. This application has the opportunity to bring forward a development that will include much needed town centre homes alongside retail and leisure, reflecting the priorities of our corporate plan in respect of regeneration and investment in the town centre.

In the medium term we are developing the Cheltenham, Gloucester and Tewkesbury Strategic and Local Plan (SLP) and I encourage you to engage in that process. The SLP brings a fresh opportunity to ensure we build flexibility into our longer-term planning policies and ensure they are fit for the future.

Turning to the Municipal Office, Councillor Harman will be aware that the Council only utilise a small percentage of the space. Its use and occupancy numbers have

been in continual decline for a number of years which has been rapidly accelerated by the COVID pandemic. New opportunity and activity relating to the Municipal Offices has the ability to enhance the vibrancy of the town and contribute to securing the towns economic future, the opposite of the effects of our diminished occupation.

The town is in a period of rapid transition and the Municipal Offices is part of the new chapter. Our Council will remain in the town, continuing to provide its services, so the outcomes of disposal allow for rebirth, growth, economic stability and vitality.

Supplementary question

The response slightly misses the point of the question. Understanding the position and the dynamics of the high street, there could be a lengthy interregnum when the building stands empty, which will be an eyesore as well as a big loss of space right in the middle of the town. Would the council envisage working with the local business community to use it for other things that might bring people to Cheltenham, such as markets or activities?

Cabinet Member response

There have been conversations and some press coverage of this, and there is very much an ongoing conversation between the owners, Canada Life, and the Cabinet Member for Economic Development, Culture, Tourism and Wellbeing, about the 'meanwhile use' of the building, and to avoid being faced with blank windows for a long time. It is a complicated site on many different levels, but conversations are taking place.

3. Question from Councillor Tim Harman to the Cabinet Member for Customer and Regulatory Services, Councillor Martin Horwood

When will the Council's policy on sexual entertainment venues next be considered and when it is, can I be assured that the whole Council vote on it?

Cabinet Member response:

I thank Councillor Harman for his question. The sexual entertainment venue policy is scheduled for a review this year. The work on the policy review is likely to commence summer 2024.

Under Cheltenham's constitution, the adoption of the sexual entertainment venue policy is an executive function that is the responsibility of Cabinet. Cabinet can decide to provide Council with an opportunity to debate the revised policy.

A change to the constitution to amend the decision level can, of course, be proposed although the current constitution was reviewed and agreed only last year.

The Cabinet decision will in any case be subject to the normal call-in process that may also provide Council with an opportunity to consider the policy adoption decision.

It is important to point out that licensing decisions and policy operate under a framework of law set by Parliament and also that licensing decisions on individual applications remain the responsibility of the Licensing Committee.

Supplementary question

There is a precedent for this council as a whole to have a vote, and given the relevance and concern expressed by many members of the public, I hope Cabinet might consider giving all Members a vote when the policy is next reviewed.

Cabinet Member response

The questioner will be aware that the banning of SEVs in limited periods such as race week is impossible under current law; we can only decide whether to regulate or not, but not prevent SEVs from popping up at different addresses during race week. The general consensus is that it is better to have regulated rather than unregulated SEVs, as these are safer for all concerned, especially the performers.

On the point about the decision level, this is set by the Constitution as a Cabinet vote, which was reviewed last June, and received unanimous support. It is, however, open to review in the future.

4. Question from Councillor Stephan Fifield to Cabinet Member for Finance and Assets, Councillor Peter Jeffries

Could the Cabinet member please clarify whether, considering a petition has been submitted and will be debated at the March Council Meeting, that Idsall Drive Car Park will be taken off the market while its future is decided?

Cabinet Member response:

Thank you for the question Cllr Fifield.

Interactions with our communities are always welcomed, even in the form of a petition. At the time of writing this response to your question I have not seen the petition or read the petition statement. Also, I have not had any correspondence from the petition organiser, or relevant ward councillors in relation to the petition.

For clarity the car park has been advertised for sale on the open market and the deadline for the submission of bids for the land was 9 February 2024. The submissions have already been reviewed and the sales process has begun with the preferred bidder.

In direct response to your question, the site is no longer on the market as the bidding process has closed.

As you rightly point out, this petition will be discussed at the March council meeting, where all the relevant information will be available for Members.

5. Question from Councillor Paul Baker to Cabinet Member for Customer and Regulatory Services, Councillor Martin Horwood

Firstly let me congratulate UBICO for doing their very best to keep our town centre litter free, sadly it is an impossible task as it appears to me that litter is being dropped with impunity every minute of every day. No sooner is a street picked than it

needs picking again, it is a similar story in many of parks where we are indebted to local groups like the Friends of Sandford Park or Pittville Park for carrying out regular litter clearance.

As an authority we rightly take great pride in our town but litter is damaging our reputation, enough is enough. We have CCTV cameras all over the place, occasionally we see a police officer or PCSO and we have our own officers too I understand. Dropping litter is unacceptable, it is lazy and disrespectful of our town and fines can be handed out. Can I ask the Cabinet Member to initiate a crackdown on this behaviour with publicity and fines or consider employing a company to patrol the street and issues fines on our behalf?

Cabinet Member response:

I thank Councillor Baker for his question. Everybody agrees that littering is a nuisance to society and a blight on our streets when it happens.

As Councillor Baker notes, Ubico is doing a good job at street clearing and cleaning and I would also like to congratulate the many councillors who lead community litter picks in every part of Cheltenham, including 94 year old parish councillor Kit Braunholtz of Leckhampton .

In addition to the work of Ubico, Cheltenham Borough Council has a team of neighbourhood officers who, amongst other things, enforce anti-littering policy including public engagement but also fines and, if necessary, prosecutions. In addition to their normal foot patrols, the authority also relies on mobile CCTV cameras that are moved around town to target littering and fly tipping hotspots. These deployments have proven effective with public engagement and persuasion first but also over 70 fines issued and 4 successful prosecutions for littering and fly tipping offences. The team already carry out joint operations with the police and other partners, and this will continue.

Last year we dramatically increased the maximum fine for littering in Cheltenham to £500 (up from £150), as soon as government allowed us to do this.

This is our preferred approach rather than employing a third party company who would inevitably charge for their service, would be less flexible than our in-house neighbourhood team and might risk public confidence by an approach which prioritised fine numbers or income over successful outcomes.

As part of the council's organisational restructure, a review of the neighbourhood team is currently being undertaken to re-prioritise the team's work. Littering, along with graffiti and fly posting offences have already been agreed as areas of priority for the team moving forward and the completion of the review, together with the increased fines already in place, would seem to be an opportune time to do as Cllr Baker suggests and launch a publicity campaign to discourage littering and draw attention to the increased risk of very high fines for this anti-social behaviour.

Supplementary question

Thanks for the response, and it is great to hear that over 70 fines have been imposed, although litter continues to be a blight, despite the hard work of volunteer

groups as well as officers. It is great to see a plan in place and that a PR campaign is making people aware that the fines have gone up. Signage is good, but naming and shaming would also make people realise that there is a consequence for their litter-dropping actions.

Cabinet Member response

These are all good points, and we can and do use the maximum fine levels available from government, deploy mobile CCTV to identify hotspots and offenders, and are looking at the priorities of the neighbourhood team as part of overall council restructuring. It is very clear that litter and fly-tipping will continue to be a priority going forward, and the council has demonstrated that it can and does issue fixed penalty notices, with 30 for littering and 40 for fly-tipping, resulting in £10k in fines and four prosecutions since 2021. It's fair to say that awareness may not be as high as should or could be, and a lot of people may not be aware of the maximum fines being imposed; the Cabinet can discuss the possibility of a high-profile campaign later this year. Litter and fly-tipping is a menace throughout the town; local volunteer litter pickers do excellent work, including Kit Braunholz in Leckhampton, and the council can help further by raising the profile of the issue.

6. Question from Councillor Emma Nelson to Cabinet Member for Finance and Assets, Councillor Peter Jeffries

Given my recent question to Council about parking, I noted with interest the report in Glos Live on Feb 1st stating that Cheltenham Borough Council earned income of £2.5 million from parking fines and pay-and-display charges, net of expenses. The County Council earned £2.8 million, including fines just under £1.8 million. Given the relative sizes of the two organisations how come CBC income was almost equal to GCC and how much of the CBC £2.5 million relates to fines? Where is the £2.5 million shown in the budget figures?

What is the average occupancy of the 11 CBC Town Centre Car Parks (total spaces 1,803)?

Cabinet Member response:

I thank Councillor Nelson for her question. £2.5million is the council's income in 2022/23 from parking fees and fines, after deducting operational costs. £91,000 of this was received from fines. This figure is the operational surplus and is taken from the published Revenue Outturn return submitted to Government.

The income from parking is shown in appendix 3 to the 2022/23 Financial Outturn Report which was considered by this council on 24 July 2023. The figure differs from the £2.5million because it takes account of asset depreciation which is not included in the Government's Revenue Outturn Return.

Parking income will depend on factors such as the number and type of parking spaces, the value of fees charges and the number of fines issued but being a much larger organisation doesn't in itself guarantee more parking income. The county

council provides on-street parking and although they cover a large geographical area only Cheltenham and Gloucester will generate significant sums, not the rural areas.

In fact around two-thirds of the county's on-street parking bays are located in Cheltenham so the majority of the income will come from Cheltenham alone. This Council provides off street parking suitable for long and short stay across 14 car parks. A parking strategy should encourage off-street parking and discourage commuters and shoppers from parking on-street, especially in residential areas, leaving residents generally able to park.

I note with interest that the county makes over 60% (£1.8million) of its income from issuing parking fines whereas this council's approach is to encourage users of our car parks to pay the correct fees, avoiding the need to issue so many fines. In fact, the payment system in Regent Arcade, our largest car park, prevents vehicles from leaving the car park without paying so no enforcement is necessary.

With regards to average occupancy, taking into account that some car parks are busier than others and that usage does change at different times of the year the average occupancy rate across all town centre car parks during daytime hours is about 85%.

7. Question from Councillor Emma Nelson to Cabinet Member for Waste, Recycling and Street Services, Councillor Iain Dobie

Weed Ripping and Street Clearance

I see from the CBC website that (as of 13th February) the street clearance schedule ends on February 7th. How often is this schedule updated and how is priority decided of which roads need doing? Leckhampton Road could do with attention please!

Also, I believe the Council has two weed ripping machines. How successful are they, and where have they been deployed recently?

Cabinet Member response:

Thank you for your question which is very timely given the number of councils, like Brighton and Hove, that have recently decided to revert back to, or increase, the use of herbicides to control weeds due to budget pressures.

Following our one weed spray in the spring, weed removal has been taking place across the borough during the year, including in St Marks, Noverton Estate and Prestbury High Street and is also part of the street clearance schedule. Manual weed removal absorbs significant resource and crews are doing their best to maximise the amount of weed removal taking place. Weed rippers are very effective but the manual clearance of weeds is a slower, more expensive and resource intensive way of dealing with weeds currently.

The street clearance schedule is updated on the website as often as possible and was last updated on 16 February 2024. The list of street clearances is set out on the website but the additions since 7 February are:

February 21 2024	Selkirk Street
February 22 2024	Portland Square
February 28 2024	Hewlett Road
February 29 2024	St Stephen's Road

Street clearance work takes place every year from November/December until the end of February and priority is decided following inspections of the roads to determine which roads need clearances along with requests from the public. Roads with greater numbers of trees are usually a higher priority due to leaf fall and flooding risk.

I can assure you that Leckhampton Road has had leaf fall cleared from pavements and road gullies where there are no parked cars. We are however waiting for Gloucestershire County Council to arrange the annual street clearance works for this area to ensure all parked cars are moved and the works normally take 2 or 3 days to complete. Gloucestershire County Council would need to comment on this however there have been various road works in the area which may have delayed the usual street clearance.

8. Question from Councillor Emma Nelson to Cabinet Member for Finance and Assets, Peter Jeffries

Update on status of old taxi rank site in Royal Well

A while ago, a question was tabled regarding the future of the Royal Well old taxi rank space. Until recently it was used as temporary parking for construction workmen developing a nearby site. I see that it is now a barrier controlled car park for Crescent Place guests. It still seems in need of attention and looks in a sorry state. Who is responsible for maintenance of the site? How much rental is CBC receiving from Crescent Place and what is the duration of the agreement please?

Cabinet Member response:

I thank Councillor Nelson for her question. In relation to the Royal Well taxi rank, you are correct that this had recently been used as temporary site to support a local business that was undergoing construction. A registered lease is in place with this business for the ongoing use of the site as parking for Crescent Place customers.

Maintenance of the site is the responsibility of the tenant under the lease and recently work has been undertaken to bring the infrastructure in keeping with the Royal Well surroundings.

The Council receive £25,000 per annum for the site and the lease is for a period of 10 years.

9. Question from Councillor Emma Nelson to Cabinet Member for Economic Development, Culture, Tourism and Wellbeing, Max Wilkinson

It is most unfortunate that the recent discovery of RAAC in the ceiling panels at Leisure @ resulted in the temporary closure of the Teaching Pool and Splash Pool, particularly over half-term week; and this coming so soon after the sudden closure of the Pump Room at the end of October due to the need for urgent repairs to plasterwork on the ceiling.

Will the Teaching Pool and Splash Pool at Leisure @ be able to re-open as planned w/c 4th March?

Cabinet Member response:

Thank you to Cllr Nelson for the three questions. RAAC has been found across the country in schools, hospitals and other public buildings like courts, police stations, libraries and public housing. This is not an issue that should be viewed in isolation as something only being experienced in Cheltenham at our leisure centre. I'm sure she would consider asking the government, perhaps via our MP, to setup a national risk register of all public buildings alongside funding from the treasury to help hard-pressed local authorities deal with the issue. As Cllr Nelson will be aware, urgent maintenance costs must come from somewhere and sacrifices will inevitably be made either now, or in the future, as a result of the discovery of RAAC. A national fund is required to mitigate this, as well as the disruption caused to pupils, patients and other users of public buildings across the country. A national ministerial taskforce is undoubtedly required.

In response to Government guidance released in 2023 a full assessment and inspection by specialist contractors confirmed there are ceiling panels containing RAAC in the Teaching Pool and Splashpad which led to the decision to close the Teaching Pool and Splashpad on 24 January. The measures taken to strengthen the panels and ensure the area is made safe for the public has involved aligning multiple different contractors to overcome the additional complexities on operating in a wet side environment. We have experienced some delays with the supply of materials and labour, particularly given that many other public bodies are also requiring these resources to strengthen areas of RAAC in their buildings. The handover of the site back to the Cheltenham Trust is now expected on Friday 15 March. Following that handover, the areas will need to be cleaned and pool water sampling will be undertaken before re-opening. The Trust will be updating their communication to customers this week but is expecting to be re-open for the busy Easter holidays.

10. Question from Councillor Emma Nelson to Cabinet Member for Economic Development, Culture, Tourism and Wellbeing, Max Wilkinson

When will the works at the Pump Room be completed?

How much revenue has Cheltenham Trust lost as a result of the closure of the Pump Room?

Cabinet Member response

I was pleased to visit the Pump Room in person with Cllr Julian Tooke, who has been monitoring this issue closely. We saw the complexity of the specialist work being undertaken to look after such an important heritage asset. The works are due

to be completed and the building made fully available to the Cheltenham Trust on Friday 8 March in advance of their busy Cheltenham Festival events. The Council understands the importance of Festival week for the town's economy. Officers have worked hard with staff at the Trust to ensure that they can benefit from what is arguably the most important week of the year for any business. Questions about the finances of The Cheltenham Trust's revenues should be directed to the Trust.

11. Question from Councillor Emma Nelson to Cabinet Member for Economic Development, Culture, Tourism and Wellbeing, Max Wilkinson

The recent maintenance issues at two of the Council's and Cheltenham Trust key facilities (Leisure @ and Pittville Pump Room) leads me to ask - what lessons has the council learnt to ensure their other facilities, and indeed these two, are fit for purpose going forward?

Cabinet Member response

While Cllr Nelson has mixed the two cases, it is important that this authority considers these two closures separately as the decision to close each was due to very different issues. One relates to a building that is almost 200 years old, while the other relates to concrete used in a much more modern structure. In both cases, the Council and The Cheltenham Trust prioritised the safety of staff and customers. The two organisations have worked together to ensure the venues are closed for the shortest time possible. The teams are focused on making sure the work is completed in line with the timescales set out above. When the venues are re-opened, this authority will work with the Trust to consider any learnings from the work undertaken, to help inform future maintenance plans.

On a more general level, this authority continues to take a great deal of pride in local facilities such as Leisure@ and the Pittville Pump Room. Indeed, many other authorities would not have retained these buildings in public ownership, given the ongoing squeeze on local council finances. As a member of two principal local authorities, Cllr Nelson is aware of the financial challenges faced by local government and I'm sure she shares our frustration. Cllr Nelson is presumably also aware that a past administration run by a different political party toyed with various ideas for privatising the Pittville Pump Room. However, sound financial management of this Council over many years, alongside a commitment to heritage and partnership working, has enabled the retention of the Pump Room in public ownership and the ongoing function of Leisure@ as a municipal leisure centre.

The Mayor thanked Members for their questions and responses.

9 Final General Revenue and Capital Budget Proposals 2024-25 and Quarterly Budget Monitoring Report, October-December 2023

The Mayor explained the process, then invited that Cabinet Member for Finance and Assets to introduce the budget. He began by highlighting the following points:

- despite another 12 months of economic uncertainty and instability and the cost of living crisis, the budget is driven by support residents and investing in the town;
- we are faced with severe national and local challenges – a housing crisis, climate crisis, broken NHS and social care systems, mental health crisis, ecological crisis, poverty crisis, and struggling education and police services;
- the national debt is hovering around almost 100% of GDP; in 2022-23, the current government spent around £108bn servicing the debt, more than it spent on education, and over £100bn-worth of waste and fraud has been identified by the parliamentary accounts committee;
- moving on to the challenges of the local authority funding crisis, for over a decade local authorities have been under unprecedented, sustained pressure with government funding reduced by around 50%, below-inflation council tax rises, and commercial-driven revenue savagely affected by the government's mini-budget and economics which, with cost and demand pressures rising faster than funding, will, by 2024-25, have added £15bn (28.6%) to the cost of delivering council services;
- eight authorities have issued 114 notices, unable to balance their budgets and facing bankruptcy, and a recent LGA survey shows that one in five authorities are likely to issue a 114 notice this year or next. Financial resilience in the sector is at an all-time low as a result of the current government's political choices;
- it isn't true to say that Cheltenham gets a good deal – it is the 19th worst-funded council in the country, despite delivering vital services and support to vulnerable residents. The council's financial resilience has been tested – we have innovated, changed the shape and structure of the council and how services are delivered, and continue to find efficiencies, savings and additional income to bridge the funding gap, which takes time, resources and no small effort from Cabinet colleagues and officers across the council.

He then moved on to the ways in which our strategy enables the council to continue to deliver services, support residents, invest in the town and put Cheltenham first:

- keeping all our services running efficiently and effectively to support businesses, the daytime and night-time economy and our residents;
- directing grant funding to support our leisure and cultural sector, also working collaboratively and in partnership, underpinning the town's economic activity and preserving its uniqueness, loved by residents and visitors;
- supporting vulnerable residents with our council tax discount scheme, benefit and money advice measures, working with Cheltenham's food network, and

supporting voluntary and community organisations through the third sector rent support policy;

- working to reduce CO2 emissions whilst promoting biodiversity in Cheltenham's parks and gardens;
- leading the way with kerbside recycling and being the only district council in the country to offer its residents a town household recycling centre.

He said the budget underpins our statutory services, but there are also many examples of discretionary spending. The strategy aims to balance financial sustainability with investment for the future, putting Cheltenham first. This includes:

- our continuing housing investment programme, to provide safe, secure and good quality housing, and recognising the need more affordable homes across the town;
- investing in our communities to combat the climate crisis, including the successful launch of the Green Deal scheme, which has led to the installation of Cheltenham's largest solar array; community organisations and small businesses benefiting from retrofit grants; the retrofit of the leisure centre; and the launch of a new cycle hub for the town centre;
- key investment by the council in the Golden Valley development not only plays a role in our financial sustainability, but also enables economic growth and much more - new homes, businesses, jobs, unique opportunities . The planning application has now been submitted for the innovation centre, mobility hub and housing.

He went on to say that growing inequality in our society is reflected in the nearly 4500 children and young people in our town living in poverty and whilst we cannot solve this crisis, the No Child Left Behind initiative is vital, already having touched the lives of over 7000 children across the town in recent times, by connecting people, businesses and organisations that care to give opportunity and hope to those children.

He ended by saying that the 2024-25 budget continues to navigate through the national economic turmoil and financial uncertainty, and reiterated that our priorities are supporting our residents, investing in our town, and putting Cheltenham first.

The budget was seconded by Councillor Hay, who reserved the right to speak.

Member Questions

Members thanked the Cabinet Member for Finance and Assets, and officers Paul Jones, Gemma Bell, Jon Whitlock and all the finance team for their tireless work on the budget.

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

- he hoped to give reassurance that the general fund balance could be maintained at a healthy level, in view of the predicted overspend of £70k sending it below £1m - last year's budget report advised that it would be maintained at £1.5m and the revenue budget for 2023-24 was set accordingly.

Where budgets are stretched, overspend comes into play, and Appendix 7 shows that £629k is planned to go back into the general balance. We need to take a prudent approach, however – there are plans to replenish the balance, but no knowing what the next 12 months may hold;

- in preparing the budget, the finance team gets the necessary data on the economy from the Department of Levelling up, Housing and Communities, the Office of National Statistics, the Bank of England, and a range of outside organisations including financial advisers ArlingClose and PSTAX consultancy. It also relies on the experience and knowledge of officers;
- he is as confident as he can be about delivering revenue and additional income savings, based on data analysis and assessments – but anything can change;
- he is aware of the county council's drive to install EV charging points, with all six districts jointly bidding to get a cheaper deal, but this doesn't necessarily work for CBC which is taking a different model in how it approaches the EV end supplier;
- regarding the government's £600m boost to local councils (£500m of which has been directed to social care), the council plans to spend £1395 per household per year; the usual government funding makes up £104 of this, of 7%. The additional funding adds around £3.50 per household.

Statements from Group Leaders

The Leader of the Conservative Group said he understand the intense pressures on local government, made worse by international situations which have sent shockwaves through all economies, but added that in 37 years as an officer and councillor, he had never known a time when councillors didn't criticise the government of the day for lack of funding.

He said his group understood the need to recognise the real work situation and the challenges of this, and thanked Gemma Bell, Jon Whitlock and Paul Jones for preparing the budgets – his group proposed only modest amendments.

He went on to make the following observations:

- separate to the budget, he couldn't ignore the government's £20m investment in the cyber park, saying it was unrealistic to say the town was being starved of funds, and as a county councillor he particularly welcomed the £600m additional funding, £500m of which would be spent on social care;
- all councils would like more money but the greater emphasis was to use money safely; blind criticism of the Secretary of State was unfair as there are many councils which do not spend their money well. He added that CBC has a better team-working ethic than many other councils;
- his party's proposed amendments were modest, and familiar, but proposed because they think it is the right thing to do. As the Leader said earlier, it is important to look after every penny, and the amendments help use money more sensibly on things that people really want – cleaner streets and more opportunities for recycling.

There were no other group leader statements.

Proposed amendment from Conservative group

The Leader of the Conservative Group explained his group's proposed amendments as follows:

- the county council works with a Cabinet of nine, with a £616m budget;
- the all-Member elections in May, due to the boundary change, could be continued going forward. This would save money, avoid confusing residents, and reduce the workload for election staff, with a general and county council elections due in the next two years. Cheltenham is the only council in Gloucestershire to hold two-yearly elections, and it is to be noted that the other two districts which hold whole council elections are both LibDem-led;
- the savings would be modest, and many things in the budget are excellent, but his group feel it is their duty and responsibility to propose these amendments;
- as ward members, they hear many complaints about the filthy streets, and more sweeping could be done. The savings on elections will finance 0.8% of an operative, or four days a week;
- regarding the recycling centre, residents are frustrated and opposed to it being closed on Wednesdays, and we need to send a clear signal that we are serious about recycling.

