

Budget Consultation 2025/26

Questions from members of the public

<p>Received 29 January 2025</p> <p>With the 4 million overspend of the MX project where did this money come from? What contribution was made by other partners in the MX project once the initial budget was exhausted.</p>
<p>Response from Councillor Rowena Hay, Leader of the Council</p> <p>The total approved budget for the MX project was £9.267m. This was funded by £3.216m of Government grant and £6.055m of Government borrowing.</p>
<p>Received 31 January 2025</p> <p>Could the Council confirm which changes, if any, have been made to any draft budget as a result of responses from the public in the last five years?</p>
<p>Response from Councillor Alisha Lewis, Cabinet Member for Finance & Assets</p> <p>The annual budget consultation which is run each year includes collation of feedback, questions and scrutiny from members of the public, our partners and Council scrutiny forums. There are several changes which have been made between the draft and final budgets for 2025/26, including amendments to the savings proposals as a result of the feedback received.</p>
<p>Received 31 January 2025</p> <p>a) Will the Council specify exactly how the remaining £130,000 savings in Environmental Services be made, and in particular, how much of these savings will be accounted for by the closure of the Swindon Road Centre?</p> <p>b) Will the Council use some of the savings from the closure of the Centre to improve waste collection facilities elsewhere in the Borough, such as at car parks etc?</p> <p>c) Does the Council plan to retain ownership of the Swindon Road Centre, until ownership passes to a new Unitary Authority?</p> <p>d) Will the Council ensure that in the meantime there is provision in the budget for continuing maintenance of the Centre to ensure its potential re-opening in the future?</p>
<p>Response from Izaak Tailford, Cabinet Member for Waste, Recycling & Public Realm</p> <p>a) The remaining £130,000 savings in Environmental Services will be realised in 2025/26 in the event that the Household Recycling Centre (HRC) remains closed or is re-opened and operated by another party. If we decide to re-open the HRC, savings will have to be made in other areas.</p>

b) Bring sites in our car parks, kerbside collections and street cleansing remain key priorities in the 2025/26 budget. As part of the HRC review, we are looking at ways to expand and improve our bring sites to provide more ways for residents to recycle in Cheltenham.

c) The HRC is part of the Swindon Road depot site. The ownership of the Swindon Road depot site will remain with the Council until local Government re-organisation in Gloucestershire is determined. At this point the future ownership of all of the Council's assets will be agreed.

d) The depot site is vital to the delivery of our current waste and recycling services as well as providing office space for smaller teams such as green spaces and housing repairs. Provision remains in the budget for its ongoing maintenance to ensure its continued operation. If the on-site HRC were to re-open, that would require approximately £1million works to apply for a permit.

Received 31 January 2025

a) What percentage of the MX profits is the Council currently entitled to in accordance with the negotiated agreement with its business partners (Plexal and WSC)?

b) Is it correct to assume that the MX is not expected to make any profit in 2024/25? And if this is not correct, what profit is it expected to make and how much of that will be made to the Council's business partners?

c) What evidence can the Council provide (for example, in a business plan for MX) to its Council-Tax-paying residents that it will receive the budgeted £100,000 MX profit share in 2025/26, given the failure to achieve a profit share in 2024/25?

d) Is the project still risk-rated as red?

Response from Councillor Rowena Hay, Leader of the Council

There is a loan agreement in place between the Council and Workshop Cheltenham for the funding provided to deliver the building and regeneration activity in the Minister area. The cost of borrowing incurred by the Council for the project will be repaid through this agreement. The £100,000 income target in the budget was profit share addition to this repayment. As the MX has only been operational for less than 12 months, this has not been realised within the first twelve months. As a result this target is red rated but may be re-introduced into the savings schedule once the operation is more established. As the MX is operated by a commercial entity, we are not able to disclose any financial performance information relating to it or its shareholders.

Received 27 December 2024

I've lived in Gloucestershire for 51 years and in Cheltenham for 28. For most of this time I have held the firm view that it's for the benefit of the majority that there should be a county wide unitary authority. I believe the case for that to be more self-evident than ever today as face multiple crises of climate and nature.

