

30 November 2015

Committee	Council
Date	Tuesday, 8 December 2015
Time of Meeting	6:00 pm
Venue	Council Chamber

ALL MEMBERS OF THE COUNCIL ARE REQUESTED TO ATTEND



**for Sara J Freckleton
Borough Solicitor**

Agenda

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST**

Pursuant to the adoption by the Council on 26 June 2012 of the Tewkesbury Borough Council Code of Conduct, effective from 1 July 2012, as set out in Minute No. CL.34, Members are invited to declare any interest they may have in the business set out on the Agenda to which the approved Code applies.



	Item	Page(s)
3.	MINUTES	1 - 13
	To approve the Minutes of the meeting held on 22 September 2015 and of the Extraordinary meeting held on 23 November 2015.	
4.	ANNOUNCEMENTS	
	1. When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the visitors' car park at the front of the building and await further instructions (staff should proceed to their usual assembly point). Please do not re-enter the building unless instructed to do so.	
	In the event of a fire any person with a disability should be assisted in leaving the building.	
	2. To receive any announcements from the Chairman of the Meeting and/or the Chief Executive.	
5.	ITEMS FROM MEMBERS OF THE PUBLIC	
	a) To receive any questions, deputations or petitions submitted under Council Rule of Procedure.12.	
	<i>(The deadline for public participation submissions for this meeting is Wednesday 2 December 2015).</i>	
	b) To receive any petitions submitted under the Council's Petitions Scheme.	
6.	MEMBER QUESTIONS PROPERLY SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULES	
	To receive any questions submitted under Rule of Procedure 13. Any items received will be circulated on 8 December 2015.	
	<i>(Any questions must be submitted in writing to Democratic Services by, not later than, 10.00am on the working day immediately preceding the date of the meeting).</i>	
7.	RECOMMENDATIONS FROM EXECUTIVE COMMITTEE	
	The Council is asked to consider and determine recommendations of a policy nature arising from the Executive Committee as follows:-	
	(a) Medium Term Financial Strategy 2016/17 - 2020/21	14 - 38
	At its meeting on 25 November 2015 the Executive Committee considered the Medium Term Financial Strategy 2016/17-2020/21 and RECOMMENDED TO COUNCIL that the Medium Term Financial Strategy 2016/17-2020/21 be ADOPTED .	
8.	GLOUCESTERSHIRE DEVOLUTION PROJECT - UPDATE	39 - 53
	To consider the current position in respect of the Gloucestershire Devolution Project.	

9. OUTSIDE BODY MEMBERSHIP - TEWKESBURY REGENERATION PARTNERSHIP

To note that the Tewkesbury Regeneration Partnership now includes the Lead Member for Organisational Development in place of the Lead Member for Health and Wellbeing.

10. MOTION - SYRIAN REFUGEES

Councillor Mrs J Greening will propose and Councillor Mrs M A Gore will second that:

'Tewkesbury Borough Council notes that more than six million Syrian people have been displaced by civil war within their homeland and three million have fled to neighbouring countries.

The Prime Minister and the United Kingdom government are keen to support twenty thousand refugees seeking sanctuary and have pledged £215m over the next five years to help rebuild their lives within this country.

I would ask Members of this Council to join with other agencies, including 'Severn Vale Housing Trust' and 'GARAS' to help coordinate and support limited numbers of displaced Syrian families settle within the County of Gloucestershire'

11. SEPARATE BUSINESS

The Chairman will move the adoption of the following resolution:

That under Section 100(A)(4) Local Government Act 1972, the public be excluded for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

12. SEPARATE MINUTES

54 - 55

To approve the separate Minutes of the meeting of the meeting held on 22 September 2015.

13. REVIEW OF THE DEVELOPMENT MANAGEMENT TEAM STAFFING STRUCTURE

56 - 68

(Exempt –Paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972 – Information relating to any individual)

To consider the staffing structure of the Development Management Team.

Recording of Meetings

Please be aware that the proceedings of this meeting may be recorded and this may include recording of persons seated in the public gallery or speaking at the meeting. Please notify the Democratic Services Officer if you have any objections to this practice and the Mayor will take reasonable steps to ensure that any request not to be recorded is complied with.

Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the public and press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

TEWKESBURY BOROUGH COUNCIL

Minutes of a Meeting of the Council held at the Council Offices, Gloucester Road, Tewkesbury on Tuesday, 22 September 2015 commencing at 6:00 pm

Present:

The Worshipful the Mayor
Deputy Mayor

Councillor R E Allen
Councillor Mrs G F Blackwell

and Councillors:

P W Awford, Mrs K J Berry, R A Bird, R Bishop, G J Bocking, K J Cromwell, D M M Davies, Mrs J E Day, M Dean, R D East, A J Evans, D T Foyle, R E Garnham, Mrs P A Godwin, Mrs M A Gore, Mrs J Greening, Mrs R M Hatton, B C J Hesketh, Mrs S E Hillier-Richardson, Mrs A Hollaway, Mrs E J MacTiernan, J R Mason, Mrs H C McLain, A S Reece, V D Smith, T A Spencer, Mrs P E Stokes, P D Surman, M G Sztymiak, H A E Turbyfield, R J E Vines, D J Waters and M J Williams

CL.20 APOLOGIES FOR ABSENCE

20.1 Apologies for absence were received from Councillors J H Evetts, R Furolo and P N Workman.

CL.21 DECLARATIONS OF INTEREST

21.1 The Committee's attention was drawn to the Tewkesbury Borough Council Code of Conduct which was adopted by the Council on 26 June 2012 and took effect from 1 July 2012.

21.2 There were no declarations made on this occasion.

CL.22 MINUTES

22.1 The Minutes of the meetings held on 19 and 26 May 2015, copies of which had been circulated, were approved as a correct record and signed by the Mayor.

CL.23 ANNOUNCEMENTS

23.1 The evacuation procedure, as noted on the Agenda, was taken as read.

23.2 The Mayor indicated that on Friday he would be presenting prizes to sports clubs as part of the 'Sporting Legacy Scheme' being run by the Gloucestershire Echo and the Citizen. The event would be well attended by press and sports clubs from the Borough but all Members were welcome to come along and offer their support as well.

- 23.3 In drawing attention to the Agenda before Members, the Mayor advised that he had used his discretion to accept two urgent items of business. The first related to a report which asked the Council whether it would like to amend its Scheme for Public Participation at Planning Committee and was urgent due to the need for a decision to be made prior to the consideration of an application at Planning Committee on 29 September; this would be taken at Item 10 on the Agenda. The second, which would be taken at the end of the Agenda under separate business, asked Members to consider whether to enter into committal proceedings in the High Court for the breach of an Injunction Order on land at Kayte Lane, Bishop's Cleeve.

CL.24 ITEMS FROM MEMBERS OF THE PUBLIC

- 24.1 There were no items from members of the public on this occasion.

CL.25 MEMBER QUESTIONS PROPERLY SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULES

- 25.1 There were no Member questions on this occasion.

CL.26 LEAD MEMBER PRESENTATION

- 26.1 The Mayor invited Councillor Dave Waters, Lead Member for Finance and Asset Management, to make his presentation on 'the challenges ahead'.

- 26.2 The Lead Member introduced his presentation and stressed that the comments made and views expressed were entirely his own and were not the policy of the Council. He intended to use the information as a place to start the conversations and to enable Members to think about the challenges ahead. The following key points were covered:

- Aim – To provide Members with an overview of the Council in the current climate, the transformation journey so far and the significant challenges faced as it moved forward.
- Where Are We – A relatively small Authority with a workforce which was below 200 with the fifth lowest Council Tax nationally. There were significant growth pressures, i.e. a Core Strategy that anticipated a need for 33,000 homes to be built by 2031, which meant new communities and increased service demands. The Borough did, however, have a strong economy. Over the past five years the Council, along with the Local Government community, had met significant financial challenges due to the cuts in revenue support grant which was part of the Government's austerity agenda. The Council had risen to that challenge with its transformation programme which looked at the issues with an open mind and tried to introduce different models to make sure that services offered to residents and businesses had been maintained to the best possible quality at an affordable cost.