He hoped that these amendments would be considered sensibly and not simply dismissed.

The amendments were seconded by Councillor Nelson, who reserved the right to speak.

Cabinet Member response

The Cabinet Member for Finance and Assets thanked Councillor Harman for the Conservative group's amendments, and for providing them in advance to allow his group the opportunity to consider and discuss them. He said that the Conservatives have been proposing the same amendments since 2018, and made the following comments:

- he welcomed the £20m from the government, but this was capital spend towards the national infrastructure for which the town is paying, and not part of the revenue budget;
- the council has changed in shape and size in the last few years, and does a lot more work than it used to and does it effectively – which is why the two additional Cabinet posts are needed;
- two-yearly elections work for Cheltenham and give our residents a voice between general elections;
- regarding the spending proposals, CBC is the only district council in the country running a town centre recycling centre, and is not going to sacrifice two Cabinet Members for it to be open for a few more hours a week;
- we also have record recycling numbers, with the type of recyclates being collected from the doorstep growing;

- although it could be said that street cleaning isn't as good as it could be, an additional £22,700 in a £1.4m budget is negligible. He will feed the facts into the review of the Ubico contract.

He concluded by saying that the LibDem group rejected the amendments.

Debate on amendments

Members had nothing further to add.

Secunder for amendments

Seconding the amendments, Councillor Nelson felt that four-yearly elections would be more efficient, as well as saving money, and said that the roads are a disgrace and additional street-cleaning is desperately needed.

Councillor Harman thanked Councillor Nelson for her support and said that the reason his group returns to these proposals each year is because they are sticking to their principles and think it is the right thing to do – more efficient and less confusing for the electorate who don't altogether understand what the county and the borough councils do, and reducing the risk of depressing the turn-out at elections. His group is here to improve the lot of people in Cheltenham, and must do what they can in the limited envelope of opportunity to make Cheltenham more efficient and cleaner.

The Cabinet Member for Finance and Assets said his group would not support the amendments.

Vote on the Conservative Group's amendments

Savings:

Reduce the cabinet size by two, saving £37k per annum

Adopt whole council elections, saving £25k per annum

Alternative spending made possible by the above:

Return the Swindon Road Recycling Centre to its previous hours - £35k

Top up street cleaning in targeted areas - £22.7k

Against: Councillors Andrews, Atherstone, Baker, Boyes, Britter, Chelin, Chidley, Clucas, Collins, Dobie, fisher, Harman, Harvey, Hay, Horwood, Jeffries, Lewis, McCloskey, Pineger, Tailford, Tooke, Wheeler, Wilkinson, Williams, Willingham

For: Councillors Babbage, Harman, Nelson, Seacome.

Abstention: Councillor Smith

NOT CARRIED

Debate on substantive motion

Members made the following comments:

- the budget is welcome, and it is particularly pleasing to note that when many councils are in crisis and cutting back on planning services, CBC is currently

recruiting two new conservation officers, a senior enforcement officer to deal with the backlog of enforcement cases, and a borough ecologist to help deliver more than the government's 10% target of biodiversity net gain and provide a valuable resource for the whole council in tackling nature recovery and nature emergency in the country. It is good financial management from the Cabinet Member for Finance and Assets and the Executive Director of Finance, Assets and Regeneration and their predecessors that make this possible, and puts the council in this strong position;

- it is great that we are able to continue investment in the private rented sector, providing homes for those in need of affordable housing and a great landlord;
- the recent No Child Left Behind awards ceremony celebrated the great work done by that organisation in creating community, making children feel valued and part of something unique. Seven thousand children and families have been helped, and this is due to the stable budget, and a finance team that doesn't look for short term quick fixes but for ways to make things better for all our residents, children, businesses, and organisations. No Child Left Behind is a small part of this, but thanks are due to officers, leadership, the town, businesses, and organisations such as Punchline for their support and commitment. Looking to the future, it is clear that the Golden Valley development will change the future of the town, providing apprenticeships, job opportunities and new homes;
- all councillors want the best for the town, irrespective of their political parties, and it is frustrating that year after year, we cannot do more for the town due to various constraints and having our hands tied by council tax, and lack of government funding. It would be impossible to run a business like this, often acting blind while waiting for late government announcements. Huge thanks to all local authority staff across the borough and county who do a remarkable job in challenging circumstances, often having to have difficult conversations and deal with complaints about decisions, year after year;
- Cabinet Members are also to be thanked for the great job they do, and for their energy, knowledge and passion for their subjects; to suggest reducing their number is nonsense;
- There is good news in the budget - £4.5m in the private rented sector providing desperately-needed social housing, £80k for parks, more CCTV in the town, making it safer and increasing prosecutions for anti-social behaviour and littering;
- The £20m from government for the Golden Valley development is not a blank cheque for CBC to spend as it wants, and was awarded in the second round of levelling-up funding – Cheltenham got nothing from the first round;
- In the current economic climate, the budget proposed is brilliant, with the Golden Valley Development set to deliver 3000 new, low carbon homes, included 35% affordable, and 11 thousand brand new jobs, borne out of collaboration with partnerships, an internationally renowned development partner, government agencies, big industry, and academia, to name but a few;
- the planning department does a wonderful job, but the conservation and enforcement posts referred to earlier are not new posts – officers have left and are being replaced;
- it is good that the North Place planning application has been received, but should be noted that a few years ago, CBC was given the chance to bid for £3m government grant towards that application – if that had been pursued,

the protected green fields in Leckhampton might have been saved from development;

- it is not fair to say Cheltenham's MP has not helped the town with funding its projects - £187m has come to Cheltenham through him. It may be capital funding, but doesn't include the costs of A417 or Junction 9;
- there is some fantastic climate change work in the budget, and it is important to note that the finance team has found a way to keep us on same budget as last year, with no cuts to climate investment and still spending money, prioritising investment in town and its future;
- with an incredible degree of flexibility and creativity, the finance team has been able not only to balance the books but also to enable the unique green deal investment scheme which allows businesses to borrow money at a reduced rate to invest in climate adaptation in Cheltenham, delivering incredible investment at very low cost to the tax payer;
- it is very concerning that our budget is predicated on potentially compromising our duty to the Equality Act, which seems to be where the government is going with its requirements to reduce spending on EDI. Strong local government has always delivered good services for its people, and the government should be looking at how local government be strengthened to deliver what local people want in their areas. Hopefully a new government will take a different approach.

Secunder for budget

As secunder, the Leader made the following points:

- of course government funding is acknowledged and welcome, but of the £95m spend on the Golden Valley, the government has contributed £20m, and of the £10m for the MX, government has contributed just over £3m. The council also funds its own development team for £700k per annum. These stark figures show the council's huge commitment, but we cannot achieve all our goals such as climate change and house-building in isolation, and strive to form and work with partnerships to bring forward economy, development and community. The budget shows how we are growing the economy with more jobs, not just at Golden Valley, but also in other areas;
- she is proud of what small our small authority does in EDI, and vehemently disagrees with any suggestion from government that this is a waste of money;
- the budget is all about securing our future and young people's and children's future;
- thanks to Cabinet colleagues and officers who all work extremely hard, often unseen and unrecognised, and special thanks to the Cabinet Member for Finance and Assets for all the work and commitment he puts into his role.

Cabinet Member summing-up

The Cabinet Member for Finance and Assets thanked Members for their questions and debate, and also thanked the public for their response to the budget consultation – their contributions are always welcome.

He went on to make the following points:

- with so much negativity in national politics, the country feels let down by the government. Our budget focusses on our town, and its whole purpose is to

help people - all that makes the town unique stems from its residents. The budget secures our future and aims to overcome any challenges, investing in the people and the town;

- the finance team has to review and monitor the national economic situation constantly and works non-stop to do this. Thanks to all officers, and the finance team especially. Personal thanks the Executive Director for Finance and Assets, to Gemma Bell and Jon Whitlock for all their work and the depth of their knowledge, and exceptional professional advice and guidance;
- thanks to all Members across the Chamber, the Leader, Cabinet colleagues and the LibDem group for their support. As stated in the opening statement, the political choices and priorities of the LibDem administration are clear - supporting residents, investing in the town, and putting Cheltenham first.

RESOLVED THAT:

- 1. the revised budget for 2023/24 which is reported as part of the budget monitoring process for 31 December 2023 in Section 6 is approved;**
- 2. the budget assessment by the Section 151 Officer at Appendix 2 is considered in agreeing the following recommendations:**
- 3. the final budget proposals including a proposed council tax for the services provided by Cheltenham Borough Council of £237.68 for the year 2024/25 based on a Band D property (an increase of 2.99%), as detailed in paragraphs 9.1 to 9.6 is approved;**
- 4. the savings / additional income totalling £2,741,000 and the budget strategy at Appendix 4 is approved;**
- 5. the revenue growth items totalling £158,000 at Appendix 5 is approved;**
- 6. the capital programme at Appendix 6 is approved;**
- 7. the use of reserves and general balances and note the projected level of reserves, as detailed at Appendix 7 is approved;**
- 8. the programmed maintenance programme at Appendix 8 is approved;**
- 9. the Medium Term Financial Strategy (MTFS) detailed in Appendix 9 is approved;**
- 10. the flexible use of capital receipts strategy as detailed in Appendix 10 is approved;**
- 11. that the Council will remain in the Gloucestershire business rates pool for 2024/25 is noted;**
- 12. the Pay Policy Statement for 2024/25, including the continued payment of a living wage supplement at Appendix 11 is approved;**
- 13. the responses to the questions raised during the budget consultation in Appendix 12 are noted;**
- 14. the proposed fees and charges schedule for 2024/25 at Appendix 13, subject to appropriate consultation where required are approved;**
- 15. a level of supplementary estimate of £100,000 for 2024/25 as outlined in Section 18 is approved.**

For: Councillors Andrews, Atherstone, Baker, Boyes, Britter, Chelin, Chidley, Clucas, Collins, Dobie, Fisher, Harvey, Hay, Horwood, Jeffries, Lewis, McCloskey, Pineger, Smith, Tailford, Tooke, Wheeler, Wilkinson, Williams, Willingham.

Abstentions: Councillors Babbage, Harman, Nelson and Seacome Harman.

10 Housing Revenue Account Revised Forecast 2023-24 and Budget 2024-25

The Cabinet Member for Finance and Assets introduced the report, highlighting that the same economic challenges faced by the General Fund continued to put financial pressure on the Housing Revenue Account (HRA). That said, he was pleased to report that with the confirmation of national rent policy for 2024/25, along with the small reduction in interest rates from the peak in 2022, the long-term position of the HRA has started to show signs of improvement.

He made the following comments:

- he regretted what he felt was the continued short-term policy approach from government towards local authority housing, emphasising the need for longer term funding plans and rent policy in order to address the growing homelessness crisis and the lack of affordable and social housing, which need long-term commitments, policy certainty and sensible funding solutions;
- the Cabinet set a clear direction of travel in October 2023 to bring housing services back in house which was in the best interest of communities. This bold vision had been set to deliver savings to retain the council's financial resilience, but also presented an opportunity to deliver services better, and to be better placed to respond to further government regulations or compliance requirements;
- a commitment was made in last year's budget to continue to grow the HRA in order to support tenants by investing in new and existing homes, despite the financial challenges faced. He believed this has proved to be the right approach.

He said the HRA interim budget proposals for 2024/25 before Members would deliver on the ambition set by the council to provide a housing service that:

- places residents at the centre of decision making;
- delivers high quality new homes;
- reinvests in existing homes and neighbourhoods;
- delivers value for money;
- continues to support the most vulnerable and those in financial hardship in our communities.

He ended by putting on record his thanks to all the staff at Cheltenham Borough Homes and officers within the council, whose hard work on behalf of the town's communities was valued and recognised. The HRA budget for 2024-25 enables us to continue supporting our tenants, invest in their homes, deliver new homes, and continue to put Cheltenham first.

Member Questions

In response to a question, the Cabinet Member confirmed that the cost of bringing CBH back in house would be met from CBH reserves.

Member Debate

The Cabinet Member for Housing began by thanking all officers from CBC and CBH for their outstanding work in the last 12 months, especially in view of the increase in demand for housing services. She made the following points:

- it was upsetting to see people being forced out of their homes with limited opportunity to find alternative accommodation, but was pleased that building and investment in new homes would continue, highlighting 390 affordable new homes in the pipeline over the next four years –high quality, sustainable, energy efficient homes. It is exciting that nine such homes have already been built in Leckhampton through an S106 agreement
- land-led projects at 320 Swindon Road (24 homes) and the former Monkscroft school site (70 homes) are moving forward;

- the number of valuable housing services provided to residents and communities are welcomed, with investment into the existing housing stock informed by the asset management strategy, a data driven document - good data would continue to be collected in order to inform investments going forward
- over the next five years, a replacement kitchen programme will be rolled out, with 500 planned for this financial year, and a further 1000 in the next four years. In addition, vast investment in fire and electrical safety measures and work on addressing mould and damp condensation conditions is underway, representing key investments and working towards the new standards required by the social housing regulator and the housing ombudsman;
- overall, housing is in a stronger position than last year, albeit the recovery has been modest, but we still need to be careful. Services will be streamlined by bringing CBH back in house, reducing duplicate systems and adding value to a broader range of residents, tenants, leaseholders, shared ownership, and private rented sector.

She ended by putting on record her thanks to the finance team and the Cabinet Member for Finance and Assets for their hard work.

In debate, the following comments were made :

- there are huge disparities of wealth in communities across the town, and it is great therefore to hear about investment in existing council housing stock. It is also exciting that this authority is one of the first to resume building council housing and it will continue to do so in challenging circumstances..
- tribute was paid to CBH for all they have delivered, but it is exciting to note that, by bringing CBH back in house under Paul Minnis (job title), we will see significant delivery of more council homes in the years ahead. It is important that the council is demanding of developers in the 40% share of affordable housing requirement – a serious way to deliver much-needed homes;
- with mental health issues increasing across the country and especially in children who will become adults with ongoing mental health issues, it was

hoped that special provision for housing for those with mental disabilities where support is needed would be taken forward.

Summing up

In summing up, the Cabinet Member thanked Members, highlighted the importance of the HRA for improving people's lives, particularly keen on the investment.

RESOLVED THAT :

- 1. the final HRA budget proposals (shown at Appendix 2) is approved;**
- 2. a rent increase of 7.7% for social rent homes, affordable rent homes and shared ownership homes and changes to other rents and charges as detailed within the report is approved;**
- 3. the HRA capital programme as shown at Appendix 3 and the detailed capital programme at Appendix 4 are approved;**
- 4. the HRA's Asset Management Plan is approved.**

For (unanimous): Councillors Andrews, Atherstone, Babbage, Baker, Boyes, Britter, Chelin, Chidley, Clucas, Collins, Dobie, Fisher, Haman, Harvey, Hay, Horwood, Jeffries, Lewis, McCloskey, Nelson, Pineger, Seacome, Smith, Tailford, Tooke, Wheeler Wilkinson, Williams, Willingham.

11 Council Tax Resolution 2024-25

The Cabinet Member for Finance and Assets said that now that the budget had been agreed, Members were required to formally approve the total council tax for the residents of Cheltenham for the coming year. This includes the council tax requirements of the county council, Police and where relevant, parishes.

There were no questions or debate on this item.

RESOLVED THAT:

- 1. the formal Council Tax resolution at Appendix 2 is approved and the commentary in respect of the increase in Council Tax at Paragraph 6 of Appendix 2 is noted.**

For (unanimous): Councillors Andrews, Atherstone, Babbage, Baker, Boyes, Britter, Chelin, Chidley, Clucas, Collins, Dobie, Fisher, Harman, Harvey, Hay, Horwood, Jeffries, Lewis, McCloskey Pineger, Seacome Smith, Tailford, Tooke, Wheeler, Wilkinson Williams, Willingham

12 Council Tax Discount Scheme for Care Leavers

The Cabinet Member for Finance and Assets introduced the report, which recommends some changes to CBC's existing care leavers' council tax discount

scheme, recommended after last year's review of Gloucestershire's offer, by the Department of Education's national advisor for care leavers. There is currently a common policy across the districts, so the recommendations put forward will form an extension of this policy. The proposed change is that from April 2024, care leavers are eligible up until their 25th birthday (previously 22nd) and will include care leavers previously in the care of other local authorities as well as Gloucestershire County Council.

He said that all six districts are recommending that the care leaver discount scheme is amended from April 2024 to include these changes, and knowing how vulnerable care leavers are, he was happy to be bringing the report and recommendations, which he hoped Members would support.

There were no Member questions.

The Cabinet Member for Economic Development, Culture, Tourism and Wellbeing commented on another example of the council's big-hearted approach, looking after its most vulnerable residents. A Member said that his group fully supported the recommendations, and having met a number of care leavers and being aware of the big challenges they can face, felt that the council should do all it could to support them.

The Cabinet Member for Finance and Assets noted that this is not a political issue, but has cross-party support across the county.

RESOLVED THAT

- 1. the Council Tax Discount for Care Leavers scheme in Appendix 2 is approved.**

13 Council Tax Premium on Empty Properties and Second Homes

Councillor Horwood left the Chamber for this item.

In introducing his report, the Cabinet Member for Finance and Assets said that, with the continued housing crisis, the council uses all the tools at its disposal to bring empty homes back into use, including our discretionary powers to levy council tax on long-term empty properties. The level of premium and current number of properties is shown at 2.3 in the report, but changes in the relevant acts of parliament mean that, if Members are supportive, we can now charge the premium on properties that have been empty for one year instead of two.

In addition, a new power means that we can now charge a premium for second homes. Until now a loophole in the legislation means that if a long-term empty home is furnished, it can be classed as a second home, thus circumnavigating the empty homes premium.

He said there are currently 963 properties classed as second homes, and although most of these are not long-term empty, they do not positively contribute to

community cohesion, and the changes should encourage their owners to consider freeing them up. Taking the decision now means that we will be prepared and proactive as soon as the changes come into force in April 2025.

A Member asked how the council recognises that a property has been empty for more than a year. The Cabinet Member for Finance and Assets confirmed that the council is notified when a property is vacated, and if no council tax payments are subsequently received, officers will assume the property has remained empty and undertake investigations to check.

A Member said it is an eye-opener to see how many empty properties there are across the town, and hard to think that many of them could not be put back into good use. With the new policy coming into effect next year, this will help encourage people to bring those homes back into use for other Cheltenham residents;

The Cabinet Member for Finance and Assets summed up by saying that although this is not a huge problem, it is a problem none the less, and he thanked Jayne Gilpin and the council tax team for the fantastic work they do on behalf of Cheltenham residents.

RESOLVED THAT:

- 1. the change to the Empty Homes Premium is approved, 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. the implementation of the 100% Second Homes Premium from April 2025 is approved;**
- 3. authority is delegated 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.**

14 Council Order of Precedence - Nominations for Mayor Elect

The Chief Executive said this is the regular report to Members, as required by the Constitution, which looks to confirm the order of precedence for the nomination and election of the next Mayor. Councillor Baker is put forward, subject to the outcomes of the May election, and the official appointment of the Mayor and Deputy Mayor will take place after the election.

There were no Member questions or debate on this item.

RESOLVED THAT:

- 1. the Order of Precedence in Appendix 2 is noted;**

2. pending the outcome of the borough elections, Councillor Paul Baker will be put to the Annual and Selection Council Meeting for election as Mayor for the Municipal year 2024–2025;
3. the Councillor nomination for Deputy Mayor for the Municipal year 2024-2025 will be put to the Annual and Selection Council Meeting for election.

15 Council Diary

Introducing the item, the Leader said everyone had been consulted and given the opportunity to comment on the proposed corporate diary for 2024-25. She said it is always a challenge to accommodate all the committees and working groups at times which work for everyone, and officers work hard to avoid high days and holidays and group meetings, although there is inevitably some conflict. She thanked the Democratic Services team for pulling it together.

In response to a Member's question, she confirmed that party conferences were taken into consideration when assembling the diary.

RESOLVED THAT:

- the draft Council Diary of meetings for September 2024 – August 2025 is approved.

16 Notices of Motion

There were no motions on this occasion.

17 Any other item the Mayor determines as urgent and which requires a decision

There was none.

18 Local Government Act 1972 - Exempt Information

RESOLVED THAT:

In accordance with Section 100A(4) Local Government Act 1972, the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraphs 1, 2 and 3, Part (1) Schedule (12A) Local Government Act 1972, namely:

Paragraph 1: Information relating to any individual

Paragraph 2: Information which is likely to reveal the identity of an individual

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

19 Organisational Review

The Chief Executive introduced his report, and following a debate, Members voted in support of the recommendations.

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Cheltenham Borough Council

Council – 18 March 2024

Petition : Stop the sale of Idsall Drive Car Park

Accountable member:

Cabinet Member for Finance and Assets, Councillor Peter Jeffries

Accountable officer:

Director of Finance and Assets, Gemma Bell

Ward(s) affected:

Prestbury

Key Decision: No

Executive summary:

A petition was presented to Council by Councillor Stephan Fifield on 23 February 2024 to stop the sale of Idsall Drive car park in Prestbury. The Council own the freehold of the car park and had approved the site as surplus to requirements in November 2020. The summary statement accompanying the petition is set out below.

The purpose of this petition is to stop the sale of Idsall Drive Car Park and to resolve its long-term future.

We, the petitioners, recognise that the decision to sell Idsall Drive Car Park is the sole responsibility of Cheltenham Borough Council.

We recognise it is clear that this car park, as is evidenced by the amount of signatures on this petition, is overwhelmingly valued by the local community providing access to various shops and amenities.

We have significant concerns about the evidence provided to justify the selling of the car park.

We believe that the sale to a buyer who would not maintain its function as a car park would go against the will of the local community and cause serious damage to the local economy and community.

We believe that there are various alternative options that could be found for the car park that recognises its social and economic value and finds a long-term solution to its continued function.

We therefore respectfully ask the Mayor to:

1. *Call on the Overview & Scrutiny Committee to review the initial logic and decision to sell the car park.*
2. *For the Overview & Scrutiny Committee to create a report outlining possible alternatives for the car park with a clear set of recommendations with evidence provided from officers, residents and local stakeholders.*
3. *For the Full Council to vote on whether to accept one or some of these recommendations.*
4. *To call on the administration to immediately take the car park off the market while the petition is processed and the future of the car park is decided.*

We could be willing to discuss alternative options on the condition the car park is not sold before this democratic process is completed.

This is a cross community petition supported by people from all walks of life of various political persuasions and is meant in a constructive spirit. It is supported but not limited to by both the Conservative and People Against Bureaucracy Councillor Groups.

As the petition had in excess of 750 signatures, it is entitled to a debate at Council.

Recommendations:

It is recommended that Council:

1. **Note the detail of the petition presented to Full Council on 23 February 2024 to stop the Council's sale of Idsall Drive car park.**
2. **Note the activities outlined in Section 4 of this report undertaken by the Council between 2020/21 and 2023/24 which have led to the decision to dispose of the car park.**
3. **Reject the recommendations 1-4 outlined in the petition and continue with the disposal of the site on the open market.**

1. Implications

1.1 Financial, Property and Asset implications

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

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

1.2 Legal implications

One Legal have been instructed to act on the sale of the car park in accordance with the Cabinet decision of the 19 September 2023. Once contracts have been exchanged, the Council are bound to sell the car park to the buyer.

If the Council decides to pull out of the sale at this stage, it would need to consider the

reputational damage and that that the buyer would be entitled to monetary damages.

The petition will be debated at Council in accordance with the council's Petition Scheme. This means that the petition will be discussed at Full Council and the Council will decide how to respond to the petition at this meeting.