<p>Response from Councillor Alisha Lewis, Cabinet Member for Finance & Assets Thank you. Your response to the Council's budget consultation has been noted.</p>
<p>Received 23 January 2025</p> <p>How much income has the council received from the MX in 2024?</p> <p>How is the short fall in the 2024 accounts for the predicted MX £100,000 income to be plugged?</p> <p>Should the council's income from the MX be shown in the 2025 accounts in line with commercial practice at £308,000?</p>
<p>Response from Councillor Rowena Hay, Leader of the Council The Council has not received any income directly from the MX in 2024. The shortfall in the savings proposals for 2024/25 will be met by balances and reserves which have been set in line with the Section 25 report to allow for this. The calculation provided by the budget consultee is noted but is not based on the figures we hold and so we are not in agreement with the statement that the Council's income from the MX in the 2025 accounts should be shown as £308,000.</p>
<p>Received 23 January 2025</p> <p>The Council has closed the recycling Centre on Swindon road, as an asset what sinking fund was established to renew and refurbish a declining asset?</p> <p>If a sinking fund for the Recycling Centre does not exist, not in line with good practice, what budget has been set aside to refurbish it?</p> <p>With the closure of the recycling Centre, what is the financial loss of the recycled material sold and how is this income going to be recovered?</p>
<p>Response from Izaak Tailford, Cabinet Member for Waste, Recycling & Public Realm The planned maintenance of all the Council's assets is managed by the property team and work is funded by the annual £600k budget which is allocated across sites in Appendix 8 of this report. The purpose of maintaining the planned maintenance reserves and budgets is to address any cyclical repairs required to our buildings. The Household Recycling Centre capital investment was not included in these projections as the requirements set out by the Environment Agency are in response to changing regulations rather than to any structural or maintenance issues on the site.</p> <p>Over 95% of recycled materials sold by the Council are collected at the kerbside and bring bank sites, with the exception of a small number of materials that aren't collected in this way.</p>
<p>Received 28 December 2024</p> <p>Although additional support for those in receipt of AFCS is highlighted as a key element, I can't find any specific mention of it in the budget documents. Apologies if I've just missed</p>

it. How much is this costing and why has this group been identified as needing such support when already receiving tax-free benefits, plus in many cases a generous military pension, as opposed to other worthy groups such as NHS staff or the wider population who receive no particular support?

Response from Councillor Alisha Lewis, Cabinet Member for Finance & Assets

The Council do not offer any direct financial support for residents in receipt of Armed Forces Compensation Scheme funding through our revenues and benefits service. The income however is ignored when any discounts are assessed. Our Local Council Tax Support Scheme is in place to support residents with low incomes and the scheme for 2025/26 was approved by the Cabinet in November 2024.

Received 28 December 2024

How much profit is the council expecting through its investment in West Cheltenham, in particular the return from its investment in land for housing? Has this been taken into account in the funding of the capital programme which is detailed out to 28/29?

Response from Councillor Peter Jeffries, Cabinet Member for Major Developments & Housing Delivery

The anticipated financial returns from the investment in West Cheltenham are commercially sensitive and subject to change depending on results of Gateway reviews at key stages in the programme.

Within the capital programme and Medium Term Financial Strategy the financing of the investment into the Cyber Innovation Centre is now included and is detailed in the covering report for the final budget proposal.

Received 24 January 2025

HOUSEHOLD RECYCLING CENTRE

The CBC website states, regarding the Household Recycling Centre, "Required works at the site are estimated to cost £1million to meet regulations." When were council officers first aware of the regulations that warranted work being done, over and above normal maintenance and renewal, to enable the HRC to remain open?

How is the figure of £1M arrived at? Please make this answer as detailed as the information available allows.

What impact on CBCs Carbon Net Zero target does closing the Household Recycling Centre have?

What is the estimated carbon footprint of the HRC, per annum, for the last 5 years?

How much would it cost to provide free brown garden waste bins to every household with a garden? What would this figure be if they were only supplied to those who have a reduction in their council tax due to low income?

Response from Izaak Tailford, Cabinet Member for Waste, Recycling & Public Realm

The Environment Agency are introducing upcoming changes to their rules that will directly affect the Swindon Road HRC. The government originally published a consultation exercise in 2018 and the date for some of these changes which impact Swindon Road have yet to be announced but are expected in 2025. These changes will mean that CBC will need to apply for a new, more stringent permit than that under which the Swindon Road HRC currently operates.

Specialist advice and quotations have been sought and it is estimated that approximately £1million will need to be spent on the Swindon Road HRC in the next financial year in order for an application for a new permit to be successful.

Permit application	£20,000 (excluding any extras required by EA)
Ground works	£638,405
Move compactors	£10,267
Other works to ensure compliance	£320,000 approx (may be less or more)

The associated HRC carbon emissions are calculated on the electricity consumption used by the waste compactors at the site. Due to data availability we can only calculate this from 2022. To put this into context of the total organisational carbon emissions, in the reporting year 2023-24, the emissions relating to Council electricity consumption was 159.84 tCO₂e.

Year	Electricity (kWh)	tCO ₂ e
2022	16509	3.48
2023	13554	3.05
2024	9680	2.18

We do not have the data of how many properties have gardens in the borough, so this is an estimate based on some assumptions on the number of council tax dwellings with a garden. If this was something that was being considered a detailed piece of work would need to be undertaken to understand the true cost.

CBC currently has 20,750 garden waste customers; it has direct costs of £933,195. It is estimated it would cost an additional £2.45m to provide this service to the whole of the borough free of charge. If this was only supplied to residents that have council tax reductions due to low income the estimated cost would be £0.37m.

Received 24 January 2025**GOLDEN VALLEY DEVELOPMENT**

CBC bought 45 hectares of land in August 2019 for £37.5 million. Since then money has been spent on progressing the scheme. What is CBCs total investment to date (please break this down as much as possible)?

What is the total cost of the interest of financing a) the initial £37.5m investment, b) the other costs involved in progressing the project (officer salaries, consultants, legal etc)?

What is the market value of CBCs investment in the Golden Valley Development?

Can CBC sell its stake in GVD or is it contractually unable to?

If CBC sold its stake in GVD, if that is possible, what would its net income from the sale be if it sold it at market value i.e. minus payments to HBD etc.?

What funds are allocated to progressing GVD, per annum, over the next 5 years?

When does CBC expect the Innovation Centre to be operational?

Response from Councillor Peter Jeffries, Cabinet Member for Major Developments & Housing Delivery

The detail of expenditure for each supplier is considered to be commercially sensitive and therefore only a high level analysis is provided below.

As at 31st December 2024, CBC have underwritten the following costs:

Site Wide Costs - £3,627,383. The vast majority of these costs are attributable to the Outline Planning applications that have been prepared and submitted for both land parcels. A large number of consultants have been engaged to compile a variety of different reports to support our proposals. This figure also includes marketing and legal costs that have been incurred.

Innovation Centre and Mobility hub detailed design - £2,270,370. These costs relates to design and consultancy work attributable to the Reserved Matters Planning application for the Innovation Centre and Mobility Hub. It also includes a multitude of different consultancies needed to support the Planning application.

Should the Development Agreement be terminated, CBC would also be liable to pay interest on these costs and a Developer's Return. The exact amount would depend on the nature of the termination (i.e. if its deemed as either side's 'fault') and the amount within each of the above 'accounts' at the point of termination.

For costs that have been directly procured by CBC (including staff overhead), these were funding by our base budget and did not involve borrowing – no interest is therefore payable. For costs that CBC underwrite through HBD, an interest charge is included within the Development Agreement that fluctuates depending on the prevailing Bank of England Base Rate. The interest charge is commercially sensitive and therefore not provided here.

Whilst the value of development land does fluctuate over time, the overall value will not materially change until Planning Permission has been granted. At this stage only book values of the land have been used for accounting purposes rather than the market value

of the land.