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

1.3 Environmental and climate change implications

N/A - The sale of the car park will deliver revenue and capital savings and a substantial capital receipt for reinvestment into the council's corporate priorities to help make Cheltenham #netzero by 2030

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

N/A – The sale of the car park will deliver revenue and capital savings and a substantial capital receipt for reinvestment into the council's corporate priorities to ensure residents, communities and businesses benefit from Cheltenham's future growth and prosperity.

1.6 Performance management – monitoring and review

Matter will be managed by Finance & Assets by Peter Woodley MRICS, Principal Surveyor – Asset Management, Projects & Development

2 Background

- 2.1 The council's Petition Scheme is designed to ensure that the public have easy access to information about how to petition their local authority and they will know what to expect from their local authority in response. Included within the Scheme is the requirement to have a full Council debate should a petition with 750 signatures be received.
- 2.2 The Scheme recognises that the issue may be referred to another part of the authority where the matter is not one reserved for Council. The purpose of the requirement for the Council debate, therefore, is not to ensure that the final decision relating to the petition issue is made at that Council meeting but to increase the transparency of the decision-making process, ensuring that debates on significant petitions are publicised with sufficient notice to enable the petition organiser and public to attend. It also ensures that local people know that their views have been listened to and they have the opportunity to hear their local representative debate their concerns. The outcome of debates will depend on the subject matter of the petition.

3 The Petition

- 3.1 The Council received a petition at its meeting on 23 February 2024. The wording of the petition is set out in the Executive Summary of this report.
- 3.2 Councillor Stephan Fifield was nominated as the petition organiser.
- 3.3 The Council is therefore required to debate the petition for a maximum of 15 minutes in accordance with the Petitions Scheme approved by Council on 13th May 2010. A process for dealing with a petition was produced by officers and is attached as Appendix 2 as a process to be followed for the debate at this meeting. The debate should conclude with one or more decisions taken pursuant to the Petition Scheme as follows:
- Taking the action requested in the petition (provided the matter is reserved to full Council for decision);
 - Referring the matter to Cabinet or an Appropriate Cabinet Member or Committee (including Overview and Scrutiny) for further consideration;
 - Holding an inquiry into the matter;
 - Undertaking research into the matter;
 - Holding a public meeting;
 - Holding a consultation;
 - Holding a meeting with petitioners;
 - Calling a referendum;
 - Writing to the petition organiser setting out our views about the request in the petition;
 - Taking no further action on the matter.

4 Reasons for recommendations

- 4.1 In November 2020 the Council unanimously approved the Covid-19 recovery revised budget 2020/21. This budget identified eight assets for disposal to generate capital receipts to support the budget pressures during the pandemic and over the medium term as the borough recovered. Idsall Drive Car Park was one of a number of under-utilised assets specifically identified and the recommendation was approved to note the asset for disposal.
- 4.2 In order to action the recommendation, discussions were held with Prestbury Parish Council in 2021 to explore the Parish purchasing the car park. An offer was made below market value with an overage requirement if the site was subsequently sold on by the Parish for development. In January 2022, Prestbury Parish Council voted in favour of not proceeding with the purchase.
- 4.3 In the period July to September 2022, surveys of the car park were undertaken to establish utilisation and potential impact on car parking within Prestbury High Street, which was set out to Cabinet in September 2023 (Pages 81 to 95).
- 4.4 Similarly in 2022 an initial marketing exercise was undertaken across some 42 locations to establish the interest from EV Charging Companies to install and operate EV charging points. Idsall Drive Car Park was included in this exercise but interest in the site for such a use was limited.

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- 4.5 The survey data was presented as part of the Cabinet report approved on 19 September 2023. In advance of the papers being published for the Cabinet meeting they were also presented and discussed at the Council's Asset Management Working Group on 12 September 2023. This is a cross party working group with representatives from all the Council's elected parties. No specific objections were raised in this forum to marketing the site for disposal.
- 4.6 The recommendations approved by Cabinet on 19 September 2023 were that Cabinet:
- i. declares the site surplus to requirements;
 - ii. delegates to the Director for Finance & Assets, in consultation with the Deputy Leader and Cabinet Member for Finance & Assets, authority to dispose of the site on terms that represent best consideration and upon such other terms as are deemed appropriate; and
 - iii. authorises the Director for Finance & Assets, in consultation with Deputy Leader and Cabinet Member for Finance & Assets and the Director of One Legal, to prepare and conclude the necessary legal documentation to reflect the terms negotiated.
- 4.7 During the meeting, the Leader asked the Cabinet Member for Finance and Assets to go back to Prestbury Parish Council for further dialogue to ensure there was every opportunity for the Parish to purchase the site. In response to this, a meeting was held on 9 October 2023 with representatives from Prestbury Parish Council. A comparable offer was made to the Parish Council for the car park which was similar to the offer made in 2021 however the Parish Council voted to reject this.
- 4.8 In December 2023, THP Chartered Surveyors were instructed to market the car park on the basis of an informal tender, with a deadline for bids of 9 February 2024. The site was marketed on the basis of the existing use, albeit with alternative use development potential.
- 4.9 A total of 8 bids for the site were received, based on a range of values and conditions, both conditional and unconditional. None of the bids received were from EV charging companies. Whilst a sale remains subject to contract, the details of these bids remain confidential and are "exempt information" under paragraph 3, schedule 12A, Local Government Act 1972.
- 4.10 However, it can be stated the most advantageous offer was substantially in excess of the "hypothetical market value of £100,000" referenced in the September 2023 cabinet report and represents "best consideration" within the requirements of s.123 Local Government Act 1972.
- 4.11 In accordance with the delegations by Cabinet in September 2023, solicitors have been instructed and completion of a sale is being targeted by 31 March 2024 to support the funding of the capital programme for 2024/25.

5 Financial Context

- 5.1 As indicated in the report to Full Council in November 2020, the impact of Covid-19 on the finances of local authorities, coupled with a decade of austerity, budget cuts and a 'cost of

living' crisis is unprecedented. News from councils across the country tell of local authorities struggling to balance the books and warning of the possibility of issuing section 114 (bankruptcy) notices without further financial support from Central Government. The situation is being closely monitored by the Department for Levelling Up, Housing and Communities (DLUHC).

- 5.2 Since 2020, a further seven councils in England have issued section 114s. The most recent was Birmingham, which announced in early September 2023 that it has a budget shortfall of £87m. A survey, from the Local Government Information Unit (LGIU) which informed the LGiU's *State of Local Government Finance in England 2024* report, found just 4% of councils are confident in the sustainability of local government finance, and more than half drew on their reserves this financial year, with half of respondents reporting their councils planned to draw on reserves again in the next financial year (2024/25).
- 5.3 As part of that study, half of councils (51%) have warned they are likely to issue a section 114 notice in the next five years, and 14 local authorities (9%) said they are likely to issue such a notice within the next financial year. Whilst Cheltenham Borough Council are not currently in a position whereby it will need to issue such a notice, that is clearly predicated on the basis that the Council will need to make difficult decisions to ensure its financial sustainability.
- 5.4 The 2020 Recovery Budget approved unanimously by Full Council in November 2020, set out a pathway to ensure the Council remains financially viable through creatively re-focussing and re-energising our asset portfolio to ensure they are being used to maximum benefit. A number of assets, including Idsall Drive car park were considered surplus to requirements, in accordance with our approved Asset Management Strategy, and it was proposed that we look to generate maximum receipts from sale proceeds.
- 5.5 The Capital Strategy, agreed annually by Full Council, and the Investment Property Portfolio approved by Full Council on the 13th December 2016 set the following key aims:
- ***Support new business to stimulate growth and employment opportunities.***
 - ***Work with partners such as Cheltenham Borough Homes and the Cheltenham Economic Recovery Task Force to regenerate sites within the Borough, including those owned by the Council.***
 - ***Secure investment in the town to improve commercial and cultural heritage.***
 - ***Ensure our land and property asset portfolio is fit for purpose, secures increased income generation, maximises capital receipts and stimulates growth and investment in the Borough.***
 - ***Increase the proportion of total income from commercial activities.***
- 5.6 With the above in mind, the immediate focus was on those assets held in our portfolio that are deemed surplus to operational requirements and are currently low yielding in terms of delivering a return to our residents. They are, however, strategically placed to drive economic activity and the creation of jobs to deliver much needed housing and commercial

opportunities for the wider benefit of the whole town and its communities.

- 5.7 Whilst the disposal of assets is an executive decision, the Cabinet was keen to ensure any disposals were considered in an open and transparent manner. This report details the transparent nature to which Idsall Drive car park has been considered, scrutinised and approved for disposal over a period of more than 3 years.
- 5.8 The Cabinet accepts that some of the proposed disposals, including Idsall Drive car park, may not be universally supported by some members and some individuals and groups in our communities but that they are put forward for the benefit of the whole Borough and to ensure the ongoing viability of the Council and the delivery of its priorities.

6 Alternative options considered

- 6.1 Alternative options for the car park were outlined, considered and rejected within the cabinet resolution of 19 September 2023, made as a result of the unanimous resolution by full council in November 2020.
- 6.2 As outlined in Section 4 above, the alternative sale to Prestbury Parish Council has been considered twice since 2020 and on both occasions the Parish Council rejected the offer.

7 Consultation and feedback

- 7.1 The consultation and feedback that informed the decision to sell Idsall Drive car park and the associated recommendations in this report is outlined in Section 4 above.

8 Key risks

- 8.1 The key risks relating to the issues raised in the petition are outlined in Appendix 1.

Report author:

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

Appendices:

- i. Risk Assessment
- ii. Process for dealing with petitions at Council

Background information:

- i. Cabinet Report on the Sale of Idsall Drive - 19 September 2023

<https://democracy.cheltenham.gov.uk/documents/s45081/Idsall%20Drive%20-%20officer%20report.pdf>

- ii. Idsall Drive Car Parking Survey – 19 September 2023

<https://democracy.cheltenham.gov.uk/documents/s44989/ldsall%20Drive%20Car%20Parking%20Survey.pdf>

iii. Covid-19 Recovery Revised Budget – Full Council – 16 November 2020

https://democracy.cheltenham.gov.uk/documents/s34044/2020_11_16_Cabinet_Council_Covid%20recover%20revised%20budget_2020_21%20v3.pdf

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1	In the event that the car park is not disposed of in accordance with the resolution of September 2023, the council will continue to incur both the revenue and capital costs associated with ownership.	Gemma Bell, Director for Finance & Assets	5	2	10	Review of the approved budget for 2024/25 to identify whether ongoing maintenance would create further pressures. Consider introducing car parking charges and enforcement.	Gemma Bell	31 March 2024
2	Loss of substantial capital receipt may create pressure on the funding of the capital programme approved by Full Council on 23 February 2024.	Gemma Bell, Director for Finance & Assets	5	2	10	Prepare a contingency plan for the funding of the approved capital programme	Gemma Bell	31 March 2024
3	There may be reputational damage to the Council in halting an approved sale leading to difficulty in engaging buyers for	Gemma Bell, Director for Finance & Assets	4	2	8	Ongoing engagement with bidders for the site	Peter Woodley	Ongoing

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	future asset disposals.							

Process for dealing with petitions at Council

The following is the recommended process to be followed for the debate of a petition at the Council meeting in accordance with the Council's Petition Scheme. The Council Procedure Rules shall be suspended in so far as necessary to facilitate this process.

1. The Mayor will remind members of the procedure to be followed

2. Statement by the petition organiser

The Mayor will invite the petitioner organiser or their representative to come to the microphone and speak for up to 5 minutes on the petition.

There will be no questions and the petition organiser/their representative will take no further part in the proceedings.

3. Clarification on the background information in the officer's report

Members will be invited to ask any questions for clarification as to the facts in the officer's report.

4. Statement by the relevant Cabinet Member

The Cabinet Member whose portfolio is most relevant to the petition will be invited by the Mayor to speak for a maximum of 5 minutes on the subject of the petition. They may wish to refer to the background report from officers circulated with the papers for the meeting.

They may also wish to propose a motion at this point; if so, the motion must be seconded.

5. Debate by members

Where a member has proposed a motion (which is seconded), the usual Rules of Debate (Rule 13) will apply.

If there is no motion, the Mayor will invite any member who wishes to speak on the petition to address Council for up to a maximum of 3 minutes.

When the 15 minutes set aside for the debate (as laid down in the Council's Petition Scheme) is up, the Mayor may decide to extend the time allowed for the debate but will bring it to a close when they feel sufficient time has been allowed.

6. Conclusion of Debate

The debate should conclude with one or more decisions taken pursuant to the Petition Scheme as follows:

- Taking the action requested in the petition (provided the matter is reserved to full council for decision);
- Referring the matter to Cabinet or an Appropriate Cabinet Member or Committee (including Overview and Scrutiny) for further consideration;
- Holding an inquiry into the matter;
- Undertaking research into the matter;
- Holding a public meeting;
- Holding a consultation;
- Holding a meeting with petitioners;
- Calling a referendum;
- Writing to the petition organiser setting out our views about the request in the petition;
- Taking no further action on the matter.

Cheltenham Borough Council

Council – 18 March 2024

Leckhampton with Warden Hill Neighbourhood Plan – Progression to Examination

Accountable member:

Cllr Rowena Hay, Leader of the Council

Accountable officer:

Tracey Birkinshaw, Director of Community & Economic Development

Ward(s) affected:

Leckhampton with Warden Hill

Key/Significant Decision:

No

Executive summary:

The Leckhampton with Warden Hill Neighbourhood Development Plan is being produced by Leckhampton with Warden Hill Parish Council. All of the consultation requirements under Regulation 14 of the Neighbourhood Planning Regulations (2012) as amended were undertaken by the Parish Council and all the required documentation was submitted under Regulation 15. Those submitted documents were publicised for a minimum six-week period and representations invited.

Cheltenham Borough Council has a neighbourhood planning protocol dating from 2015. This protocol, amongst other aspects, sets out that at the 'Submission of Neighbourhood Development Plan' stage, it is for the **Council** to decide whether the Neighbourhood Plan should be submitted for examination.

The Parish Council have used local knowledge and that of consultants to draw up the Neighbourhood Plan and have continued to closely engage with the Planning Policy Team through the drafting process. As appropriate, the Planning Policy Team has provided guidance. The Neighbourhood Plan is now reaching its final stage.

Overall, it is considered that there are no fundamental issues relating to the Neighbourhood Plan which would prevent it being submitted to the examiner for independent examination.

Recommendations:

1. **Council is asked to:**
 - a) **Recommend that the Leckhampton with Warden Hill Neighbourhood Plan progresses to examination; and**
 - b) **Delegate authority to the Director of Community & Economic Development, in consultation with the Leader to submit the Leckhampton with Warden Hill Neighbourhood Plan along with other prescribed documentation to the examiner.**

1. Implications

1.1. Financial, Property and Asset implications

The NDP has to be examined by an independent Examiner. The Examiner is paid for and appointed by the Local Planning Authority. Financial support for neighbourhood planning is available at different stages of the process. The Local Planning Authority has already made claims via the DELTA grant administration system in respect of neighbourhood planning, which will be used to cover the costs of the independent examination process.

Signed off by: Director of Finance and Assets (Deputy Section 151 Officer)

gemma.bell@cheltenham.gov.uk

1.2. Legal implications

It is a statutory requirement to support the preparation of neighbourhood plans.

Under Regulation 16 of the Neighbourhood Planning (General) Regulations 2012, the Council must publicise details of the plan proposal and details of how to make representations (which must run for not less than 6 weeks) as soon as possible after receiving a neighbourhood plan proposal from a qualifying body (a parish council or designated neighbourhood forum) which includes: a map or statement which identifies the area to which the proposed plan relates; a consultation statement; the proposed plan; a statement explaining how the proposed plan meets legislative requirements and basic conditions (basic conditions statement); and either an environment assessment or statement with reasons an environment assessment is not required.

All these documents have been received and the Regulation 16 consultation has already been put in hand and ran between 29 January 2024 to 12 March 2024.

Further under paragraphs 6 and 7 of Schedule 4B of the Town and Country Planning Act 1990 (as applied and modified to applied to the making of neighbourhood plans by virtue of Section 38A(3) of the Planning and Compulsory Purchase Act 2004).

The Council must consider whether the procedural matters mentioned in paragraph 6(2) and (3) (as set out for consideration in this report), and if satisfied that the matters mentioned there have been met or complied with, the Council must submit the plan for independent examination.

If the Council is not satisfied that those procedural matters have been satisfied it must refuse the proposal and notify the qualifying body of their reasons for doing so.

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

1.3. Environmental and climate change implications

The Neighbourhood Plan highlights the local concerns of flood risk and the need for mitigation and adaptation in future climate, which is part of the Climate pathway, alongside providing insight at a neighbourhood level, of the walking and cycling connections that could improve sustainable travel at a local level.

Signed off by: [Maizy McCann, Climate Emergency Officer, maizy.mccann@cheltenham.gov.uk]

Corporate Plan Priorities

This report contributes to the following Corporate Plan priorities:

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

1.4. Equality, Diversity and Inclusion Implications

Annex 3 of the Leckhampton with Warden Hill Neighbourhood Plan sets out the demographic, social and economic profile of the local community. This includes data on age, gender, ethnicity, country of birth, household language, religion, belief and vulnerability. This data is then summarised within the neighbourhood profile section of the plan. The plan sets out a number of policies, of which a number will contribute to wider social objectives. These links are summarised in table 2 of the Basic Conditions Statement.

In addition, the Basic Conditions Statement sets out that the plan has regard to and is compatible with the fundamental rights and freedoms guaranteed under the European Convention on Human Rights including the prohibition of discrimination. The statement also sets out that all reasonable attempts were made to ensure that all Leckhampton with Warden Hill Parish residents, including those living outside the Neighbourhood Area but within the Parish, and all relevant stakeholders, were given the opportunity to contribute to and comment upon the plan.

Signed off by: Head of communities, wellbeing & partnerships, richard.gibson@cheltenham.gov.uk

1.5. Performance management – monitoring and review

The submitted Neighbourhood Plan contains a section on monitoring and review. Amongst other aspects, it refers to monitoring local conditions so that information supporting policies in the Neighbourhood Plan remain up to date.

2. Background

- 2.1. The Leckhampton with Warden Hill Neighbourhood Development Plan has been produced by Leckhampton with Warden Hill Parish Council. All of the consultation requirements under Regulation 14 of the Neighbourhood Planning Regulations (2012) as amended were undertaken by the Parish Council and all the required documentation was submitted under Regulation 15. Those submitted documents were publicised for a minimum six-week period and representations invited.
- 2.2. Cheltenham Borough Council has a neighbourhood planning protocol dating from 2015. This protocol, amongst other aspects, sets out that at the 'Submission of Neighbourhood Development Plan', it is for the Council to decide whether the Neighbourhood Plan should be submitted for examination.
- 2.3. The examination of the proposed Neighbourhood Plan will be carried out by a qualified and independent person. The purpose of an examination is limited to determining whether a Neighbourhood Plan meets the basic conditions, and other statutory requirements, or not.
- 2.4. Cheltenham Borough Council is in the process of appointing an examiner in consultation with the Qualifying Body (the Parish Council) to carry out an examination of the draft Leckhampton with Warden Hill Neighbourhood Plan should the Council be satisfied that the relevant procedural matters have been satisfied.

3. Reasons for recommendations

- 3.1. The Planning Policy team has provided ongoing guidance throughout the preparation of the Neighbourhood Plan. The Parish Council has worked hard in drawing in local knowledge and utilising the skill set from within the Parish Council and wider local community to develop their plan together with support from consultants at different stages of preparing the plan. Overall it is considered that there are no fundamental issues relating to the Neighbourhood Plan which would prevent it progressing to examination and the Neighbourhood Plan is therefore being presented with the positive recommendation to enable the Plan to proceed to examination. I would like to take this opportunity to congratulate the Parish Council in delivering the plan as now presented and the many community hours that have been given by numerous dedicated members of the community
- 3.2. The following table sets out the rationale.

<i>Legal requirement question</i>	<i>Reference to section of the legislation</i>	<i>Does the Neighbourhood Plan meet the requirements?</i>
Is the organisation making the area application the relevant body under?	Section 61G (2) of the Town and Country Planning 1990 Act (as amended)	Yes

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<p>Is all the relevant documentation included within the submission?</p> <ul style="list-style-type: none"> • Map showing the area • Consultation Statement • The Neighbourhood Plan • Strategic Environmental Assessment (SEA) report / Habitats Regulation Assessment • Basic Condition statement 	<p>Regulation 15 of the Neighbourhood Planning (General) Regulations 2012 (as amended)</p>	<p>Yes</p>
<p>Does the plan meet the definition of a NDP - 'a plan which sets out policies in relation to the development use of land in the whole or any part of a particular neighbourhood area specified in the plan'?</p>	<p>Section 38A(2) of the Planning and Compulsory Purchase Act 2004 (as amended)</p>	<p>Yes</p>
<p>Does the plan specify the period for which it is to have effect?</p>	<p>Section 38B(1) of the Planning and Compulsory Purchase 2004 as amended</p>	<p>Yes</p>
<p>The plan contains no 'excluded development'?</p> <ul style="list-style-type: none"> • County matter • Any operation relating to waste development • National infrastructure project 	<p>Section 61K and Schedule 1 of the Town and Country Planning Act 1990 (as amended)</p>	<p>Yes</p>
<p>Does it relation to only one neighbourhood area?</p>	<p>Section Act 38B(1 and 2) of the Planning and Compulsory Purchase 2004 as amended</p>	<p>Yes</p>
<p>Have the parish council undertaken the correct procedures in relation to consultation under Regulation 14?</p>	<p>Regulation 14 of the Neighbourhood Planning (General) Regulations 2012 (as amended)</p>	<p>Yes</p>

<p>Is this a first time proposal and not a repeat?</p> <ul style="list-style-type: none"> • Has a proposal that is the same or similar to the proposal in question been refused in the last 2 years or • Has a referendum relating to a proposal that is the same or similar to the proposal in question been held and • No significant change in relevant considerations (national policies and advice contained in guidance issued by the Secretary of State) or strategic policies contained in the development plan since the refusal or referendum. 	<p>Schedule 4B para 5 of the Town and Country Planning Act 1990 (as amended)</p>	<p>Yes</p>
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4. Alternative options considered

4.1. Neighbourhood Plans have to be examined by an independent examiner in order that they can be progressed. Therefore, there is no alternative option.

5. Consultation and feedback

5.1. The Neighbourhood Plan has already been consulted on, including at Regulation 16 stage. As part of Regulation 17, copies of the representations that have been made at Regulation 16 stage must be sent onto the independent examiner.

6. Key risks

6.1. As set out in Appendix 1, the risk can be avoided through the Council decision in terms of enabling the Neighbourhood Plan to proceed to independent examination.

Report author:

John Spurling, Planning Policy Manager (Interim), john.spurling@cheltenham.gov.uk

Appendices:

- i. Risk Assessment
- ii. Link to website where the submitted Leckhampton with Warden Hill Neighbourhood Plan can be found

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
	If the Council does not enable the Neighbourhood Plan to be able to proceed to examination, then it will not be performing part of its statutory duty	Director of Community & Economic Development	3	1	3	Avoid the risk	Close	This risk will be mitigated by the Council decision.	18 March 2024

Appendix 2: Link to website where the submitted Leckhampton with Warden Hill Neighbourhood Plan can be found

The documentation can be found via <https://haveyoursay.cheltenham.gov.uk/planning/lwwh-neighbourhoodplan-reg-16/>

Cheltenham Borough Council

Council – 18 March 2024

**Capital, Investment, Treasury Management Strategies
2024/25**

Accountable member:

Cllr Peter Jeffries – Cabinet Member for Finance and Assets

Accountable officer:

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

Accountable scrutiny committee:

Treasury Management Panel

Ward(s) affected:

All

Key/Significant Decision:

No

Executive summary:

In December 2017, CIPFA published updates to the Prudential Code and The Treasury Management Code of Practice. The new Prudential Code requires the Council to approve a Capital Strategy on an annual basis in advance of the forthcoming financial year. The Department of Levelling Up, Housing and Communities (DLUHC) also updated statutory guidance on treasury management which has resulted in changes to the Treasury Management Strategy and the introduction of a separate Investment Strategy.