The Council would not be able to sell its interest in Golden Valley unilaterally; it would require consultation and agreement with HBD. However, it is anticipated that the majority of council owned land at Golden Valley will be sold – some parts earlier than others. For example, the entirety of the Northern Parcel is likely to be sold once Planning Permission has been obtained and the value of the land increases. This may happen later this year. The Council cannot unilaterally terminate the Development Agreement with HBD and it would be reasonable for HBD to seek considerable recompense for loss of profit should the Council opt to try and negotiate a termination. As identified above, the value of the Council owned land will not significantly increase until Planning Permission is obtained. The Council would therefore suffer considerable losses if it looked to dispose of its interest in the project now.

The base budget for 2025/26 and future years includes staffing budgets for the major developments team which was established in 2022/23. The Golden Valley development sits within this team who also support other housing and construction projects undertaken by the Council. The net cost of the staff in this team to the general fund is £188k.

The Innovation Centre construction is due to complete in spring 2028.

Received 24 January 2025

What debts does CBC have? Itemised please.

What liquid assets does CBC have? Itemised please.

Response from Councillor Alisha Lewis, Cabinet Member for Finance & Assets

The fixed debt held by the General Fund is broken down as follows:

Loan Reference	£
PWLB - 482236	911,400
PWLB - 482237	911,400
PWLB - 482238	911,400
Barclays Bank	2,703,820
Wertmanagement	1,519,000
PWLB - 499031	1,254,005
PWLB - 499455	599,857
PWLB - 502020	1,680,820
PWLB - 503017	1,210,799

PWLB - 504088	570,895
PWLB - 504265	727,250
PWLB - 504267	1,007,271
PWLB - 507802	708,000
PWLB - 507803	728,000
PWLB - 507804	748,000
PWLB - 507805	769,000
PWLB - 507806	790,000
PWLB - 507807	812,000
PWLB - 507808	834,000
PWLB - 507809	858,000
PWLB - 507810	881,000
PWLB - 507811	906,000
PWLB - 507812	931,000
PWLB - 507813	957,000
PWLB - 507814	984,000
PWLB - 507815	1,011,000
PWLB - 507816	1,039,000
PWLB - 507817	1,068,000
PWLB - 507818	1,098,000
PWLB - 507819	1,128,000
PWLB - 507820	1,160,000
PWLB - 507821	1,192,000
PWLB - 507822	1,225,000
PWLB - 507823	1,259,000

PWLB - 507824	1,294,000
PWLB - 507825	1,330,000
PWLB - 507826	1,367,000
PWLB - 507827	1,405,000
PWLB - 507828	1,444,000
PWLB - 507829	1,484,000
PWLB - 507830	1,525,000
PWLB - 507831	1,568,000
PWLB - 507832	1,611,000
PWLB - 507833	1,656,000
PWLB - 507834	1,702,000
PWLB - 507835	1,750,000
PWLB- 508219	6,549,254
PWLB-691123	18,458,061
PWLB-762108	4,797,272

The temporary deals we currently have are:

Loan Reference	Counter Party	£	Maturing
1923	East Sussex County Council	5,000,000	21/05/2025
1924	East Suffolk Council	3,000,000	19/08/2025
1927	Ashfield District Council	5,000,000	23/04/2025
1932	Stroud District Council	2,000,000	05/05/2026
1935	Hyndburn Borough Council	2,000,000	25/02/2025
1939	Mayor of Cheltenham's Charity	40,000	30/05/2025
1940	Forest of Dean District Council	2,000,000	13/03/2025
1941	North Hertfordshire District Council	2,000,000	13/03/2025
1942	North Somerset District Council	2,000,000	25/03/2025
1943	Middlesborough Borough Council	1,000,000	25/03/2025
1944	Middlesborough Borough Council	1,000,000	25/03/2025
779699	PWLB	18,000,000	03/12/2025

	TOTAL	43,040,000	
And our investment in the money market funds:			
Reference	Counter Party	£	
44444	Federated MMF	3,385,000	