For 2021/22 a revised and updated set of strategic documents were approved by Council: The Council's Capital Strategy, Investment Strategy and Treasury Management Strategy.

Wider consultation took place across the Council in the preparation of these documents to reflect our

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collective vision for the use of assets and resources to drive economic recovery in the town following the pandemic and help facilitate growth. These have been reviewed again in light of the changes to the 2024/25 budget which was approved by Full Council on 23 February 2024 and the launch of the Council's new Corporate Plan for 2023-27. In particular, there is ongoing focus on the use of treasury management activity to generate base budget savings to support the 2024/25 proposals.

In accordance with best practice, the Council has adopted and complies with the CIPFA Code of Practice on Treasury Management and the Prudential Code by relevant Capital Finance Regulations. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities.

Recommendations:

1) The Council considers and approves the following :

- **The Capital Strategy 2024/25 at Appendix 2;**
 - **The Investment Strategy 2024/25 at Appendix 3;**
 - **The Treasury Management Strategy Statement 2024/25 at Appendix 4; and**
 - **The 2024/25 MRP Statement at Appendix 5.**
-

1. Background

- 1.1. Local authorities in England are legally obliged to “have regard” to the CIPFA Treasury Management Code and the Prudential Code by relevant Capital Finance Regulations.
- 1.2. Local authority investment decisions have made headlines over the past few years with questions being raised about the role of local authorities investing in property and assets as a means to generate income to compensate for the reduction in government funding. Investing in property and other assets is nothing new for Cheltenham Borough Council whom has historically held major assets such as retail sites and commercial property for some time now. In recent years however the emphasis on using these assets to generate a commercial yield has become much greater and this has involved some councils investing in property outside of its area. The scaling up of investments by local councils has been brought to the attention of the Department or Levelling Up, Housing and Communities (DLUHC) and CIPFA resulting in changes to the Treasury Management Code and the Prudential Code.
- 1.3. Chartered Institute of Public Finance (CIPFA) published its revised Treasury Management Code of Practice and Prudential Code for Capital Finance in December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments.
- 1.4. CIPFA published its new 2017 guidelines of Treasury Management in the Public Services: Code of Practice and Cross-sectoral Guidance Notes and the Prudential Code for Capital Finance in Local Authorities just before the end of 2018. The Council is now required to prepare and approve four strategies/statements on an annual basis:
 - Capital Strategy;
 - Investment Strategy;
 - Treasury Management Strategy Statement; and a
 - A Minimum Revenue Provision (MRP) Statement

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- 1.5. Additionally, a MHCLG (Now DLUHC) consultation was concluded in August 2020 which now means that from 26 November 2020 local authorities are prohibited from using monies borrowed from the Public Works Loan Board (PWLB) to invest purely for yield. Borrowing can still be used for service expenditure and schemes focused on regeneration, housing or funding interventions to prevent negative outcomes for a local area. The capital and investment strategies present how we continue to comply with these requirements by focusing our assets, resources and investments on our key corporate priorities to support the economic recovery of the town.
- 1.6. The MRP policy for 2024/25 also takes into account the proposals put out for consultation in December 2023 and expected to come into force on 1 April 2024. These have been considered but do not change the Council's approach to MRP outlined in the 2023/24 Medium Term Financial Strategy.
- 1.7. With that in mind, we have also used the strategy documents to set out a proposal to set out our approach to future investment decisions and our management of our asset portfolio which balances social value, sustainability, regeneration, commercial and housing needs at a strategic level to ensure a positive direction of travel to economic recovery continues.
- 1.8. This will inform the development of a strategic vision and delivery framework that will help guide management of our current portfolio and guide future potential investment by establishing a clear vision, objectives and selection criteria.

2. Consultation

- 2.1. Each strategy is attached at Appendices 2 - 5 and is based on information relating to the Council's local circumstances with accompanying information and advice supplied by the Council's treasury advisors Arlingclose Limited.
 - 2.2. The financial information included in these documents was approved by Council on 23 February 2024.
-

3. Implications

3.1. Financial implications

As detailed throughout this report.

Signed off by: Gemma Bell, Director of Finance and Assets (Deputy s151 Officer), 01242 264124

3.2. Legal implications

None arising from the report recommendations.

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

3.3. HR implications

None arising from the report recommendations.

Signed off by: HR@cheltenham.gov.uk

3.4. Environmental and climate change implications

The capital and investment strategies outline how our assets and resources are planned to be used to meet our corporate priorities, including those relating to carbon neutrality. These schemes and subsequent funding were approved by Council on 23 February 2024.

Signed off by: Maizy McCann, Climate Emergency Project Officer

3.5. Property/asset implications

As detailed in appendices 2 and 3.

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

3.6. Corporate policy framework implications

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

Signed off by: Ann Wolstencroft, Head of Projects, Performance and Risk

4. Performance management – monitoring and review

- 4.1. The budget position will continue to be monitored by the Finance team throughout the year and a revised budget will be presented to the December Cabinet with the 2024/25 draft budget proposal.

Report author:

Andrew Sherbourne, Capital and Treasury Management Accountant

Appendices:

1. Risk Assessment
2. Capital Strategy 2024/25
3. Investment Strategy 2024/25
4. Treasury Management Strategy Statement 2024/25
5. Minimum Revenue Provision Policy Statement 2024/25

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
	LOBO Loan - If £5m of these loans is recalled by the banks if they choose to exercise their option then we would need to have the resources on the day to repay. Alternative borrowing arrangements at today's current rates would be favourable for the Council	Gemma Bell, Director of Finance and Assets	1	2	2	Accept and Monitor	If the loans are recalled the council could take out temporary borrowing/ new long term borrowing through the PWLB or sale of units held in Pooled Funds. Any capital receipts available could also be used to repay debt.	Gemma Bell, Director of Finance and Assets	Ongoing
	If the assumptions made within the strategies change, then the aspirations within the capital programme may become unaffordable	ED Finance and Assets	3	2	6	Accept and Monitor	The Treasury Management Strategy and Prudential and Treasury Indicators reflect various assumptions of future interest rate movements and Government support for capital expenditure. These will be continually monitored and any necessary amendments will be made in accordance with the Strategy	ED Finance and Assets	Ongoing
	If the assumptions made within the strategies change, then the projected returns and the return of the initial investments may not be	ED Finance and Assets	3	2	6	Accept and Monitor	The Treasury Management Strategy and Prudential and Treasury Indicators reflect various	ED Finance and Assets	Ongoing

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
	received.						assumptions of future interest rate movements and Government support for capital expenditure. These will be continually monitored and any necessary amendments will be made in accordance with the Strategy		

Capital Strategy

2024 to 2025



CHEL TENHAM
BOROUGH COUNCIL

cheltenham.gov.uk



Introduction

- 1.1** The Council's Capital Strategy outlines the principles and framework that underpin our long term capital investment and expenditure proposals. The Capital Strategy was a new requirement for Councils to produce from April 2018 following the publication of the revised Prudential Code for Capital Finance in Local Authorities 2018.
- 1.2** New development and regeneration in Cheltenham are necessary and essential to:
- Help facilitate economic growth and recovery
 - Help meet our housing needs
 - Help create commercial space that supports our key employment sectors
 - Stimulate a positive climate for inward investment into Cheltenham
 - Help to deliver on our climate and environmental commitments
- 1.3** The Council's Capital Strategy forms a key part of our overall Corporate Planning Framework. It provides a mechanism by which our capital investment and financing decisions can be aligned with our over-arching corporate priorities and objectives over a medium term planning horizon.
- 1.4** In refreshing the Capital Strategy, it is important that we reset this within the current wider corporate strategy context, together with our priorities for investment, growth, climate change and social value. In setting the vision and key principles around how we plan to invest in the delivery of homes, commercial space and supporting infrastructure with the outcome of creating new places and investing and regenerating in existing places.
- 1.5** The Strategy has direct links to the Council's Asset Management Strategy, Commercial Strategy, Investment Strategy, Treasury Management Strategy and emerging Housing Investment Plan. It forms a key part of the Council's Medium Term Financial Strategy (MTFS) as presented in the table below.
- 1.6** Collectively these plans and strategies will develop a diverse investment programme that allows cross subsidy across the programme to balance the social, economic and environmental outcomes set out in the councils Corporate Plan and Recovery Strategy.

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

2. Our vision and ambitions for Cheltenham

- 2.1** Despite the financial uncertainty caused by the pandemic and the cost of living crisis over the last two years, the Council has continued to demonstrate its commitment to make Cheltenham a place where everyone can thrive. There has been continued commitment to the Council's corporate priorities; to inclusive and sustainable growth in the town, to the goal of supporting the Council and the town to be net carbon zero by 2030, to becoming the Cyber capital of the UK, to delivering more housing across the borough and to our No Child Left Behind initiative.
- 2.2** In order that we can lead the economic recovery of our town, we will continue to invest in Cheltenham for the benefit of Cheltenham both in terms of sustainable Council finances, but also in terms of the way we invest both commercially and for regeneration. This has been followed up with the revision of the Council's Corporate Plan for 2023-27 which includes detail of how the Council will deliver on their ambitious corporate priorities.
- 2.3** The capital investments outlined in this document are the beginning of our approach to shaping and re-prioritising for Cheltenham. To drive longer term economic recovery in the town will take a fully integrated, whole Council approach focused on strategic outcomes within an understanding of place, commerciality, regeneration and our overarching contribution to climate change.
- 2.4** With that in mind, we need to take an approach to future investment decisions and our management of our asset portfolio which balances social value, sustainability, regeneration, commercial and housing needs at a strategic level to ensure a positive direction of travel to economic recovery continues.
- 2.5** A review of our approach to investment activity and the use of our assets and capital resources has been undertaken and the Council's asset management strategy was refreshed and reviewed by Full Council in February 2022. This provides the strategic vision and delivery framework that will help guide management of our current portfolio and, together with our investment strategy, will guide future potential investment by establishing a clear vision, objectives and selection criteria.



3. Purpose of this strategy

3.1 The key aims of this Capital Strategy are:

- To outline the capital programme in the MTF5 and how it has been developed in alignment with the key priorities outlined in the 2023-27 Corporate Plan
- To set out the required and available funding options for the programme, including how these have been appraised to ensure we are able to achieve the best outcomes for our town and are maximising the benefit of our assets and resources. This includes indirect benefits such as increase in jobs, skills, inclusive growth, increase in tax revenues, place shaping outcomes, climate change deliverables, accelerating delivery of the Cheltenham Plan and Joint Core Strategy.
- To present the arrangements that enable a programme wide approach for managing and monitoring the capital schemes in the programme, and assessing potential new schemes; including assessment of outcomes, the use of any financial returns and the continual alignment to our Corporate Plan

What is capital expenditure?

Capital expenditure is where the Council spends money on assets, such as land, property or vehicles, which will be used for more than one year. The Council has a minimum threshold of £10,000 for capital and spend below £10,000 is not capitalised and are charged to the revenue budget.

4. How we invest our money

4.1 In 2024/25, the Council is planning capital expenditure of £38.174m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure

	2022/23 actual £000's	2023/24 forecast £000's	2024/25 budget £000's	2025/26 budget £000's	2026/27 budget £000's
General Fund services	2,736	3,683	6,080	4,045	1,228
Council housing (HRA)	14,602	21,240	27,594	33,776	46,263
Capital investments	8,681	3,029	4,500	4,500	4,500
TOTAL	26,019	27,952	38,174	42,321	51,991

What is the HRA?

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services.

- 4.2** The 2023-27 Corporate Plan outlines the Council's strategic priorities for Cheltenham, what we have chosen to focus on and why we think these are important for our town. The sections over the next few pages summarise the key commitments made in the capital programme to support the key priorities in the Corporate Plan.

Priority 1

Enhance Cheltenham's reputation as the cyber capital of the UK

- At the end of August 2019, we completed the purchase of 112 acres of strategically important land for £37.5m which forms part of the Cyber Central Golden Valley development. This was the most expensive land purchase ever made by the Council. It will enable the delivery of the Cyber Central vision and has been specifically named in the Government's National Cyber Strategy launched in February 2022. The planning applications were submitted in 2023/24 and work is underway to deliver the vision for the Innovation Centre into 2024/25. In January 2024, Cheltenham Borough Council were provisionally awarded £20m of Levelling Up funding by the Government for the delivery of the Innovation Centre.
- In addition to the flagship Golden Valley development, the Council are also working in partnership with the Workshop Group to establish a brand new business and cultural hub in the town centre. The Minister Innovation Exchange will be a critical strand of our economic recovery strategy; continuing the momentum created at Hub8 ahead of the opening of Cyber Central at Golden Valley and establishing Cheltenham as the UK's foremost cyber tech cluster with a global reach.
- The scheme is due for completion by summer of 2024, following a successful bid for £3.114m of funding via GFirst LEP from the Government's 'Getting Building Fund'.

Priority 2

Working with residents, communities and businesses to help make Cheltenham net zero by 2030

- Our Climate Emergency Action Plan: Pathway to Net Zero is to target residents, communities, businesses, public and voluntary organisations
- To demonstrate our commitment to this vision and lead the response to the climate challenge in Cheltenham, £300k of capital investment has been committed to the Carbon Neutrality programme since 2023-24. Additionally, the Council successfully secured £382k of capital funding from the central Government's Public Sector Decarbonisation Scheme which has been invested in installing submeters across our buildings..
- Funding of over £1.178m from the UK Shared Prosperity Funding was secured in 2022/23, which is to be spent on a number of carbon reduction projects over the next three years. The projects include the development of a town centre cycle hub for safe bicycle parking and associated activities, carbon footprint and reporting for businesses to develop and carry out carbon reduction plans, address fuel poverty, installation of electricity infrastructure in key locations around the town to remove reliance on generators for key events and to fund our commitment to climate change.

Priority 3

Increasing the number of affordable homes through our £180m housing investment plan

- The Council's Housing Investment Plan has committed £100m of service investment to fund mixed tenure housing in the private rented sector and £80m of investment from the Housing Revenue Account to fund affordable housing. The purpose of these investments is to shape sustainable and resilient communities and allow residents secure homes in which they and their families can thrive.
- We have already spent £35m delivering 136 homes, with a strong pipeline set to deliver significant numbers of additional affordable homes over the current and following four years. A further £48m is forecast to be spent within the HRA capital programme between 2024 and 2027. The transition of our housing services back to the Council will only support this planned delivery.
- Additionally, the Council will continue to work with the private sector to utilise redundant assets and vacant land to bring them into a useful economic purpose to facilitate regeneration and employment creation. The 2024/25 capital programme commits a further £4.5m a year for three years to 2026/27 to increase the supply of housing in the town.

Priority 4

Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity

- Cheltenham will see huge investment over the coming years through expansion of the cyber industry, more affordable homes and infrastructure. This presents a once in-a-generation chance to ensure all of our communities can benefit from sustainable growth in jobs, skills and housing.
- Upgrading some of the parks and town centre toilets to include changing rooms and much improved disabled facilities has capital of £750k earmarked in 2023/24.
- Improvement of linkages to the High Street, signage and decoration plus playgrounds, pathways, and provision of grants for the provision of building work, equipment or modifying a dwelling to enable independent living has been earmarked for expenditure in 2024/25.
- We have previously committed £600k of capital funding to support investments made by the Trust into their venues and infrastructure. The 2024/25 capital programme includes an additional £400k of funding to continue to support their financial sustainability.
- Refurbishing of Clarence Fountain area has had £90k investment since 2022/23
- The acquisition of several shops and premises to help regenerate the High Street commenced in 2022 with an investment of over £3.3m.

Priority 5

Being a more modern, efficient and financially sustainable Council

- Beyond the above, our Capital Strategy also helps us meet our need to upgrade and maintain:
 - Operational buildings;
 - Our vehicle fleet;
 - Infrastructure in the Borough;
 - Our ICT infrastructure.

Put simply, our Capital Strategy aims to invest and deliver for the residents, communities and businesses in Cheltenham.

5. How we fund capital spending

Capital Programme Funding Overview

5.1 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing and leasing). The planned financing of the current capital programme is as follows:

Table 2: Capital financing

	2022/23 actual £000's	2023/24 forecast £000's	2024/25 budget £000's	2025/26 budget £000's	2026/27 budget £000's
External sources	2,411	4,381	2,888	7,327	7,114
Own resources	11,345	9,737	13,242	12,583	10,520
Debt	12,263	13,834	22,044	22,411	34,357
TOTAL	26,019	27,952	38,174	42,321	51,991

5.2 In order to maximise the resources available to us, we look to fund new capital programmes from external resources and capital receipts from disposal of surplus assets where possible. The Council would only look to fund schemes through borrowing if no other funding source was available and where the business case demonstrates the loan can be repaid through the investment. Taking account of our experience being developed through projects such as Golden Valley Development and Minster innovation Exchange, this includes investigating opportunities to work alongside investment partners.

5.3 Council resources will be allocated to programmes based on asset values to manage the long term yield and revenue implications. Capital receipts and reserves will be focused on those assets with short term life span (e.g. vehicles and IT investments) and the unsupported borrowing on long term assets (e.g. land and buildings). In assessing value, those outside capital receipts will be fully taken into account.

Capital Funding from External Sources

5.4 There are a number of external sources of capital funding which are proposed to be used to fund the 2024/25 capital programme. The most significant are:

- Funding through the Local Enterprise Partnership (LEP) from the Government's 'Getting Building Fund';
- Funding through the Government's UK Shared Prosperity Funding (UKSPF)
- Better Care Fund grant funding;
- External funding from partner organisations

5.5 Throughout the financial year, available sources of funding will continue to be reviewed as new schemes are announced by the Government to support Local Government.

Capital Funding from our own Resources

General Funding from Capital Receipts

5.6 Capital receipts from the disposal of assets represent a finite funding source and it is important that a planned and structured manner of disposals is created to support our priorities and fully considered within the context of our strategic context and wider place shaping outcomes. The Council's estate is managed through the Asset Management Plan which identifies property requirements and, where appropriate, properties which are surplus to requirements and which may be disposed. This strategy is under review and will be assessed within the vision and principles of economic recovery and place vision.

5.7 The capital receipts funding the programme for the 2024/25 financial year is:

Table 3: Capital receipts

	2022/23 actual £000's	2023/24 forecast £000's	2024/25 budget £000's	2025/26 budget £000's	2026/27 budget £000's
GF capital programme	1,454	1,948	4,761	3,527	710
HRA capital programme	1,934	1,636	1,934	1,934	1,932
TOTAL	3,388	3,584	6,695	5,461	2,642

- capital receipts received in respect of right to buy sales will be wholly invested in the provision of additional housing;
- any receipts from the sales of properties previously acquired for site assembly where borrowing has previously incurred will be used to repay the debt incurred on that particular acquisition.

5.8 The Prudential Code for Capital Finance in Local Authorities ("the Code") was introduced throughout Great Britain in April 2004. The Code allows Councils to undertake borrowing to meet its objectives if this is considered to be affordable, prudent and sustainable, measured using prudential indicators. When undertaking borrowing, we must make sure we are satisfied that these conditions are met.

5.9 The schemes included in our capital programme have been assessed as clearly focused on our corporate priorities, attract significant third party investment and generate financial and non-financial benefits to our residents and communities in future financial years.

5.10 The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and we seek to strike a balance between cheap short-term loans (currently available at around 0.75%) and long-term fixed rate loans where the future cost is known but higher (currently 2.5% to 3.5%).

5.11 Government guidance is that local authorities must not borrow more than or in advance of their needs purely in order to profit from the investment of the extra sums borrowed. Any funds borrowed will be in relation to specific schemes and based upon the cash required for the chosen schemes. There are no plans to borrow in advance of need.

- 5.12** The role of public estate management and investment can act as a lever that maximises co investment from other public funding sources or the private sector. Our focus will therefore be on clear commercial investment aligned to our priorities as opposed to speculative development.
- 5.13** Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing. Alternatively, proceeds from selling capital assets may also be used to replace debt finance. The planned replacement of our borrowing is outlined in the table below:

Table 4: Replacement of debt finance

	2022/23 actual £000's	2023/24 forecast £000's	2024/25 budget £000's	2025/26 budget £000's	2026/27 budget £000's
Own resources to repay debt	2,087	1,926	2,179	2,311	2,347

- 5.14** The cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases when new borrowing is taken out and reduces when debt is repaid through revenue or other capital receipts. Statutory guidance is that our debt should remain below the capital financing requirement, except in the short-term.
- 5.15** The CFR for our Council is expected to increase by £24.03m during 2024/25. Our projected total outstanding debt from borrowing is shown below, compared with the CPR.

Table 5: Prudential Indicator: Estimates of Capital Financing Requirement

	31.03.2023 actual £000's	31.03.2024 forecast £000's	31.3.2025 budget £000's	31.3.2026 budget £000's	31.3.2027 budget £000's
General Fund services	109,598	110,189	113,942	116,175	113,908
Council housing (HRA)	82,584	98,249	118,526	130,452	158,971
TOTAL CFR	192,182	208,438	232,468	246,627	272,879

- 5.16** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. The liability benchmark is the total amount borrowed less investments held at year end or forecast. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end. This benchmark is currently £10m and is forecast to remain the same over the next three years. More information is provided in the Treasury Management Strategy.
- 5.17** The Council is also legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 6: Prudential Indicators: Authorised limit and operational boundary for external debt

	2023/24 limit £m	2024/25 limit £m	2025/26 £m	2026/27 £m
Authorised limit – total external debt	317	300	318	341
Operational boundary – total external debt	307	290	308	331

5.21 Although capital expenditure is not charged directly to the revenue budget, interest payable on loans repayments are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to our net revenue spending to assess affordability of the borrowing we have.

Table 5: Prudential Indicator: Estimates of Capital Financing Requirement

	2022/23 actual	2023/24 forecast	2024/25 budget	2025/26 budget	2026/27 budget
Financing costs (£m)	4,502,000	6,168,000	7,305,000	5,275,000	6,805,000
Proportion of revenue	5.00%	6.57%	7.39%	5.16%	6.42%



6. How we monitor the capital programme

- 6.1** The staff responsible for making capital expenditure, borrowing and investment decisions are professionally qualified and experienced. We are led by an Executive Director for Finance and Assets with over 20 years of experience in the sector and a Head of Finance and supporting team of qualified accountants committed to the financial sustainability of the Council. We are passionate about investing in the training and development of our staff and ensure that those involved in the planning and delivery of capital programmes have the relevant knowledge and skills to be successful.
- 6.2** Use is also made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and other specialist advisers to advise upon specific, extra-ordinary transactions as required. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills aligned with its risk appetite.
- 6.3** We have various mechanisms in place to monitor and continually assess how the capital programme continues to meet the key priorities in our Corporate Plan. These include:
- The Council which is ultimately responsible for approving investment and the capital programme;
 - The Cabinet who are responsible for setting the corporate framework and receive and scrutinise regular performance and monitoring reports;
 - Officer Groups which bring together a range of service interests and professional expertise;
 - An integrated service and financial planning process, including the corporate performance management framework. Within this framework, all proposals for capital investment are required to demonstrate how they contribute to the achievement of the Council's aims and priorities. This includes an evaluation process for investment proposals which ensures cross-cutting appraisal of projects which are aligned to the Council's key aims and priorities and deliver on the efficiency and value for money agendas.



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Investment Strategy

2023 to 2025



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Introduction

- 1.1** The Council's Investment Strategy outlines the principles and framework that underpin our investment proposals. The Investment Strategy was a new requirement for Councils to produce from April 2018 following the publication of the revised Prudential Code for Capital Finance in Local Authorities 2018.
- 1.2** New development and regeneration in Cheltenham is both necessary and essential to
- help facilitate economic growth and recovery
 - help deliver our housing needs
 - help create commercial space that supports our key employment sectors
 - stimulate a positive climate for inward investment into Cheltenham
- 1.3** The Council's Investment Strategy forms a key part of our overall Corporate Planning Framework. It provides a mechanism by which our capital investment and financing decisions can be aligned with our over-arching corporate priorities and objectives over a medium term planning horizon.
- 1.4** In refreshing the Investment Strategy, it is important that we reset this within the current wider corporate strategy context, together with our priorities for investment, growth, climate change and social value, setting the vision and key principles around how we plan to invest in the delivery of homes, commercial space and supporting infrastructure with the outcome of creating new places and investing and regenerating in existing places.
- 1.5** The Strategy has direct links to the Council's Asset Management Strategy, Commercial Strategy, Investment Strategy, Treasury Management Strategy and emerging Housing Investment Strategy. It forms a key part of the Council's Medium Term Financial Strategy (MTFS) as presented in the table below.
- 1.6** Collectively these plans and strategies will develop a diverse investment programme that allows cross subsidy across the programme to balance the social, economic and environmental outcomes set out in the councils Corporate Plan and Recovery Strategy.

1.7

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

2. Our vision and ambitions for recovery

- 2.1** As we look beyond the difficult financial and economic pressures that we face, we are clear in our future ambition for Cheltenham. We are setting a higher standard for ourselves, and our town, to build a better future for everyone in Cheltenham, ensuring that everyone who lives and works here can equally share the benefits of Cheltenham's successes.
- 2.2** Against a backdrop of global instability, war, high inflation and the recent pandemic, we believe that building a better future means leaving a legacy of sustainability for future generations. Our ambitions to reduce Cheltenham's carbon emissions to net zero, but also encompasses building affordable carbon neutral homes across Cheltenham, conserving and enhancing our green spaces, and securing financial and economic sustainability through the Golden Valley Development.
- 2.3** With the revised Corporate Plan for 2023-2027, we have needed to take an approach to future investment decisions and our management of our asset portfolio which balances social value, sustainability, regeneration, commercial and housing needs at a strategic level to ensure a positive direction of travel to full economic recovery continues.
- 2.4** A review of our approach to investment activity and the use of our assets and capital resources has been undertaken and the Council's asset management strategy was refreshed and reviewed by Full Council in February 2022. This provides the strategic vision and delivery framework that will help guide management of our current portfolio and, together with our investment strategy, will guide future potential investment by establishing a clear vision, objectives and selection criteria.

3. Purpose of this strategy

3.1 The key aims of this document are:

- To outline how we invest our money to ensure we continue to be aligned to the key priorities outlined in the 2019-2023 Corporate Plan.
- To set out the required and available funding options for the programme, including how these have been appraised to ensure we are able to achieve the best outcomes for our town and are maximising the benefit of our assets and resources. This includes indirect benefits such as increase in jobs, skills, inclusive growth, increase in tax revenues, place shaping outcomes, climate change deliverables, accelerating delivery of the Cheltenham Plan and Joint Core Strategy.
- To present the arrangements for managing and monitoring the investment portfolio, including assessment of outcomes and the continual alignment to our Corporate Plan

4. How we invest our money

4.1 The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**)
- to directly support local public services by lending to other organisations (**service investments**), and
- to invest in community led and sustainable place shaping, regeneration and economic development of our town (known as **growth investments**).

Our treasury management strategy outlines the principles and arrangements in place for the first category of investment. This strategy focuses on our approach to the second and third of these categories.

4.2 The 2023-27 Corporate Plan outlines our strategic priorities for Cheltenham, what we have chosen to focus on and why we think these are important for our town. The sections over the next few pages summarise the investments we have made and areas of focus for 2024/25 to support the key priorities in the Corporate Plan.

Priority 1

Enhance Cheltenham's reputation as the cyber capital of the UK

Growth investment

- At the end of August 2019, we completed the purchase of 112 acres of strategically important land for £37.5m which forms part of the Cyber Central Golden Valley development. This was the most expensive land purchase ever made by the Council. It will enable the delivery of the Cyber Central vision and has been specifically named in the Government's National Cyber Strategy launched in February 2022. The planning applications were submitted in 2023/24 and work is underway to deliver the vision for the Innovation Centre into 2024/25. In January 2024, Cheltenham Borough Council were provisionally awarded £20m of Levelling Up funding by the Government for the delivery of the Innovation Centre.

Service investment

- In addition to the flagship Golden Valley development, the Council are also working in partnership with the Workshop Group to establish a brand new business and cultural hub in the town centre. The Minister Innovation Exchange will be a critical strand of our economic recovery strategy; continuing the momentum created at Hub8 ahead of the opening of Cyber Central at Golden Valley and establishing Cheltenham as the UK's foremost cyber tech cluster with a global reach.
- The scheme is due for completion by summer of 2024, following a successful bid for £3.114m of funding via GFirst LEP from the Government's 'Getting Building Fund'.

Priority 2

Working with residents, communities and businesses to help make Cheltenham net zero by 2030

Growth investment

- Our Climate Emergency Action Plan: Pathway to Net Zero is to target residents, communities, businesses, public and voluntary organisations.
- To demonstrate our commitment to this vision and lead the response to the climate challenge in Cheltenham, £300k of capital investment has been committed to the Carbon Neutrality programme since 2023-24.
- Funding of over £1.178m from the UK Shared Prosperity Funding was secured in 2022/23, which is to be spent on a number of carbon reduction projects over the next three years. The projects include the development of a town centre cycle hub for safe bicycle parking and associated activities, carbon footprint and reporting for businesses to develop and carry out carbon reduction plans, address fuel poverty, installation of electricity infrastructure in key locations around the town to remove reliance on generators for key events and to fund our commitment to climate change.
- £75k has been committed for Electric Vehicle charging points around the town centre which will be delivered in 2024/25.



Priority 3

Increasing the number of affordable homes through our £180m housing investment plan

Service investment

- The Council's Housing Investment Plan has committed £100m of service investment to fund mixed tenure housing in the private rented sector and £80m of investment from the Housing Revenue Account to fund affordable housing. The purpose of these investments is to shape sustainable and resilient communities and allow residents secure homes in which they and their families can thrive.
- We have already spent £35m delivering 136 homes, with a strong pipeline set to deliver significant numbers of additional affordable homes over the current and following four years. A further £48m is forecast to be spent within the HRA capital programme between 2024 and 2027. The transition of our housing services back to the Council will only support this planned delivery.
- Additionally, the Council will continue to work with the private sector to utilise redundant assets and vacant land to bring them into a useful economic purpose to facilitate regeneration and employment creation. The 2024/25 capital programme commits a further £4.5m a year for three years to 2026/27 to increase the supply of housing in the town.



Priority 4

Ensuring residents, communities and businesses benefit from Cheltenham's future growth and prosperity

Growth investment

- Cheltenham will see huge investment over the coming years through expansion of the cyber industry, more affordable homes and infrastructure. This presents a once in-a-generation chance to ensure all of our communities can benefit from sustainable growth in jobs, skills and housing.
- Improving toilet and changing facilities around the town has £750k earmarked in the 2024/25 capital programme.
- We have previously committed £600k of capital funding to support investments made by the Trust into their venues and infrastructure. The 2024/25 capital programme includes an additional £400k of funding to continue to support their financial sustainability.
- Refurbishing of Clarence Fountain area has had £90k investment spent on it in 2022/23.
- The acquisition of several shops and premises to help regenerate the High Street commenced in 2022 with an investment of over £3.3m.

Service investment

- Subject to an approved business case, we may invest in our subsidiary companies or partners to directly support the provision of local services. There are two main forms these investments may take:
- Purchase of shares in an organisation;
- Loans to organisations within the Borough to support the running costs of the organisations
- The Council has a £1 shareholding in Ubico Ltd. Ubico Ltd is wholly-owned by seven local authorities and operates as a not for profit enterprise. Ubico Ltd is an environmental services company which provides household and commercial refuse collection, recycling, street cleansing, grounds maintenance and fleet maintenance services to the Council. Also the Council has £435,222 shareholding in Gloucestershire Airport (at cost) which equates to 50%. The other 50% is retained by Gloucester City Council.

Priority 5

Being a more modern, efficient and financially-sustainable council

Service investment

- Local councils continue to operate in a challenging financial environment and we will continue to identify opportunities to increase income and reduce costs to ensure financial sustainability. This will enable continued investment in front-line services and enhance Cheltenham as a place to live, work and visit.
- Advancements in new technologies provide a greater opportunity for residents, communities and businesses to interact with the council. Whilst new digital services present huge opportunities, we will continue to provide efficient services over the telephone and face to face, to ensure we remain accessible, responsive and helpful.
- Implementation and roll out of the new digital platform across the Council has been in progress with a capital budget of £180k.
- Installation of a new building management system to help reduce energy will have an investment of over £150k.
- Smart Working to use the Municipal Offices more efficiently has seen investment of over £250k.

Put simply, our Investment Strategy aims to invest and deliver for the residents, communities and businesses in Cheltenham.

It demonstrates to wider investors that Cheltenham is a destination for growth, innovation and investment.



5. Assessing the risk of our investments

5.1 Service Investments - Loans

Security

The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Authority, upper limits on the outstanding loans to each category of borrower have been set as below in table 1.

Table 1: Loans for service purposes in £

Category of borrower	31.3.2023 actual £			2023/24
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Charities	286,000	-	286,000	326,000
Cheltenham Borough Homes	8,152,157	-	8,152,157	107,000,000
Gloucestershire Airport	6,771,942	-	6,771,942	9,000,000
Workshop Cheltenham Limited	-	-	-	6,100,000

Accounting standards require us to set aside loss allowance for loans, reflecting the likelihood of non-payment. The loans that the Council has made are limited to specific service areas and subsidiaries and the likelihood of non-payment is minimal. There is no history of non-payment and no evidence to suggest that there will be any default against the loans granted. As a result, no allowance for loss has been included against the loan balances. Should any indication be given that there is a risk of default then the risk will be assessed and a provision established at that time. Should a loan default, the Authority will make every reasonable effort to collect the full sum lent and recover any overdue repayments.

Risk assessment

The Authority assesses the risk of loss before entering into and whilst holding service loans by undertaking credit checks and ensuring that appropriate legal documentation is in place to secure the Council's money. The Council also receives independent financial advice on its financial dealings from Arlingclose Limited to assist in decision making.

Liquidity

We have not invested in the companies to generate a financial return but to support service provision. We support the strong financial management of each of the partner companies we invest in and monitor the cash flow as part of this. As such, the liquidity of these investments may be low if the funding has been used to enhance and asset or business for long term gain.

5.2 Service Investments: Shares

Security

One of the risks of investing in shares is that they could fall in value meaning that the initial outlay may not be recovered. The Council has no other shareholdings.

Table 2: Shares held for service purposes in £

Category of company	31.3.2023 actual £		
	Amounts invested at cost	Gains or losses	Value in accounts at 31.03.2023
UBICO	1	-	1
Gloucestershire Airport	435,222	(435,222)	0
TOTAL	435,223	(435,222)	1

Risk assessment

Ubico is a cost sharing company – any surplus generated within Ubico is returned to the partner Councils, similarly with any deficit met by the Councils. Through regular budget monitoring and sound financial management by Ubico and transparency within calculation of contract sums, the risk of any financial loss is mitigated. Gloucestershire Airport is also jointly owned by ourselves and Gloucester City Council and are consolidated in our group accounts.

Liquidity

We have not invested in the companies to generate a financial return but to support service provision. We support the strong financial management of each of the partner companies we invest in and monitor the cash flow as part of this. As such, the liquidity of these investments are low as the Council has no intention to dispose of its investment in the foreseeable future.

Non-specified Investments

Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

5.3 Growth Investments

The Council owns a number of properties and assets within Cheltenham that have been purchased to support projects and programmes which are aligned to the key priorities in the Corporate Plan.

In line with the revised guidance on the use of the Public Works Loan Board (PWLB) borrowing, these investments are not held purely for yield but support our place vision for Cheltenham.

Table 3: Growth investments in £ (including HRA Investment properties)

	Purchase Price	01.04.22	31.3.2023 actual £	
		Value in accounts £'000	Purchases, Gains or (losses)	Value in accounts £
Growth Investments	Various	66,415,000	(1,147,000)	65,268,000

Security: In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. A fair value assessment of the Authority's investment property portfolio is made each year as part of the final accounts process. The fair value of the Authority's investment property portfolio is included in the Statement of Accounts, based upon 'market value'.

Risk assessment: It is understood that the fair value of property will fluctuate. The long term impact of this is mitigated by having a diverse portfolio of secure tenants across a number of sectors on long leases. We continue to assess the movement in asset values before each year and our holdings will be reviewed as part of the ongoing work to achieve our strategic vision for Cheltenham.

Liquidity: Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice, and can take a considerable period to sell in certain market conditions. To ensure that the Council has cash funds that can be accessed when they are needed, the Treasury management policy includes the provision of liquid investments should the Council be in need of cash. It is not anticipated that the Council would need to sell any Investment Property at short notice.

Proportionality: Table 4 below shows the extent to which the General Fund expenditure planned to meet the service delivery objectives of the Authority is dependent on achieving the expected income from treasury investments over the lifecycle of the Medium Term Financial Plan. Should it fail to achieve the expected income targets, the Authority will be required to draw additional balances from reserves, or generate savings elsewhere within the budget to continue to provide its services.

Table 4: Proportionality of Investments in £

	2022/23 Actual £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's
Gross service expenditure*	41,587	41,834	39,480	39,743	38,890
Investment income	5,262	5,675	5,540	5,540	5,540
Proportion	12.65%	13.57%	14.03%	13.94%	14.25%

* Excluding Housing Benefit payments.

6. How we monitor the investment strategy

- 6.1** The staff responsible for making borrowing and investment decisions are professionally qualified and experienced. We are led by an Executive Director for Finance and Assets with over 20 years of experience in the sector and a Head of Finance and supporting team of qualified accountants committed to the financial sustainability of the Council.
- 6.2** Use is also made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers and other specialist advisers to advise upon specific, extra-ordinary transactions as required. This approach is more cost effective than employing such staff directly, and ensures that the Council has access to knowledge and skills aligned with its risk appetite.
- 6.3** The Cabinet will make decisions or make recommendations to full Council on new investments that align to our key Corporate Plan priorities. The Cabinet also receive financial performance reports on a quarterly basis which allows the monitoring of our investments.
- 6.4** In particular, the following quantitative investment indicators have been set to allow our Officers, Elected Members and residents to monitor the risk exposure the Council have as a result of its investment decisions:



Indicator One: Total risk exposure to potential investment losses.

This includes amounts the Authority is contractually committed to and any guarantees the Authority has issued over third party loans.

Table 5: Total investment exposure in £

Total investment exposure	31.03.2023 Actual £	31.03.2024 Forecast £	31.03.2025 Forecast £
Treasury management investments	12,779,000	14,926,000	15,151,000
Service investments: Loans	14,924,100	14,760,059	14,589,799
Service investments: Shares (at cost)	435,224	435,224	435,224
Commercial investments: Property	65,268,000	65,268,000	65,268,000
TOTAL INVESTMENTS	93,406,324	95,389,283	95,444,023
Commitments to lend ¹	0	0	0
TOTAL EXPOSURE	93,406,324	95,389,283	95,444,023

¹ This excludes the potential loan facility offered to Ubico Limited, Publica Group (Support) Limited and Cheltenham Trust for cash flow purposes.

Indicator Two: Total investments funded by borrowing.

Table 6: Investments funded by borrowing in £

Investments funded by borrowing	31.03.2023 Actual	31.03.2024 Forecast	31.03.2024 Forecast
Treasury management investments	-	-	-
Service investments: Loans	6,073,930	5,948,969	5,821,657
Service investments: Shares	-	-	-
Commercial investments: Property	42,889,174	40,824,899	39,762,178
TOTAL FUNDED BY BORROWING	48,963,104	46,773,868	45,583,835

Indicator Three: Rate of return received.

This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 7: Investment rate of return (net of all costs)

Investments net rate of return	2022/23 Actual	2023/24 Forecast	2024/25 Forecast
Treasury management investments	4.21%	5.07%	5.00%
Service investments: Loans			
Cheltenham Borough Homes	3.63%	3.63%	3.63
Gloucestershire Airport	3.87%	4.38%	4.38%
St Margarets Hall	3%	3%	3%
Service investments: Shares	0%	0%	0%
Commercial investments: Property yield/ contribution (net of borrowing)	£1,810,314	£1,814,107	£1,863,735
Commercial investments: Property	4.22%	4.34%	4.57%



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Treasury Management Strategy 2024 to 2025



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1. Introduction

- 1.1** Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.2** The Council's Treasury Management Strategy forms a key part of our overall Corporate Planning Framework. It provides a mechanism by which our treasury management decisions can be aligned with our over-arching corporate priorities and objectives over a medium-term planning horizon.
- 1.3** The Strategy has direct links to the Council's Asset Management Strategy, Commercial Strategy, Capital Strategy and Investment Strategy and forms a key part of the Council's Medium Term Financial Strategy (MTFS) as presented below:

2. Purpose of this strategy

- 2.1** Our 2024/25 Treasury Management Strategy has been developed, with a focus on working with our partner organisations to lead in future place shaping, investment and regeneration in Cheltenham.
- 2.2** The key aims of this document are:
 - To outline how we invest our money to ensure we have the financial resources to support the key priorities outlined in the 2023-2027 Corporate Plan.
 - To set out the key principles on which our borrowing and investment decisions are made, including how security and risk have been assessed in the development of our investments (See Section 5, page XX).
 - To present the arrangements for managing and monitoring our treasury management decisions, including assessment of outcomes and the continual alignment to our Corporate Plan (See Section 6, page XX).

3. Why we invest our money

2.1 The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as treasury management investments)
- to directly support local public services by lending to other organisations (service investments), and
- to invest in community led and sustainable place shaping, regeneration and economic development of our town (known as growth investments).

Our Investment Strategy outlines the principles and arrangements in place for the second two categories of investment. This strategy focuses on our approach to the first category.



4. How we borrow money

Our Borrowing

- 4.1** The council currently holds debt of £184.497m as at 31st January 2024. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Council has an increasing CFR due to the capital programme especially within the HRA capital programme to deliver on our affordable housing target. With minimal investments the council will therefore be required to borrow up to £75m over the forecast period
- 4.2** CIPFA's Prudential Code for Capital Finance in Local Authorities recommends that the Council's external borrowing should be lower than its highest forecast CFR over the following three years. The table below shows that the Council expects to comply with this recommendation during 2024/25.
- 4.3** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 4.4** The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow. The total forecast net borrowing against the CFR and liability benchmark is set out in the table below for the period of the Medium-Term Financial Strategy.

Table: 1

	31.3.23 Actual £m	31.3.24 Estimate £m	31.3.25 Forecast £m	31.3.26 Forecast £m	31.3.27 Forecast £m
General Fund CFR	109.598	110.189	113.942	116.175	113.908
Housing (HRA) CFR	82.584	98.249	118.526	130.452	158.971
TOTAL CFR	192.182	208.438	232.468	246.627	272.879
Less: External Borrowing	179.111	193.276	214.864	239.641	268.160
Internal (over) Borrowing	13.071	15.162	17.604	6.986	4.719
Less: Useable reserves	(4.062)	(2.890)	(3.052)	(2.993)	(2.797)
Less: Working Capital	(21.788)	(27.198)	(29.703)	(19.993)	(18.922)
Investments/ (New Borrowing)	12.779	14.926	15.151	16.000	17.000
Net Borrowing Requirement	166.332	178.350	199.713	223.641	251.160
Preferred year-end position (Invest)	10.000	10.000	10.000	10.000	10.000
Liability Benchmark (year-end)	176.332	188.350	209.713	233.641	261.160

Our Borrowing Strategy

- 4.5** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
- 4.6** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. However, if long term rates prove more attractive, then the Council will switch to using the Public Works Loan Board (PWLB) or another lender in the market to fund past and future debt.

In January 2024, the Council replaced £20m of temporary borrowing with a fixed 10 ½ year PWLB Annuity loan at a rate of 4.32%. This will reduce borrowing costs of approximately £200k for 2024/25.

- 4.7** As a net borrower, the speed of the rise in interest rates has created a budget pressure for the Council during 2023/24 and into 2024/25. It is forecast that the net impact of interest rate rises will require an additional £193k of revenue funding in 2024/25 which is included in the budget proposals. This is a decrease when compared to the 2023/24 budget where £587k of additional cost has had to be funded to cover the borrowings. The 2023/24 forecast is based on the Bank of England rate increasing to 4.25% and remaining there for the full twelve months which was obviously surpassed early in the Summer of 2023.

Ongoing monitoring may determine whether the Council borrows additional sums at long-term fixed rates in 2024/25 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

- 4.8** Alternatively, the Council may arrange forward starting loans during 2024/25, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. The Council may also borrow short-term loans to cover unplanned cash flow shortages.
- 4.9** The main sources of approved long-term and short-term borrowing for Cheltenham Borough Council are:

Sources of borrowing

HM Treasury's PWLB lending facility (formally the Public Works Loan Board):

The Council has previously raised the majority of its long-term borrowing from the PWLB (currently £121.1m) but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council will avoid this activity in order to retain its access to PWLB loans.

Municipal Bonds Agency:

UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet. The Council currently holds no loans from the MBA.

UK Infrastructure Bank Limited:

UK Infrastructure Bank is a government-owned policy bank, launched in 2021 looking to provide £6bn of infrastructure finance to local government over the next 5 years to finance regional and local economic growth, support tackling climate change and the investment in infrastructure assets or in new infrastructure technology. The Council holds no loans with the UK Infrastructure Bank.

LOBOs:

The Council holds £5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so.

Short-term and variable rate loans:

These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators. However, the use of short-term loans is currently favourable as borrowing costs are still lower compared with long term rates. Arlingclose forecast a slow decrease in rates in 2024/25. The Council as at end of February 2024 holds £55.5m of these loans.

Debt rescheduling:

The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

5. How we invest money

Our Treasury Management investments

5.1 The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has averaged from as high as £25m and as low as £14.5m. On 31 January 2024, we held £22.039m of treasury investments which are outlined in the table 2 below.

Table: 2

	31 January 2024 Actual Portfolio £m	31 January 2024 Actual Rate %
Treasury investments:		
Glos Airport – Revolving credit facility	1.700	7.25%
Glos Airport – Sub Station/ Radar loans	0.123	2.00%
Glos Airport – Working Capital Loan	5.827	6.25%
Cheltenham Borough Homes (St Georges Place)	1.530	2.40%
Money Market Funds	5.250	5.31%
Cheltenham Borough Homes (St Georges Place) Equity	0.535	1.10%
The Trustees of St. Margaret's Hall	0.034	3.00%
Cheltenham Town FC – Capital Loan	0.040	3.50%
Other Pooled Funds		
CCLA Property Investment Management	3.000	4.60%
CCLA Diversified Income	2.000	2.57%
Schroders Unit Trusts Ltd	2.000	5.04%
Total Treasury investments	22.039	5.06%

5.2 By the end of the 2023/24 financial year, it is forecast that our investment balance will have reduced as the use of cash liquid accounts i.e., Money Market Funds to reduce the need to borrow at year end. The table below shows the forecast between short- and longer-term holdings. Future capital receipts are not factored in until they are received.

	31.3.2023 Actual £m	31.03.2024 Forecast £m	31.03.2025 Budget £m	31.03.2026 Budget £m	31.03.2027 Budget £m
Near-term investments	6.130	1.000	1.000	1.000	1.000
Longer-term investments	14.625	16.789	16.500	16.500	16.500
Total	23.267	13.942	14.756	15.710	16.663

Our Treasury Management investments

- 5.3** The Council's policy on treasury investments, in line with the CIPFA Code, is to prioritise security and liquidity over yield; that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy, and the Council may request its money back at short notice. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The council aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 5.4** ESG policy: Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 5.5** Under the new IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 5.6** The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.
- 5.7** The Gloucestershire Airport and Cheltenham Borough Homes loans limits will be recalculated during 2024, when a full review will be carried out.

Table: 3

Sector	Time limit	Counterparty limit	Sector limit
The UK Government	50 years	Unlimited	n/a
Local authorities & other government entities	25 years	£4m	Unlimited
Secured investments *	20 years	£4m	Unlimited
Banks (unsecured) *	13 months	£1m	Unlimited
Building societies (unsecured) *	13 months	£1m	£10m
Registered providers (unsecured) *	5 years	£2m	£5m
Money market funds *	n/a	£5m	Unlimited
Strategic pooled funds	n/a	£5m	£10m

- 5.8** * Minimum credit rating: Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.

Bank & Building Society unsecured

Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

Bank & Building Societies secured

Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

Government

Loans, bonds, and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

Corporates

Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment as part of a diversified pool in order to spread the risk widely.

Registered providers

Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England) and, as providers of public services; they retain the likelihood of receiving government support if needed.

Money Market funds

Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.

Strategic pooled funds

Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

Real estate investment trusts

Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

Operational bank accounts

The Council banks with Lloyds (Lloyds Banking Group). On adoption of this Strategy, it will meet the minimum credit criteria of A- (or equivalent) long term. It is the Council's intention that even if the credit rating of Lloyds Bank falls below the minimum criteria A- the bank will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

Policy investments

Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment as part of a diversified pool in order to spread the risk widely.

- Gloucestershire Everyman Theatre £100k up to one year duration
- Gloucestershire Everyman Theatre £286k Non-specified duration
- Ubico Limited £500k up to one year duration
- Workshop Cheltenham £6.1m Non-Specified
- Cheltenham Town Football Club £40k Non-Specified
- Cheltenham BID £100k up to one year duration
- The Cheltenham Trust £100k up to one year duration
- Publica Group £100k up to one year duration
- Cheltenham Borough Homes £97m Non-specified duration¹
- Cheltenham Borough Homes £10m Equity Non- Specified duration²
- Cheltenham Borough Homes £500k up to one year
- Gloucestershire Airport Limited £9m up to one year
- Gloucestershire Airport Limited £7.250m Non-specified duration
- Folk2Folk (Peer to Peer lending) £575k Non-specified duration³

¹ Cheltenham Borough Homes is looking to borrow £90m and a further

² £10m Equity Investment from the council to assist in three areas over the coming years to provide substantial new housing in the town by providing Private Rented Sector (PRS) housing, purchasing 106 sites and building new homes. The drawdown of the loans will be over a period of 40 years.

³ Folk2Folk is a peer to peer lending platform in which the council can lend to support local, rural and entrepreneurial businesses £575,000 with a capped limit of £100,000 per loan application, up to a maximum of 5 years. Interest rates earned can be between 4.5% and up to 9% per annum.

Renewable Energy investments

Over recent years significant investments from Local Authorities in the Renewable Energy markets have occurred by way of investing in an energy bond. Currently the council has approved the use of Corporate Bonds and has used them on a regular basis but only for a maximum of two years previously. To be able to potentially invest in Green Renewable energy recommendation was made following consultation with members of the Treasury Management Panel on the 5 June 2017 and approved by Council on 24 July 2017 that up to £2m in relation to Green Investment bonds can be invested up to five years.

Within our treasury management investments, it is critical to get the right balance between social, environmental and financial factors when assessing the investment, we make. Full Council noted in December 2023 that our exposure to gas and oil investments currently stands at £120K down from £173k this time last year. This is part of the Schroder Income Maximiser Fund and makes up 1.71% (2.5% in 2023) of the £7m we have invested in Pooled Funds. However, the current capital value of the fund is valued £493k less than the original £2m invested. Given our current climate priorities, assurance was provided to Council that we are looking to take steps to ensure our investments are contributing to these goals. We are committed in the longer term to divesting from oil and gas but need to balance these priorities with ensuring we are making the right financial decisions to safeguard our residents, businesses and communities. We will continue to closely monitor the performance of this fund and when it is financially prudent to do so, will consider the climate implications of how we invest this money in the future.



Monitoring our Treasury Management Investments

5.8 Credit ratings are obtained and monitored by the Council’s treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.9 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as “negative watch”) so that it may fall below the approved rating criteria, then only investments that can be withdrawn (on the next working day) will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

5.10 The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations, in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

5.11 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020 and 2022, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council’s cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

5.12 In order to monitor this, we have set cash limits on the credit quality of the investments.

	Cash limit
Total long-term investments	£20m
Total investments without credit ratings or rated below A- (except UK Government and local authorities)	£10m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£10m

Investment Limits

5.13 The Council's revenue reserves available to cover investment losses are forecast to be £3.8 million on 31st March 2024. In order that no more than the available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £4 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment limits

	Cash limit
Any single organisation, except the UK Central Government	£1m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£1m per group
Any group of pooled funds under the same management	£5m per manager
Foreign countries	£1m per country
Registered providers	£2m in total
Unsecured investments with building societies	£1m in total
Loans to unrated corporates – Renewable Energy	£4m in total- £2m max in each
Money Market Funds	£5m per MMF

5.14 The Council uses purpose-built cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast.



6. Treasury Management Indicators

6.1 The Council measures and manages its exposures to treasury management risks using the following indicators.

Security

The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit rating	A -

Interest rate exposures

This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest exposures, expressed as the proportion of net principal borrowed will be:

	2022/23	2023/24	2024/25
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	75%	75%	75%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity structure of borrowing

This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and within 20 years	100%	0%
20 years and within 30 years	100%	0%
30 years and within 40 years	100%	0%
40 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

Principal sums invested for periods longer than 364 days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2023/24	2024/25	2025/26
Limit on principal invested beyond one year	£20m	£20m	£20m

7. Related Matters

7.1 There are a number of additional items that the Council is obliged by CIPFA or DLUHC to include in its Treasury Management Strategy.

Policy on the use of financial derivatives

Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Policy on apportioning interest to the HRA

On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/ income arising from long-term loans (e.g., premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each year and interest transferred between the General Fund and HRA at the Council's average interest rate on treasury investments excluding strategic pooled funds, adjusted for credit risk.

Markets in Financial Instruments Directive

The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Chief Financial Officer believes this to be the most appropriate status.

Investment advisers

The Council recently re-appointed Arlingclose Limited as treasury management advisers for three years plus the option for a further two years after a full joint tender with Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council. The new contract commenced from 1st March 2023 and will run to at least 28th February 2026.

Investment of money borrowed in advance

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £300m. The maximum period between borrowing and expenditure is expected to be three years, although the Council is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2024/25 is forecast to be £920,422 based on an average investment portfolio of £18.178 million at an interest rate of 5.06%. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at an average rate of 5% to 5.5%. On top of this interest received on third parties' loans amounts to £279k.

The estimated budget for debt interest to be paid in 2024/25 is forecast to be £6.884 million, based on an average debt portfolio of £177.1m at an average interest rate of 3.86% (3.15% 23/24). The HRA will reimburse the General Fund £3.319m for its share of the debt it holds as of 1 April 2024. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.



8. Alternative options

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The S151 Officer, having consulted the Cabinet Member for Finance and Assets, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix 1 - Arlingclose Limited Economic & Interest Rate Forecast February 2024

Economic background:

The impact on the UK from higher interest rates and inflation, a weakening economic outlook, an uncertain political climate due to an upcoming general election, together with war in Ukraine and the Middle East, will be major influences on the Council's treasury management strategy for 2024/25.

The Bank of England (BoE) increased Bank Rate to 5.25% in August 2023, before maintaining this level for the rest of 2023 and also in February 2024. In February 2024, members of the BoE's Monetary Policy Committee voted 6-3 in favour of keeping Bank Rate at 5.25%. Two dissenters wanted to increase rates by another 0.25% and one wanted to see a reduction of 0.25%.

Recent reports showed lower-than-expected CPI inflation, due to decreases in fuel, core goods, and services prices. Despite this, inflation for services prices is still notably high. Twelve-month CPI inflation fell to 4.0% in December 2023, falling below the forecasts made in the November Report. CPI inflation is predicted to hit the 2% target briefly in Q2 of 2024, then rise in the latter half of the year due to diminishing declines in direct energy prices. Based on predictions tied to a lower expected Bank Rate, CPI inflation is seen at about 2.75% by year's end, staying above the target for most of the forecast period. This

trend suggests ongoing domestic inflation pressures, even as the economy starts to show more slack. Inflation is estimated at 2.3% in two years and 1.9% in three, reflecting these sustained pressures.

ONS figures showed the UK economy contracted by 0.1% between July and September 2023. The BoE forecasts GDP will likely stagnate through 2024. The BoE forecasts that higher interest rates will constrain GDP growth, which will remain weak over the entire forecast horizon.

The labour market appears to be loosening, but only very slowly. The unemployment rate rose slightly to 4.2% between June and August 2023, from 4.0% in the previous 3-month period, but the lack of consistency in the data between the two periods made comparisons difficult. Earnings growth has remained strong but has showed some signs of easing; regular pay (excluding bonuses) was up 7.3% over the period and total pay (including bonuses) up 7.2%. Adjusted for inflation, regular pay was 1.4% and total pay 1.3%. Looking forward, the MPR showed the unemployment rate is expected to be around 4.25% in the second half of calendar 2023, but then rising steadily over the forecast horizon to around 5% in late 2025/early 2026.



Credit outlook:

Credit Default Swap (CDS) prices were volatile during 2023, spiking in March on the back of banking sector contagion concerns following the major events of Silicon Valley Bank becoming insolvent and the takeover of Credit Suisse by UBS. After then falling back in Q2 of calendar 2023, in the second half of the year, higher interest rates and inflation, the ongoing war in Ukraine, and now the Middle East, have led to CDS prices increasing steadily.

On an annual basis, CDS price volatility has so far been lower in 2023 compared to 2022, but this year has seen more of a divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities once again.

Moody's revised its outlook on the UK sovereign to stable from negative to reflect its view of restored political predictability following the volatility after the 2022 mini-budget. Moody's also affirmed the Aa3 rating in recognition of the UK's economic resilience and strong institutional framework.

Following its rating action on the UK sovereign, Moody's revised the outlook on five UK banks to stable from negative and then followed this by the same action on five rated local authorities. However, within the same update the long-term ratings of those five local authorities were downgraded.

There remain competing tensions in the banking sector, on one side from higher interest rates boosting net income and profitability against another of a weakening economic outlook and likely recessions that increase the possibility of a deterioration in the quality of banks' assets.

However, the institutions from our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (February 2023):

The Council's treasury management adviser Arlingclose forecasts that Bank Rate will remain at 5.25% until around August/September 2024, as the MPC seeks to maintain tighter financial conditions. Monetary policy will remain tight as inflation is expected to moderate to target slowly, although some wage and inflation measures are below the Bank's last forecasts.

Please see Arlingclose's interest rate forecasts over the next two years

	Current	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Official Bank Rate													
Upside risk	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.00
Central Case	5.25	5.25	5.25	5.00	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00
Downside risk	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
3-month money market rate													
Upside risk	0.00	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.00
Central Case	5.40	5.40	5.30	5.15	4.80	4.30	4.10	3.80	3.50	3.25	3.15	3.10	3.10
Downside risk	0.00	-0.25	-0.50	-0.75	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
1yr money market rate													
Upside risk	0.10	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Central Case	0.30	0.75	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Downside risk	-0.05	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15	-0.15
5yr gilt yield													
Upside risk	0.00	0.75	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.14	3.75	3.70	3.65	3.60	3.50	3.40	3.30	3.30	3.30	3.30	3.35	3.40
Downside risk	0.00	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
10yr gilt yield													
Upside risk	0.00	0.75	0.85	0.85	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00
Central Case	3.96	3.80	3.80	3.80	3.75	3.70	3.65	3.65	3.65	3.65	3.65	3.70	3.75
Downside risk	0.00	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
20yr gilt yield													
Upside risk	0.00	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	4.00	4.40	4.30	4.25	4.25	4.20	4.20	4.20	4.20	4.20	4.20	4.25	4.25
Downside risk	0.00	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
50yr gilt yield													
Upside risk	0.00	0.75	0.85	0.85	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Central Case	3.94	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.95	3.95	3.95	3.95
Downside risk	0.00	-0.75	-0.85	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00



CHELTENHAM

BOROUGH COUNCIL

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Minimum Revenue Provision Statement 2024/25

Background

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the Department for Levelling Up, Housing and Communities (DLUHC) formally known as the Ministry of Housing, Communities and Local Government's (MHCLG's) *Guidance on Minimum Revenue Provision* (the Guidance).

The broad aim of the Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

When applying the 'annuity' method, MRP is the principal element for the year of the annuity required to repay over the asset's useful life the amount of capital expenditure financed by borrowing or credit arrangements. The authority should use an appropriate interest rate to calculate the amount. Adjustments to the calculation to take account of repayment by other methods during the repayment period (e.g. by the application of capital receipts) should be made as necessary (Paragraph 35 (b) of the Guidance)

Councils are allowed by statute to use capital receipts for the repayment of any principal borrowing previously incurred (Paragraph 23(b) of The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003). The application of capital receipts to repay debt would reduce the total debt on which the MRP calculation is based. The key principle in the calculation of MRP is that the amount applied each year is prudent.

Government Consultation on changes to the capital framework: Minimum Revenue Provision

The Department for Levelling Up, Housing and Communities (DLUHC) has published a "final" consultation on proposed changes to regulations and statutory guidance on Minimum Revenue Provision (MRP). The consultation closed on 16 February 2024 and any changes will directly affect local authorities in England only.

The proposals remain broadly the same as those in June 2022 – to limit the scope for authorities to (a) make no MRP on parts of the capital financing requirement (CFR) and (b) to use capital receipts in lieu of a revenue charge for MRP. This council has always applied sufficient MRP on the outstanding CFR and will carry on doing so.

Our MRP Strategy

The Guidance requires the Authority to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance as well as locally determined prudent methods:

- For capital expenditure incurred before 1st April 2008, MRP will be determined in accordance with the former regulations that applied on 31st March 2008, modified to a more prudent basis as permitted by the Guidance. Since 2016/17 such MRP has been based on repaying the non-housing debt in equal annual instalments over a 35-year period (this is Option 1 in the Guidance).

- For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments *or* equal to the principal repayment on an annuity with an annual interest rate equal to the average relevant PWLB rate for the life of the asset, starting in the year after the asset becomes operational (Option 3 of the guidance).
- If capital receipts have been used to repay full amounts of borrowing in the year, then the value of MRP which would have otherwise been set aside to repay borrowing will be reduced by the amounts which have instead been repaid from capital receipts, subject to the MRP remaining above Nil. The level of capital receipts to be applied to redeem borrowing will be determined annually by the Executive Director Finance Assets (Section 151 Officer), considering forecasts for future expenditure and the generation of further capital receipts (Option 3 of the guidance).
- MRP on purchases of freehold land will be charged over 50 years, except where the land is subsequently held for sale as part of an Investment / economic development / regeneration project (in which case no MRP will be charged, the debt being repaid by applying the capital receipts / sale proceeds when received), or where the land is being held for future council development (in which case the MRP will be based on the asset life of the building(s) resulting from the development, commencing the year after those building(s) become operational).
- MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
- For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational.
- A change introduced by the revised MRP Guidance was the allowance that any charges made over the statutory MRP (i.e. voluntary revenue provision (VRP) or 'overpayments'), can be reclaimed' in later years if deemed necessary or prudent by offsetting some or all of the 'overpayments' made against the current or future years' MRP. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative 'overpayment' made to date. Up until the 31 March 2024 the total overpayments were £1.626m, expected to rise to £1.831m by 31 March 2025.

No MRP will be charged in respect of assets held within the Housing Revenue Account but depreciation on those assets will be charged instead in line with regulations.

Capital expenditure incurred during 2024/25 will not be subject to a MRP charge until 2025/26 or until the year after an asset becomes operational.

Based on the Council's latest estimate of its Capital Financing Requirement on 31 March 2024 and the application of capital receipts to repay debt as described above, the budget for MRP and voluntary revenue overpayments (or VRP) has been set as follows:

	31.03.2024 Estimated CFR	2024/25 Estimated MRP/VRP	2024/25 Capital Receipts applied
	£m	£m	£m
Capital expenditure before 01.04.2008	5.998	0.222	0.000
Capital expenditure after 31.03.2008	92.944	1.546	0.000
Loans to other bodies repaid in instalments	11.226	0.000	0.205
Voluntary overpayment	n/a	0.206	0.000
Total General Fund	110.168	1.974	0.205
Housing Revenue Account	92.595	Nil	Nil
Total	202.763	1.974	0.205

Overpayments: In earlier years, the Authority has made voluntary overpayments of MRP that are available to reduce the revenue charges in later years, subject to the overall MRP charge in each year being not less than nil (i.e., negative). It is planned to make a further £205,805 overpayment (known as Voluntary Revenue Provision or VRP) in 2024/25.

MRP Overpayments	£
Forecast balance 31.03.2024	1,625,675
Planned overpayment/(drawdown) 2024/25	205,805
Forecast balance 31.03.2025	1,831,480

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Cheltenham Borough Council

Council – 18 March 2024

Revisions to the Constitution

Accountable member:

Cllr Rowena Hay, Leader of the Council

Accountable officer:

Claire Hughes, Corporate Director and Monitoring Officer

Ward(s) affected:

n/a

Key/Significant Decision:

No

Executive summary:

This report sets out proposed revisions to the Constitution.

Recommendations: That Council:

1. **approves the revised Part 5G - Guidance for Councillors Appointed to Represent the Council on Outside Bodies at Appendix 1;**
 2. **approves the Councillor Role Profiles at Appendix 3 for inclusion in the Constitution;**
 3. **gives delegated authority to the Monitoring Officer to make the necessary changes to the Constitution to reflect these decisions.**
-

1. Implications

1.1 Financial, Property and Asset implications

There are no direct financial, property or asset implications arising from the recommendations.

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

1.2 Legal implications

There are no specific legal implications arising from the recommendation of the report. Any decision to amend the Constitution rests with Full Council. The Constitution should be kept under review and amended where necessary to provide a clear governance framework that will support effective, efficient and lawful decision-making in a manner that also supports accountability, scrutiny, and transparency.

Signed off by: One Legal - legalservices@onelegal.org.uk Tel (01684) 272012

1.3 Environmental and climate change implications

There are no direct environmental or climate change implications arising from this report.

Signed off by: Claire Hughes, Corporate Director and Monitoring Officer

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

An equality impact assessment is not required for this report.

2. Introduction

2.1 The Constitution is a living document which requires regular review and maintenance. The review of outside bodies has been an ongoing piece of work, which concluded with the approval of the revised Part 5G – Guidance for Councillors Appointed to Represent the Council on Outside Bodies at their meeting on 19 February 2024.

2.2 Since their meeting on 19 February, work has been ongoing on developing a set of Councillor Role Profiles. This work has now concluded and, after being shared with Group Leaders and Committee Chairs, is presented to Council for ratification and inclusion in the Constitution.

3. Part 5G – Guidance for Councillors Appointed to Represent the Council on Outside Bodies

- 3.1 In April 2023, following consideration of a referral to Scrutiny made by Councillor Flynn, the Constitution Working Group (CWG) requested that further work be undertaken in relation to outside bodies. Specifically, which of the bodies were required by their own constitution to have a representative of the Borough Council, the value of having a representative and whether there were any particular skills that the body would look for.
- 3.2 All of the outside bodies were contacted, and their responses were captured and shared with the CWG in November 2023. Upon reviewing the responses, the CWG requested that the document be amended to clearly identify which bodies, by virtue of their constitution/articles, require a Council appointment (see Appendix 2). The group also requested that Part 5G of the Constitution – Guidance for Councillors Appointed to Represent the Council on Outside Bodies be updated.
- 3.3 The review has now concluded and the final list of outside bodies, together with an amended Part 5G, was presented to CWG on 19 February 2024, where it was approved for ratification by Full Council.
- 3.4 Members can see the suggested amendments to Part 5G as tracked changes in Appendix 1 to this report. The proposed changes can be summarised as:
- Paragraph 2 – clarifying the various types of appointments;
 - Paragraph 4 – clarifying position in relation to appointment as a director;
 - Paragraph 5.4.2 – inserting a link to further information for Trustees;
 - Paragraph 8 – removal of outdated references;
 - Paragraph 9.3 – updated to reflect the requirements around registration of interests as set out in the Localism Act and the Code of Conduct.

4. Role Profiles

- 4.1 It is important for councils to be clear and transparent so that officers, councillors and residents understand the functions of the various roles held by councillors. With this in mind, the CWG requested that officers undertake a piece of work to develop a suite of role profiles for councillors, including the roles of Leader, Deputy Leader, Cabinet Member, Group Leader, Mayor and the various chairs of Committees.
- 4.2 Having role profiles is something that is actively encouraged by the Local Government Association and will also be a useful tool in the induction process, as well as for members who may be considering taking up any of the roles.

4.2 The aim of the profiles is to:

- ensure that councillors understand their role, responsibilities and expectations in order to work effectively in serving the community;
- provide councillors with a wider understanding of all other positions in the council;
- ensure public understanding of the different councillor roles; and
- inform and support councillor development.

4.3. The suite of profiles attached at Appendix 3 has been shared with the CWG, Group Leaders and Committee Chairs for comment and are now submitted to Council for approval. If approved, the profiles will be included as a new appendix to the Constitution and cross-referenced in the Articles.

5. Reasons for recommendations

5.1 To ensure that the council's Constitution remains up to date.

6. Alternative options considered

6.1 None - but Council could decide not to approve the revisions

7. Consultation and feedback

7.1 Constitution Working Group and Group Leaders in respect of the Budget Protocol

8. Key risks

8.1 None

Report author:

Claire Hughes, Corporate Director and Monitoring Officer,
claire.hughes@cheltenham.gov.uk

Appendices

1. Part 1 5G - Guidance for Councillors Appointed to Represent the Council on Outside Bodies (tracked changes)
2. List of outside bodies
3. Councillor Role Profiles

Background information:

[Cheltenham Borough Council Constitution](#)

Part 5G – Protocol for Appointments to ~~Guidance for Councillors Appointed to Represent the~~ ~~Council on~~ Outside Bodies

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1. Introduction

- 1.1 Cheltenham Borough Council appoints people to sit on a number of outside bodies to represent the Council and to participate in their management and planning processes. A list of current outside bodies and appointments is available on the website
- ~~1.1.2~~ This protocol sets out the process for appointments to outside bodies and provides advice and guidance to members/officers so that they are fully aware of their obligations when representing the Council on outside bodies. Council has produced this protocol to ensure that members and officers are
- 1.3 For the purposes of this protocol, "outside bodies" include: -
- Companies
 - Unincorporated associations
 - Charities
 - Other Public Authorities
- 1.34 This protocol does not offer guidance to members/officers who are representatives on school governing bodies.
- 1.45 This protocol is based upon legislation as well as guidance from a variety of sources, primarily: -
- The members Code of Conduct
 - ~~Guidance from the Standards Board for England~~
 - The Local Government and Housing Act 1989
 - The Local Authorities (Companies) Order 1995
 - The Local Government Act 2000
 - The Local Government Association
- 1.56 The fundamental principles of this protocol are as follows:
- Members and officers will act according to the rules, constitutions and frameworks set by the relevant outside body and, where possible, with those of the Council.
 - Members and officers will make independent and personal judgements based on their duty of care to the outside body.
 - Members ~~will~~ may be required to report back, on their involvement with the outside body, ~~at least annually~~, to the Council – see paragraph 11.
 - Members will comply with their obligations as far as they are applicable pursuant to the Code of Conduct.
 - Members and officers will take an active and informed role in the management of the outside body's affairs.
 - Membership of an outside body does not include representing a political party.

2. Appointments

2.1 There are six types of appointments made to outside bodies:

- Those to which councillors are appointed as Trustees (Charities)
- Those to which councillors are appointed as Non-Executive Directors (Companies)
- Those to which the Leader is automatically appointed by virtue of their role as Leader of the Council

- Those to which the relevant Cabinet Member is appointed by virtue of their Cabinet Portfolio
- Joint Committees
- Outside Bodies to which members are appointed based on their interest in an area/topic and upon which they represent the Borough Council

2.2 With the exception of Joint Committees, where the appointment must be made by Full Council, the responsibility for appointments to outside bodies is with the Leader of the Council.

2.3 The Leader will consult with other political Group Leaders on the proposed appointments and in any case where consensus cannot be reached the appointment will be referred to Full Council.

2.3. General Provisions

2.43.1 There are some general provisions which apply to members and officers who act in the role of company director, charity trustee or member of an unincorporated body.

2.23.2 Members and officers are under a duty to exercise independent judgement in the interests of the organisation in which they are involved. Whilst it is recognised that members and officers may have a commitment to representing the Council on the Outside Body, they must be aware that it is their responsibility to decide on what view to take on any question before that organisation. For example, an instruction from the Council to vote one way or the other would put the member or officer in breach of his/her duty to the organisation. It is permissible to take account of the Council's wishes, but not to vote simply in accordance with them without applying one's own judgement.

2.33.3 Where a member or officer is involved in an outside organisation as a representative of the Council, he/she/they must declare that fact to the organisation.

2.43.4 Members/Officers must also ensure that avoidable loss is not incurred in managing the organisation concerned. They cannot avoid this responsibility by not reading the papers or failing to ask for the appropriate report. They will be expected to seek professional advice as appropriate.

2.53.5 Members and officers who represent the Council in such circumstances need to familiarise themselves with the duties they will assume and any potential liabilities they may face. It is essential that they are aware of how to deal with any conflicts of interest that may arise and they need to be sure that the proper procedures have been followed in respect of appointments to the relevant organisation.

4. Companies

4.1 Companies can be:-

- Limited by shares, usually operating a trade or business. They have shareholders and distribute profits to shareholders as dividends.
- Limited by guarantee – or so called “not for profit” organisations, which have members rather than shareholders. This type of company may also be a charity.

4.2 Companies are separate legal entities which employ staff, enter into contracts and own land/property. The day to day business of a company is managed by its board of directors.



4.3 Companies offer limited liability. This means that the members or shareholders are usually not personally liable for the company's debts and liabilities, subject to limited exceptions.

4.4 The powers of the directors are usually set out in the company's Articles of Association. These are the rules that govern the internal management of the company.

4.5 The most important point to bear in mind for local authority appointed directors is that although the council makes the initial nomination or appointment, after appointment the director holds office according to the constitution of the company. Once an individual, whether officer or elected member, accepts an appointment as a director, they take on all the responsibilities of that position and their duty when acting as a director is to the company, not to their appointing council. They must therefore act in accordance with what they consider necessary to promote the success of the company.

4.5 Duties of a Company Director

4.5.1 As a Director you will have a number of specific duties including

- To act in good faith and in the best interests of the company when making decisions as a director. This means exercising your own, independent judgement on matters and whilst factors such as the views and wishes of the Council or, if you are a Councillor, your political group, may be taken into account, one should avoid slavishly following the council or party group line without considering all other relevant considerations. When making decisions about the company the law also requires you to consider the interests of employees as well as the interests of members/shareholders. In certain cases you may find that the best interests of the company and the Council conflict (see paragraph 4.8). ~~Guidance on conflicts of interest is included in this protocol.~~
- To exercise reasonable care and skill when making decisions as a director. A director requires no greater skill than might reasonably be expected of someone of that individual's particular knowledge and experience. Directors are not deemed to be experts but they are expected to use due diligence and to obtain expert advice if necessary. This is very similar to the Member/Officer relationship in terms of decision making and the provision and consideration of professional advice.
- A fiduciary duty to act honestly and in good faith and in the best interests of the company as a whole.
- To act in accordance with the company's memorandum and articles of association, plus any other rules, regulations or bylaws that the company may operate pursuant to. Members/Officers should ensure that they have an up to date copy of these documents and are aware of their contents.
- To inform the board of a company if you have any direct or indirect interest in a contract the company is considering, proposing or entering. This, for example, will include contracts between the company and the Council. These requirements are similar to those contained in the Code of Conduct governing the declaration of ~~personal/prejudicial~~ interests. In other words members must notify the other directors before the company makes a decision on the matter concerned and the member should not take part in any board discussions about the contract.
- Not to make a profit from their positions within the company. You must therefore declare any interests you have (or those of your family) in relation to the company's contracts. Permission to vote on a particular matter would depend on the articles of association.
- To comply with company law. Directors must ensure that the Companies Acts are complied with particularly in respect of the maintenance of accounts and the submission of statutory returns to the registrar of companies. Failure to do so incurs fines and persistent default can lead to disqualification as a director.

4.6 Liabilities as a Director

4.6.1 Members/Officers acting as company directors may be held personally responsible for the company's debts and liabilities if they:-

- Engage in wrongful trading, i.e. if you knowingly permit the company to continue to trade or incur liabilities when you know or ought to have known that the company is unable to pay its debts. Accordingly, members/officers must ensure that they obtain regular information about the company's financial position. Advice on interpretation of financial information may be obtained from the company's chief financial officer or the Council itself. If you feel the company is unable to pay its debts you should notify the other directors as soon as possible. You should also consider whether to resign as a director. The Monitoring Officer will be able to advise you and you should seek their advice as soon as possible.
- Mis-apply or misuse the company's money or property.
- Fail to act in the best interests of the company or fail to act with the level of skill that could be reasonably expected of you, save and except where the Court is satisfied that you acted honestly and reasonably.
- Exceed the scope of any delegated authority you may have from the company. This is very similar to your position as a Member/Officer. Acting outside of the Council's powers can result in legal challenge.

4.6.2 If the number of Directors falls below 2 for more than six months or if you are sole director of a company you should notify the Monitoring Officer immediately as the Council will need to consider whether you should resign or whether the company should be wound up.

4.6.3 Failure to disclose a direct or indirect interest in a contract with the company could result in:-

- The imposition of a fine;
- The requirement to pay to the company any money you have received under the terms of the contract.

4.7 The Local Authorities (Companies) Order 1995

4.7.1 This Order sets out the rules concerning Councils' involvement in "regulated companies" which are subject to extensive controls.

4.7.2 Regulated companies are so defined if they are "controlled" or "influenced" by the Council. Influenced companies, under the effective control of the local authority, will be subject to capital finance regimes and special property controls.

4.7.3 Companies are local authority "influenced" if there is at least a 20% Council interest plus a business relationship with the company accounting for over 50% of the company's turnover and/or the company is located on local authority land, leased or sold for less than the best price reasonably obtainable. Companies are local authority "controlled" if there is a local authority interest in excess of 50% and the minority interest is less than 20%.

4.7.4 In particular Regulated Companies are subject to the following requirements;

- Comply with limits placed on remuneration paid to Directors who are also members of an authority which is a shareholder;
- Ensure that Member Directors who become disqualified from membership of an authority are removed from the Board

4.8 Conflicts of Interest

4.8.1 Conflicts of interest may arise between the Council and a company. Even if the Council and the company have the same overall aims and objectives you cannot assume that their



interests will always be the same. The legal position, and your obligations, remain the same even if the company has worthy objectives or is formed in response to a Council or government initiative.

4.82 Conflicts of interest may arise: -

- If the council is selling, donating or leasing land to the company.
- If the company and the council are negotiating a contract with each other.
- If the company is seeking funding from the council.
- If there is a dispute between the company and the council.
- If the company is tendering or negotiating to provide goods, services or works to the council.

4.8.3 Company law requires you to act in the best interests of the company but the Council will have nominated you as a director to represent or promote the Council's interests. Accordingly, if you are uncertain whether a conflict of interest exists you should seek advice from the Monitoring Officer as soon as possible.

4.4 If you think you have a conflict of interest you should: -

- Notify the Monitoring Officer (and your Line Manager, if you are an officer);
- Notify the company's board of directors,
- Take no further part in the matter on behalf of the company.
- If you are an officer you must take no part in the matter on behalf of the council either. This includes not taking part in any officer/member discussions on the matter or representing the council at meetings where the matter is discussed. You should declare an interest and leave the room whenever the matter is raised.

5. Charities

5.1 Charities may be created by registering any of the following with the Charity Commission.

- A Trust Deed – the Trustees become charity trustees
- A company limited by guarantee – the directors become charity trustees.
- An unincorporated association – the Management Committee become charity trustees

5.2 In order to qualify for a charitable status, the Commission must be satisfied that the organisation is operating for a charitable purpose. These are:

- The relief of poverty and human suffering
- The advancement of education
- The advancement of religion
- Another purpose for the benefit of the community

5.3 An organisation which operates for political purposes cannot qualify for charitable status.

5.4 The Duties of a Charity Trustee

5.4.1 Charity Trustees must:-

- Act strictly in accordance with the charity's constitution and rules.
- Act in the best interests of the charity.
- Manage the charity's affairs prudently
- Not derive any personal benefit or gain from the charity.
- Take proper professional advice on matters you are not competent to decide yourself.
- Ensure that the charity's bank accounts are operated by more than one person.

- Ensure the trustees have proper control of the charity's property and assets.
- Ensure that the charity keeps full and accurate accounting records.
- Spend charity income solely for the purposes set out in the charity's constitution.
- Ensure charity property is properly maintained and insured.

[5.4.2 Further advice on the duties of Trustees is available here: Charity Commission guidance - GOV.UK \(www.gov.uk\)](#)

5.5 Personal Liability

5.5.1 Personal liability may be incurred if a trustee:

- Acts outside the scope of the trust deed
- Falls below the required standard of care
- Makes a personal profit from the trust assets

5.5.2 Personal liability to a third party may arise because a charitable trust, unlike a company, is not a separate legal entity.

6. Unincorporated Associations/Bodies

6.1 Organisations which are neither charities nor companies are referred to as unincorporated associations. They usually operate pursuant to a constitution or set of rules defining the organisation's responsibilities and those of its members.

6.2 The affairs of an unincorporated association are usually governed by a management committee in accordance with the organisation's constitution or agreed rules of procedure.

6.3 Unincorporated associations cannot do any of the following in their own name:

- Enter into contracts
- Own land
- Employ staff

6.4 Members of the organisation's management committee must act in accordance with its constitution and must take reasonable care in exercising the organisation's powers.

6.5 Generally, the members of the management committee are liable for the acts of the organisation but are entitled to an indemnity from the funds of the organisation if they have acted properly. If there are not enough funds, the committee members are personally liable for the shortfall.

6.6 Members of a management committee will have personal liability if they act outside the authority given to them or if they do not comply with the relevant legal obligations.

6.7. Unincorporated Associations - Duties

6.7.1 As a matter of good practice members/officers appointed to represent the Council on an unincorporated association (body or organisation) must:

- Act in the best interests of the association
- Use reasonable care and skill when involved in decision making on behalf of the association
- Act in accordance with the association's rules or constitution.

- 6.7.1.24 Members/officers are therefore encouraged to:
- Clarify the extent of any limits to their power to act on behalf of the Council
 - Notify the Monitoring Officer if the association is proposing to take a course of action which is disadvantageous to the Council or which seems to involve considerable risk
 - Ensure the association has clear rules and procedures for decision making, particularly for entering into contracts.

87. Other Public Bodies

78.1 Some members will be appointed to other public authorities, for example the Police Authority. Like the Council, these bodies are created by statute and have a range of powers and duties.

78.2 Members appointed to the following public ~~authorities~~ body's will be required to comply with that ~~authority's~~ body's code of conduct:

- ~~Police Authority~~ Office of the Police and Crime Commissioner (OPCC)
- Fire ~~and Rescue~~ Authority

~~8.3~~ ~~Members of the Police or Fire Authority must comply with that authority's code of conduct whilst conducting the business of that authority.~~

~~8.4~~ ~~Members representing the Council on a non Standards Board regulated body (e.g. a company, charity or association), must comply with the Council's code of conduct except where it conflicts with any legal obligations the other body or organisation is bound by. Such conflicts are, in the view of the Standards Board, unlikely to arise frequently.~~

89 Indemnities

8.1 In the case of Outside Bodies that are not separate legal entities, the Council's Public and Employers liability policies extend to members and Officers provided that they are acting within the scope of their authority as representatives of the Council and are conducting activities approved by the Council. It is therefore essential that members and officers identify and clarify the extent of their individual responsibilities.

8.2 Outside Bodies that are legal entities in their own right (e.g. companies) must have appropriate insurance arrangements in place to indemnify the individuals concerned. It is therefore imperative that members and officers confirm that appropriate cover exists. If there is any doubt, advice should be obtained from the Monitoring Officer.

8.3 In the case of officers, an indemnity cannot extend to any deliberate wrong doing. In any event, an indemnity cannot cover an act which is outside the scope of an officer's employment or anything that is outside the legal powers of the Council.

9. The Members Code of Conduct

Duty to observe the Code

9.1 Members are obliged to observe the provisions of the Code whenever they conduct the business of the authority including when they act as a representative of the authority[†] except and insofar as it conflicts with any other lawful obligations to which that body is

[†]~~Code of Conduct Para 1(1) (a) & (c)~~

subject². So the position is here is that a Member wouldn't be in breach of the Code in circumstances where they take action which would normally constitute a breach but they are legally obliged to act in that way as a result of their position within the outside body.

- 9.2 It isn't easy to imagine such circumstances but one example might be where an authority was proposing to take action which would have an extremely adverse effect on the financial wellbeing of a company on which a Member sat as a Director. If the Member was privy to the information concerning the authority's plans he may find himself-themself in a position where he was compelled to disclose this potentially confidential information to the company due to his fiduciary duty to the company itself and duties arising under the companies act to avoid trading when insolvent. This is an extreme example but one which could feasibly arise.

9.3 ~~Personal and Prejudicial~~Registration of Interests

- 9.3.1 A Member must regard himself-themself as having an 'Other' personal interest in any matter if the matter relates to an interest in respect of which notification must be given under Part V of the Code. Part V includes amongst other things the requirement that Members register their membership of or position of general control or management in any body to which they have been appointed or nominated by the authority as its representative³.
- 9.3.2 So this means that where a Member is appointed to ~~the airport company, or indeed~~ any outside body, they must, within 28 days, register this in the register of Member's interests and they must consider themselves as having an 'Other' personal interest in any matter which relates to that interest.
- 9.3.3 The Code requires that a Member with an 'Other' personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent. The Member may however remain in the room and vote on the matter unless they consider themselves to also have a Non-Registerable Interest.
- 9.3.4 ~~In considering whether the Where a~~ Member has a Non-Registerable Interest the personal interest in a matter they must also give consideration to whether this is also a prejudicial interest and the test for this is an objective one of whether a member of the public with knowledge of the relevant facts reasonably regard the interest as so significant that it is likely to prejudice the Member's judgement of the public interest⁴. If the Member believes that such an interest exists they should leave the room and not take part in the vote. ~~However this is subject to the qualification in paragraph 10(2) of the Code, that~~

~~"A member may regard himself as not having a prejudicial interest in a matter if that matter relates to:~~

~~a) ...~~

~~b) a body to which he has been appointed or nominated by the authority as its representative".~~

~~It must be stressed that whilst this does not automatically exclude the interest from being a prejudicial interest it clearly envisages and provides for an additional level of discretion on the part of a Member in the context of interests arising from such appointments. The fact~~

² Ibid para 1(3)(b)

³ Para 15(a)

⁴ Para 10(1)

that such a provision is included in the regulations indicates that it was intended that a Member might treat an interest which would normally constitute a prejudicial interest, as not being such and thus not having the associated consequences of requiring the Member to absent themselves. The distinction here is that this provision introduces an element of subjectivity on the part of the Member where the interest arises from their role as a councillor. The following is an extract from some guidance issued by the Standards Board in September 2002.

“...the member may regard himself as not having a prejudicial interest. Therefore the member can participate in debate and decision making.

However, given that the wording includes the term ‘may regard’, there is an indication that there will be some exceptional circumstances where it would be inappropriate for a member to take advantage of the paragraph 10 (2) exemption clause. For instance where the circumstances throw up a conflict of interest which is so clear that it would be practically impossible for the member to fulfil his obligation to act in the best interests of the local authority, if he were to take a decision.”⁵

9.4 Unfortunately, there is a dearth of guidance in this area as to the proper application of this provision either from the courts or from the Standards Board. However, it is clear that Members in this situation must carefully consider their position taking account of all the relevant circumstances and make a judgement as to whether it is appropriate for them to take advantage of this provision. The test of a prejudicial interest is relevant and the Member should ask themselves whether their interest in the matter is such that it would be likely to harm or impair their ability to judge the public interest. Ultimately the decision as to whether their judgement call is correct will lie with the Standards Committee or the Adjudication Panel who would hear any complaint of breach. However, I would suggest that the following guidelines might offer some assistance;

i. The nature of the decision in question is relevant and I would suggest that the more direct the potential impact upon the wellbeing of the body in question the more likely it will be that the Member would not be entitled to utilise this provision. So for instance, if the debate concerned whether to award a grant to a body on which a Member was a Director I would suggest that the Member should give very careful consideration to the circumstances and only take part if, having considered those circumstances, they were absolutely confident that they could remain balanced in their judgement. (N.B. in certain cases it might be argued that the giving of the grant was akin to a contract in which case the Airports Act would preclude the councillor's involvement in any event).

ii. The nature of the appointment is also relevant in that where a position has little executive decision making power within the organisation, such as an observer role, then there is less danger that a member of the public would think that the interest is so significant that it would prejudice the Member's judgement. Conversely, where the position is at the heart of an organisation and is involved in executive decision making then a member of the public might reasonably assume that the Member's judgement was impacted upon to such an extent that it would impair their ability to judge the public interest. However, account must be taken of the fact that the Member has no financial interest in the organisation and is only in the position as a representative of the authority.

iii. Lastly, I would suggest that the nature of the organisation itself and its relationship to the authority may be relevant. I would suggest that the more autonomous an organisation and the more commercial in nature then the less likely the member would be able to rely on paragraph 10(2) and continue to take part in any debate. So for instance in where an authority leased a theatre to a commercial theatre management company which invited the authority to appoint a Member onto its Board then I would suggest that it would be

⁵ SBE Bulletin September 2002 – FAQ's

~~inadvisable for the member to take part in any items at meetings of the authority which concerned the theatre itself or the arrangements between the theatre and the authority. It would be different if the theatre company was a charity wholly owned by the authority.~~

~~9.5 The above is not an exhaustive list but intended to offer some suggestions as to the factors which Members should take into account when deciding whether to utilise the paragraph 10(2) exemption. The one thing which can be said with surety is that the only way to completely avoid the risk of breaching the Code in this respect is by adopting a very cautious approach and to not take part in any matter relating to a body in which you have any role.~~

~~9.6 Lastly, I would note that during the recent debate on the proposed changes to the Code of conduct the Standards Board has recognised the difficulty caused in trying to interpret this provision and it has proposed to introduce an amendment to the Code which would clarify the position and provide for Members to have an input into debates where there are potential conflicts arising from their appointment to other bodies, but then require them to leave the meeting whilst the vote is taken.~~

10. The Rule Against Bias and Predetermination

10.1 The legal rule against bias is divided into two distinct limbs 'actual' bias and 'apparent' bias but the underlying basis of both is that where bodies act in ways which affect the rights of individual citizens the procedure must be fair and seen to be fair. The first limb concerns the situation where a decision maker has some direct personal or financial interest in a matter. The second element, which has been applied more regularly in the context of local government decision making, was addressed by the House of Lords in the case of Porter v Magill [2002] and Lord Hope laid down the following legal test for determining whether a decision was tainted by the appearance of bias.

"The question is whether the fair minded and informed observer, having considered the facts, would conclude that there was a real possibility that the tribunal was biased."

The test is an objective one in that it asks what the 'fair minded observer' would think as opposed to what the decision maker themselves might think.

10.2 There is line of cases which concern a species of bias commonly referred to as "~~predetermination bias~~" which occurs where a decision ~~making-maker~~ has a closed mind to a matter or they have already made their decision prior to the meeting at which a decision should in fact be taken. This could arise where a director had expressed very clear support for something at a meeting of the board and then took part in a meeting of the council where the same matter was being considered.

11. Reporting Arrangements

11.1 Members who represent the Council on unincorporated outside bodies are required to submit a written report to either full council or, Cabinet ~~or the Economy and business Improvement~~, at least annually, on the activities of the organisation.

11.2 Officers who represent the Council on outside bodies are required to report to the relevant Portfolio Holder(s).

11.3 The purpose of the reporting arrangements is to ensure that members are fully informed of the activities of the outside body or organisation concerned, the nature of the organisation's



activities and the impact of such activities on the local community and Council service delivery.

- 11.4 Frequency of reporting will be annual, unless exceptional circumstances require a further report. Reports will be submitted in writing by the Elected Member/Officer and, so far as is reasonably practicable, limited to one side of A4.

12. Further Advice

- 12.1 Advice on the application of this protocol should be sought from the Monitoring Officer.

Appendix 2

		Type of appointment	Is having a member of the Borough Council involved in your organisation a legal and/or constitutional requirement?	Do you believe that having a Council representative adds values to your organisation?	When appointing a member to your organisation are there any particular skills that you would like us to look for?	Any other comments or observations you would like to make regarding member representation at your organisation?
With constitutional/legal requirement						
1	Brizen Young People's Centre	Member of Management Committee	Our constitution requires a member of Leckhampton with Warden Hill Parish Council to sit as a trustee, but not a Borough Councillor	A Council representative definitely adds value to us as a charity, particularly the current representative who is not only very supportive of the work that we do but looks for additional opportunities which we can support such as the summer project for young people	Enthusiasm for the work that we do and a genuine interest in improving the lives of local residents	A Council representative is particularly helpful for us as the building is owned by CBC and leased to the Parish Council. We have had an ongoing issue in terms of receiving utility bills and having a CBC councillor is a vital link between the various organisations to help us get to the bottom of things
2	Cotswold National Landscape	Board Member (1 of 15 LA members)	Yes, as part of the Conservation Board's Parliamentary Establishment Order (2005) and the Board's Constitution.	Yes, it is important that all local authorities have a say in our work.	Our remit is very broad, therefore we are looking for a broad range of skills and experience across our membership. Clearly, we are expecting Board Members to have a significant interest in the Cotswolds as a protected landscape.	None.
3	Sandford Parks Lido	Not specified	It's not a legal or constitutional requirement, but our lease with CBC states we must ensure the Council can place a representative on our Board.	I think it ensures an open and transparent relationship is maintained between our organisations.	We are fairly well covered at the moment, but maybe accessibility.	None.
4	St Margaret's Hall User Group	Not specified (but must be councillor living in area to have voting rights)	Yes	Yes	Knowledge of local community, general committee skills, ideally lives locally	Existing representative believed to be ready, willing and able to continue.

		Type of appointment	Is having a member of the Borough Council involved in your organisation a legal and/or constitutional requirement?	Do you believe that having a Council representative adds values to your organisation?	When appointing a member to your organisation are there any particular skills that you would like us to look for?	Any other comments or observations you would like to make regarding member representation at your organisation?
5	Twinning Association Executive Committee	Executive Members (Chair or Vice-Chair)	It states in our constitution that the Chair or Vice Chair should be a member of the council.	Yes as they are the link back to the council, keeping cabinet / twinning portfolio holder informed, and speaking for international links at council meetings	A genuine interest in international and European matters and cultures, with possibly some linguistic skills (French, German, Mandarin) but not essential.	No
6	Victory Trust	Representative Member	The Trust was set up by the Mayor of Cheltenham in 1947, and someone from the council has been involved ever since.	Yes, it's very useful to have someone not involved in the day-to-day running of the Trust who looks at issues from a different angle	Someone with an interest who brings a different perspective	No
No constitutional/legal requirement						
7	Cheltenham Arts Council	Executive Member	This is not a requirement of the constitution adopted in 2018 but previous constitutions have specified that up to three Borough Council representatives are entitled to sit on the executive committee .	The Borough Council allocates a grant to CAC for distribution to our various member societies. A Council representative on the committee acts as a safeguard that grants are made appropriately. Their knowledge of the Borough Council can be invaluable in assisting the Trustees and the executive committee when making decisions.	CAC would look for a representative to have an interest in the arts and knowledge of the art and culture of Cheltenham.	The representatives who have chosen (or been chosen) to sit on the committee have been valuable additions. Their comments on issues and desired help have been marked.
8	Cheltenham Playhouse	Can attend committee responsible for admin and events	No, this is not a requirement of our constitution.	A Council representative could be helpful depending on what they can offer. To date not currently aware of any significant difference that has been made in say last 12 months...	Ideally, we are looking for someone with a similar skillset as to what we are currently seeking from new trustees which includes ideally having knowledge/skills in one or more areas - legal matters, negotiations, PR and listed buildings repair/maintenance.	It would be nice to have some more clarification as to their duties to us and expectations both ways etc.

		Type of appointment	Is having a member of the Borough Council involved in your organisation a legal and/or constitutional requirement?	Do you believe that having a Council representative adds values to your organisation?	When appointing a member to your organisation are there any particular skills that you would like us to look for?	Any other comments or observations you would like to make regarding member representation at your organisation?
					General business skills would be useful too, as well as general council support/liaison to help us achieve our charitable objectives.	
9	Cheltenham West End Partnership	Observer	No	Yes	No	No
10	Everyman Theatre	Observer on Board	No	Yes	Not specifically	We are very happy with our representative, he is very supportive and has an appropriate level of involvement.
11	Friends of Leckhampton Hill & Charlton Kings Common	Executive Committee Member (no formal rights on Board)	No, we have no constitutional requirement to have a CBC member on our Executive Committee.	It is useful to have a Council perspective / input to our discussions. It is largely useful to align our objectives to those of the Council and to understand Council resources and limitations.	We prefer people who are local to Leckhampton / Charlton Kings and use the Hill. Countryside knowledge and / or ecological experience would be most helpful but is often in short supply.	We are in the process of compiling a paper outlining the financial requirements of managing the hill and impressing on the Council the statutory and other more practical requirements of doing this. We are hopeful that the Councillors on our committee will be well prepared to take these representations directly to the appropriate Council Officers / committees.
12	Gloucestershire Airport Consultative Committee	Committee member	I am not aware of a legal or constitutional requirement for Cheltenham Borough Council membership of the Gloucestershire Airport Consultative Committee.	As Cheltenham Borough Council jointly own Gloucestershire Airport with Gloucester City Council with a 50% stakeholding, it is important that the owners views are represented via a Committee position	Ability to make appropriate contribution to discussion at the quarterly meeting	Ability to attend the quarterly meetings held at Gloucestershire Airport in February, May, August and November, generally the third Thursday of these months starting at 6pm lasting approx. one hour

		Type of appointment	Is having a member of the Borough Council involved in your organisation a legal and/or constitutional requirement?	Do you believe that having a Council representative adds values to your organisation?	When appointing a member to your organisation are there any particular skills that you would like us to look for?	Any other comments or observations you would like to make regarding member representation at your organisation?
13	Gloucestershire Resources and Waste Partnership	n/a	Not from the point of view of waste management services within the current partnership structure.	Yes. Please see attached GRWP's Terms of Reference for further information on objectives and benefits.	We do not appoint members from other authorities. These are appointed to the partnership by each respective authority, generally the most relevant portfolio holder according to your governance process. Ideally we would want members who are open minded about cross party working and understand the benefits of working together to deliver continual improvement within a 2-tier service model.	No, other than to say that the GRWP is not 'our organisation'. It is a mutually beneficial partnership equally represented by each authority (see attached ToR's for further context).
14	St Mark's and Hesters Way Community Association	Executive Committee Member	No	Yes	No	[no response]
15	West Cheltenham Partnership	Board Member	No	Yes	Law, Charity, Governance, Financial are useful but a general interest in and understanding of our community are key	By our constitution we have a 19% limit on numbers of council representatives on the board.

Trustee/Partner appointments		
1	Cheltenham Borough Homes	Board Member
2	Cheltenham Trust	Trustee
3	Cleeve Common Trust	Trustee
4	Gloucestershire Airport Ltd	Non-executive Director
5	Higgs & Cooper (and Relief in Need)	Trustee
6	Pates Grammar School	Trustee
7	Prestbury United Charities	Trustee
8	Publica	Non-executive Board Member
9	Ubico	Member Observer to Board of Directors

Cabinet Portfolio appointments		
1	Cheltenham BID Board	Board Member [Leader]
2	Communities Partnership	CBC-hosted. Member of advisory board [Cabinet Member for Safety and Communities]
3	District Councils' Network	Regular member (non-executive)[Leader]
4	Leadership Gloucestershire	[Leader]
5	LGA General Assembly	[Leader]
6	PATROLAJC	Required by Memorandum of Participation 2008 [Cabinet Member for Finance and Assets]
7	Place Governance Group	Board member
8	South West Councils	[Leader]
9	South West Councils' Employers Panel	[Leader]
10	Strategic Housing Partnership	not specified
11	Local Visitor Economy Partnership	Board Member [Cabinet Member for Economic Development, Culture, Tourism and Wellbeing]

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- Role Profile:** Elected Member (to apply to all members)
- Responsible to:** Cheltenham Borough Council and the local people
- Role purpose:** To represent the views of their/their local community within and outside the Council.

Main Duties and Responsibilities

1. To represent the individual constituents within their Wards, undertaking casework on their behalf and serving all equally.
2. To liaise with the Leader of the Council, Cabinet members, other council members, officers and other service providers in ensuring that local community needs are considered and identified.
3. To be a channel of communication for the local communities about the decisions of Council and Council procedures.
4. Acting as community leader, to represent the views, aspirations and concerns of the people of Cheltenham as a whole, providing the focus for local democracy.
5. To participate in Council meetings to carry out the functions of Council meetings as set out in Article 4 of the Constitution.
6. To participate as a member of the Cabinet, committee, advisory panel/working group or other body to which the member is appointed.
7. If appointed, to represent the Council on outside organisations/bodies.
8. To develop and maintain a working knowledge of the Council's services, management arrangements, powers/duties and constraints and to develop good working relationships with the relevant officers of the Council.
9. To develop and maintain a good knowledge of the corporate policies of the Council.
10. To uphold the Council's Constitution and to promote high ethical standards. To act in accordance with the Members' Code of Conduct and the Protocols as set out in the Council's Constitution.
11. To establish and maintain effective working relations with other members (including those who are members of different political groups).
12. To promote and enhance the Council's reputation through participating constructively in the governance of Cheltenham.
13. To undertake in a constructive manner such training and development as the Council, the Standards Committee, member development group or the member's own group (if applicable) may recommend from time to time and to disseminate learning from attendance at conferences with their colleagues where appropriate, including feedback to all members.

14. To be aware of and understand their duties in relation to the Council's statutory safeguarding and Prevent duties, including completion of mandatory safeguarding and Prevent training.
15. Show a commitment to Equality, Diversity and Inclusion at all times and operate within Council policy.
16. To ensure the safekeeping of any corporate ICT equipment allocated to them.
17. To have an awareness of their responsibilities under the Data Protection Act 2018 and to treat any data in accordance with the council's ICT and data security policies and in accordance with the requirements of the Members' code of conduct. To complete mandatory data protection and cyber security training.
18. To ensure that relevant health and safety responsibilities are taken into account when undertaking all aspects of the role.

Role Profile

- Role Profile:** The Leader of the Council
- Responsible to:** Cheltenham Borough Council and local people.
- Role purpose:** To represent the aspirations of the people of Cheltenham and to provide overall strategic leadership to the Council.

Main Duties and Responsibilities – *in addition to those duties of all elected members*

1. To appoint the Cabinet and Deputy Leader.
2. To manage and lead the work of the Cabinet including deciding the scheme of delegation for Cabinet functions.
3. To lead on decision making and to make individual decisions in relation to Cabinet functions.
4. To work closely with other Cabinet members to ensure the development of effective Council policies, and the delivery of high-quality services (reflecting the principles of Best Value) to local people.
5. To represent the Council on Leadership Gloucestershire and on such other outside organisations they are appointed to, including the Local Government Association.
6. To act as shareholder for any companies which are owned by the Council
7. To lead the Cabinet's work in:
 - (a) providing strategic direction to the Council by identifying a vision, corporate objectives and priorities for services;
 - (b) providing a lead on the development of corporate policies and strategies;
 - (c) using the Council's objectives and priorities to drive the development of services and budget process;
 - (d) seeing continuous improvement by establishing the appropriate culture within the Council;
 - (e) monitoring performance;
 - (f) ensuring probity and financial monitoring;
 - (g) keeping under review the organisation and management processes of the Council, including the democratic structures; and
 - (h) developing, in consultation and partnership with others, a strategy for providing the social, economic and environmental well-being of the Borough of Cheltenham.

8. In consultation, with the Chief Executive, draw up a forward plan of Cabinet business and to keep it under review.
9. To liaise with the Chief Executive on a regular basis in relation to the strategic vision and direction of the Council, the management roles of officers and the development of policy issues.
10. To represent the Council at events which relate to the promotion of the business of the Council or Cheltenham.
11. To act as an ambassador for the Council:
 - (a) promoting its work and acting as its principal political spokesperson;
 - (b) participating in consultation;
 - (c) listening to, and taking account of, the views of organisations, the public and businesses; and
 - (d) representing the Council at all appropriate levels.
12. To appear before the Overview and Scrutiny Committee, or any task groups of the committee where required.
13. To liaise with the Group Leaders to ensure the effective and proper management of the Council's business in the best interests of local people.
14. To use their best endeavours to work constructively with the Group Leaders to ensure that the Council sets a lawful budget and adopts (and keeps under review) an appropriate policy framework.
15. To assist in the delivery of training and development as identified within the Members' Development Programme.
16. So far as it is an Executive function, to make (or delegate the making of) appointments to outside organisations.

Role Profile

Role Profile: Deputy Leader

Responsible to: Cheltenham Borough Council and local people.

Role purpose: To deputise for the Leader of the Council and to be the Council's main representative and spokesperson on their nominated areas of responsibility.

Main Duties and Responsibilities – *in addition to those duties of all elected members*

1. To deputise for the Leader of the Council
2. To represent the Leader of the Council, as required (but excluding any roles in relation to civic and ceremonial functions).
3. To support and assist the Leader of the Council in managing and leading the work of the Cabinet.
4. To participate in the Cabinet in respect of all areas of collective decision-making with particular emphasis on any areas for which they have been given a particular responsibility by the Leader of the Council.
5. To act as the spokesperson and advocate for the Council in respect of any areas of responsibility assigned to them by the Leader of the Council.
6. To lead the development of the Council's policy framework within their area of responsibility and make recommendations to the Council.
7. To provide guidance to the Leader of the Council on the management and implementation of functions in relation to activities within their area of responsibility.
8. To give guidance to the Leader of the Council on budget priorities within their area of responsibility.
9. To monitor through appropriate officers the Council's performance within their area of responsibility.
10. To respond to reports of the Overview and Scrutiny Committee or its scrutiny task groups.
11. To appear before the Overview and Scrutiny Committee or its scrutiny task groups, as required.
12. To lead the process of continuous improvement and responsiveness of Council services within their area of responsibility.
13. To ensure that activities within their area of responsibility take proper account of the Council's vision, core values and guiding principles.
14. To represent the Council politically at national and local level, on outside organisations or in partnership with other agencies.

Role Profile: Cabinet Member

Responsible to: Cheltenham Borough Council and local people.

Role purpose: To be the Council's main representative and spokesperson on their nominated areas of responsibility as appointed by the Leader of the Council.

Main Duties and Responsibilities – *in addition to those duties of all elected members*

1. To participate in the Cabinet in respect of all areas of collective decision-making with particular emphasis on any areas for which they have been given a particular responsibility by the Leader of the Council.
2. If required, to deputise for the Leader of the Council and/or Deputy Leader.
3. To act as the spokesperson and advocate for the Council in respect of any areas of responsibility assigned to them by the Leader of the Council.
4. To lead the development of the Council's policy framework within their areas of responsibility and make recommendations to the Leader of the Council.
5. To provide guidance to the Leader of the Council on the management and implementation of functions in relation to activities within their areas of responsibility.
6. To give guidance to the Leader of the Council on budget priorities within their areas of responsibility.
7. To sign off funding within their areas of responsibility and within the limits set out in the Constitution.
8. To take decisions in the areas of responsibility and as set out in the Constitution, taking into consideration all relevant facts, information and professional advice provided by officers.
9. If required, to assist the recruitment process for any Director level post.
10. To monitor through appropriate officers the Council's performance within their areas of responsibility.
11. To respond to reports of the Overview and Scrutiny Committee or its scrutiny task groups.
12. To appear before the Overview and Scrutiny Committee or its scrutiny task groups, as required.
13. To lead the process of continuous improvement and responsiveness of Council services within their areas of responsibility.
14. To ensure that activities within their areas of responsibility take proper account of the Council's vision, core values and guiding principles.
15. To represent the Council politically at national and local level, on outside organisations or in partnership with other agencies.

Role Profile

Role Profile: Group Leader

Responsible to: Cheltenham Borough Council and local people.

Role purpose: To lead their political group and contribute to the effective and proper management of Council business.

Main Duties and Responsibilities – *in addition to those duties of all elected members*

1. To lead their political group in accordance with the law and the internal rules and procedures of that group.
2. To lead or facilitate the development of clear strategic priorities for their group and (if required) communicate these to the Chief Executive.
3. To use best endeavours to liaise with the Leader of the Council, the leaders of other political groups and the Chief Executive to ensure the effective and proper management of Council business.
4. To use best endeavours to work constructively with the Leader of the Council and other Group Leaders to ensure that the Council sets a lawful budget and adopts (and keeps under review) an appropriate policy framework.
5. By example (and by using all lawful powers available as group leader) to promote high ethical standards amongst the members of their political group and adherence to the Council's Protocols.
6. By example (and by using all lawful powers available as group leader) to encourage the members of their political group to participate constructively in such training as the Council or the Standards Committee may recommend from time to time. To include assisting in the delivery of training and development as identified within the Members' Development Programme
7. To use best endeavours to resolve disputes between any member of their group with any other member (of any or no political group) or any officer in accordance with the Council's Codes and Protocols.

Role Profile

Role Profile: Civic Mayor

Responsible to: Cheltenham Borough Council and the local people

Role purpose: To chair meetings of the Council and carry out traditional and civic and ceremonial duties of the Council.

Main Duties and Responsibilities – *in addition to those duties of all elected members*

Chairing the Council meeting

1. To uphold and promote the purposes of the Constitution and in particular the Local Protocol for Civic and Ceremonial.
2. To preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of councillors and the interests of the community.
3. To ensure that the Council meeting is a forum for debate of matters of concern to the local community and the place at which members who are not on the Cabinet are able to hold the Cabinet to account.
4. To promote public involvement in the Council's activities.

Civic Role

5. To be the first citizen of the Borough and to take precedence as they deem appropriate and undertake such civic and ceremonial duties as they consider appropriate. (Note: the Deputy Civic Mayor or an appropriate ward or other Member shall act as the Civic Mayor's deputy in relation to civic and ceremonial functions at the Civic Mayor's request. The Leader of the Council (where invited by the event organiser) will also attend those civic and ceremonial events which promote the business of the Council and the town.) To conduct themselves in such a manner as prescribed in the Local Protocol for Civic and Ceremonial when undertaking civic and ceremonial duties.
6. To act as President of several local organisations including
 - Cheltenham Local History Society
 - The Arthritis and Rheumatism Council – Cheltenham branch
 - Royal National Lifeboat Institution
 - RELATE – Marriage Guidance
 - The Multiple Sclerosis Society
 - Cheltenham Sports Council
 - Cheltenham Civic Society – Honorary President
 - Vice President of the RSPCA
7. To nominate a charity or charities to support and identify committee members for the Charity Committee, who will assist in raising money through organising collections and special events

Deputy Civic Mayor

The Deputy Civic Mayor shall undertake the role and functions of the Civic Mayor in their absence or at their request.

Role Profile: Overview and Scrutiny Chair

Responsible to: Cheltenham Borough Council and local people

Purpose of role: To co-ordinate and take a lead role in the effective overview and scrutiny of policies, budget, strategies, and service delivery within Cheltenham with a view to ensuring public accountability and continuous improvement.

Main Duties and Responsibilities – *in addition to those duties of all elected members*

1. To Chair meetings of the Overview and Scrutiny Committee, having particular regard to the Council's Overview and Scrutiny Standing Orders.
2. To ensure the work of the Overview and Scrutiny Committee (and any scrutiny task group it establishes) is conducted at all times in a positive, balanced, independent and non-partisan manner, and in the best interests of local people.
3. To ensure Overview and Scrutiny is an open, transparent process that informs, consults, and engages with local people, particularly traditionally excluded groups.
4. To establish a critical friend relationship with the Leader of the Council, Cabinet members, senior officers, and key partners.
5. Working closely with the nominated lead Director for Scrutiny, to lead the development and delivery of an annual overview and scrutiny workprogramme.
6. To ensure the effective operation of an overview and scrutiny function that:
 - (a) examines and reviews decisions made by, and the performance of, the Leader of the Council, members of the Cabinet, other appropriate committees, officers, and the Council's partners;
 - (b) questions the Leader of the Council, members of the Cabinet, other appropriate committees, senior officers, and partner organisations about their decisions and performance;
 - (c) assists in policy development and proposes evidence-based recommendations to relevant decision-makers;
 - (d) via the budget scrutiny working group process, assists, examines, and challenges the formulation of the Council's annual budget, and ensures the budget setting process is efficient and transparent and that outcomes accord with the Council's plans and priorities;
 - (e) reviews the performance of partnerships and other public bodies in the area, including requesting them to address the Overview and Scrutiny Committee and its scrutiny task groups;
 - (f) ensures adequate scrutiny of external reports on the Council's performance and that of its partners.
7. To be fully aware of the Council's Forward Plan and ensure that overview and scrutiny is able to consider all relevant issues within the timescale set.
8. To ensure that the call-in process is managed by the Overview and Scrutiny Committee.
9. To be responsible for the constitutional arrangements relating to the waiving of call-in where decisions are urgent.

10. To consult relevant decision makers in the preparation of overview and scrutiny reports and influence them to implement recommendations.
11. To ensure findings of overview and scrutiny are communicated to the Council, the Leader of the Council, partners, the press, and public as appropriate.
12. To ensure the Overview and Scrutiny Committee reports annually to Council.
13. To represent Cheltenham at regional and national forums concerned with overview and scrutiny.
14. To ensure the implementation of overview and scrutiny recommendations is monitored.
15. To arrange and attend such meetings of the Overview and Scrutiny Committee (and scrutiny task groups it establishes) as may be necessary for the effective and efficient operation of the overview and scrutiny function.
16. To support and motivate members in the overview and scrutiny process.
17. To develop and maintain a working knowledge of the practices, procedures, services, and functions that fall within the Overview and Scrutiny Committee's terms of reference.
18. To have an understanding and be aware of legislation that impacts on the Council.
19. To ensure overview and scrutiny have regard to overview and scrutiny good practice e.g. promoted by the Centre for Public Scrutiny.
20. To ensure member champions are invited to be contributors to any reviews that have a direct bearing on their interest, have an opportunity to contribute or comment on the overview and scrutiny work programme, and are engaged and consulted appropriately in the development of policy.
21. To keep the Overview and Scrutiny Chairs group briefed adequately on all relevant issues.

Role Profile

Role Profile: Vice Chair of the Overview and Scrutiny Committee

Responsible to: Cheltenham Borough Council and local people

Role purpose: To assist, support, and deputise for the Chair of Overview and Scrutiny

Main Duties and Responsibilities – *in addition to those duties of all elected members*

1. In the absence of the Overview and Scrutiny Chair, to chair meetings of the Overview and Scrutiny Committee, having particular regard to the Council's Overview and Scrutiny Standing Orders.
2. To assist and support the Overview and Scrutiny Chair in the delivery of their duties – as outlined the Overview and Scrutiny Chair's Role Profile above.
3. To attend, and in the absence of the Chair of Overview and Scrutiny arrange, such meetings of the Overview and Scrutiny Committee (and any scrutiny task groups it establishes) as may be necessary for the effective and efficient operation of the overview and scrutiny function.
4. To take responsibility for and to lead on specific issues which are within the remit of the Overview and Scrutiny Committee but not necessarily in the remit of a Scrutiny Chair, as delegated by the Overview and Scrutiny Chair.
5. To develop and maintain a working knowledge of the practices, procedures, services and functions that fall within the Overview and Scrutiny Committee's term of reference.
6. To have an understanding and be aware of legislation that impacts on the Council.

Role Profile

- Role Profile:** Chair of a Regulatory Committee
- Responsible to:** Cheltenham Borough Council and the local people
- Role purpose:** To ensure that the regulatory responsibilities of the Council are undertaken in accordance with the Council's policies and procedures.

Main Duties and Responsibilities – *in addition to those duties of all elected members*

1. To chair meetings of one of the regulatory committees in accordance with the relevant terms of reference and the Council's Standing Orders and Constitution.
2. To consider the submission of late items and to determine whether or not these are sufficiently urgent to be considered by the Committee.
3. To arrange proper consideration of the issues presented to the Committee and ensure that it has all the necessary information before it to make informed decisions.
4. To work with senior officers of the authority to set agendas for the Committee, acknowledging the legal and constitutional requirements around regulatory decision making.
5. To attend sit visits as required.
6. If appropriate, to represent the Council in all dealings with the public, media and other bodies in respect of regulatory matters.
7. To maintain awareness of national and local issues and regulations relating to the particular Committee.
8. To liaise with officers as to the training and development requirements for committee members.
9. Acknowledging the quasi-judicial operation of the committee, to ensure the committees act in the best interests of the borough in taking decisions in a non-partisan way and to ensure the codes of conduct in Planning and Licensing, as laid out in the constitution, are adhered to.

Role Profile: Chair of Audit, Compliance and Governance Committee

Responsible to: Cheltenham Borough Council and the local people

Role purpose: To ensure that the regulatory responsibilities of the Council are undertaken in accordance with the Council's policies and procedures.

Main Duties and Responsibilities – *in addition to those duties of all elected members*

1. To chair meetings of the Audit, Compliance and Governance Committee in accordance with the relevant terms of reference and the Council's Standing Orders and Constitution.
2. To consider the submission of late items and to determine whether or not these are sufficiently urgent to be considered by the Committee.
3. To arrange proper consideration of the issues presented to the Committee and ensure that it has all the necessary information before it to make informed decisions.
4. If appropriate, to represent the Council in all dealings with the public, media and other bodies in respect of audit, compliance and governance matters.
5. To maintain awareness of national and local issues and regulations relating to the Audit, Compliance and Governance Committee.
6. To liaise with officers as to the training and development requirements for committee members.
7. To work with senior officers of the authority including the Chief Financial Officer and Head of Internal Audit (or equivalent), to agree the forward work programme and to set agendas for the Committee.
8. To lead the Committee in its role in reviewing and assessing the Governance, Risk Management and Control of the authority
9. To lead the Committee in its role in reviewing and scrutinising the authority's financial affairs
10. To lead the committee in its role in contributing to the effective performance of the authority.
11. To oversee the authority's internal and external audit arrangements and work with internal and external auditors
12. To review the financial statements prepared by the authority and approve them when powers are delegated

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