- Business Transformation: The Journey So Far – The transform programme had been in place for a while now and was delivering changes. The transformation programme had delivered across four key areas:
 - People and Culture – Management Restructure had resulted in significant cost savings but also a substantial reduction in management capacity. This had been important in changing the culture in the organisation with a flatter and potentially more responsive organisation. ‘Brilliant Tewkesbury’ offered a creative approach to helping staff think differently and work collaboratively across boundaries. Staff were supported in a new open plan office structure which was already providing benefits through improved internal communication and the introduction of flexible working.
 - Partnership and Commissioning – As many Local Government Authorities had done there had been a sharing of services i.e. Building Control, One Legal and the Joint Core Strategy. The Local Authority company Ubico would bring the Council financial savings moving forward and the Council was contracting out operational management with additional capital investment in the new leisure centre.
 - Buildings and Assets – The transfer of assets such as the leisure centre; and play areas to schools and Parish Councils was helpful. The Council was in the process of disposing assets that no longer had an operational use and this was helping to replenish the capital account. The Council was also looking to generate income from better use of its offices which not only provided a revenue stream but had also been an innovation in bringing different public bodies together in one building; now known as the Public Service Centre.
 - Using Technology and Sustainable Improvement – Reduction of demand by doing more online i.e. Garden Waste Service payments and bulky waste bookings. Significant service changes similar to those in Revenues and Benefits which had seen great improvements in processing times following its service review; new claims processed in under 14.5 days and changes in circumstances processed in just over 7 days. Customer Services had been reviewed already and reviews were currently ongoing in Development Services and Environmental Health.
- The Challenges Ahead – The Government had signalled further reductions over the next four years and the Council already faced the financial challenge of finding £2.7million to meet its funding gap. The forthcoming comprehensive spending review further compounded the problems in financial planning. In his keynote speech ahead of the spending review on 11 September, the Prime Minister had stressed the need for difficult decisions to rebalance the economy and was making the case for a smarter state with better services and better value for money for the taxpayer. He covered three main areas: reform; devolution; and efficiency. In terms of reform, the Prime Minister seemed to be looking for more responsibility for Social Services and, whilst this would not have a direct impact on the Borough Council, it would have an impact on colleagues at the County Council. The message appeared to be that the Government was expecting Local Authorities to take on more responsibility. In respect of devolution, 38 local areas had put forward proposals for devolution (this included Gloucestershire) so competition for the first round was fierce. It was clear that the Government wanted to see major devolution of spending powers over transport, education and health among other areas, with the first wave of agreements being signed in the coming months. The Government

would continue to streamline more services and legislation would be introduced to enable the Police and Fire Services to combine back office functions, IT and procurement to save money. Additionally, where there was local demand, Police and Crime Commissioners would be able to take control of Fire and Rescue Services. It looked like there would be £20billion worth of cuts across the public sector.

- What Does This Mean – Further reductions in Government grants; a drive for Local Authorities to work differently and more collaboratively; and a take it or leave it approach to devolution.
- What Do We Do About It – There were a number of key things: more customer service was taking place online but there was more to do to reduce demand – known as ‘channel shift’; service improvements in Development Services and Environmental Health; further expansion of the One Legal Shared Service; more work on the Timewise System to support flexible working; and the introduction of photovoltaics on Council-owned buildings.
- What Else Was Needed to Bridge the Gaps – The Council had a commitment to keeping Council Tax as low as possible but was now the time for an increase?; better use of the few major assets that the Council had i.e. Spring Gardens site, rather than selling could a revenue stream be generated; the Council needed to think more as a business and adapt quicker to changing environments as well as considering the upside of risks and not being afraid to take a chance; thinking and working differently with improved and better use of technology – staff and Members would have to make further changes to adapt to the rapidly changing environment; Community Infrastructure Levy and Section 106 – what could be leveraged from the systems; welfare reform – what were the impacts and how would we manage them; commissioning – could/should the Council commission more services or could it do more internally and sell those services to others; what should the Council stop doing; what other partnerships could be encouraged; and devolution – the Council would have to embrace this as a way to leverage scarce resources across public sector colleagues.
- Conclusion – The Council may have to adjust its ‘sails’ to do its best to get to its desired destination. The challenges ahead will be significant and difficult but the Council should not lose sight of the enormous changes already made on its transformation journey. The Council had talented Managers and Members, and capable staff, and its collective brainpower would need to be used to work towards a common aim for the benefit of residents.

26.3 During the brief discussion which ensued, a Member questioned whether the Council had been radical in finding other sources of income e.g. buy land and then build offices and let them out so that it had a second income stream. In response, the Lead Member indicated that the Transform Working Group was happy to look at all options. The Council already had some commercial properties which it let but it would certainly be a possibility that this could be looked at again to see what else could be achieved. Members were invited to send any ideas that they had to him or the Finance and Asset Management Group Manager and they could then be put to the Transform Working Group for consideration.

26.4 The Mayor thanked the Lead Member for his informative presentation and accordingly it was

RESOLVED That the presentation from the Lead Member for Finance and Asset Management be **NOTED**.

CL.27 RECOMMENDATIONS FROM EXECUTIVE COMMITTEE**Gloucestershire Devolution Project**

- 27.1 At its meeting on 2 September 2015 the Executive Committee had considered a report which detailed the latest position of the Gloucestershire Devolution Project and had recommended to Council that it noted the progress undertaken by Leadership Gloucestershire in respect of the devolution agenda and that it supported, in principle, further devolution development work together with Leadership Gloucestershire partners.
- 27.2 The report that had been considered by the Executive Committee had been circulated with the Agenda for the current meeting at Pages No. 13-29.
- 27.3 The recommendation from the Executive Committee was proposed and seconded. During the discussion which ensued, a Member questioned whether the Council had received a reply from the Government to its submission. In response, the Chief Executive explained that no formal answer had yet been received. Information had been received from the Civil Servants that there was potentially some interest but at this stage that was the only feedback received. The Government was currently looking at the submissions and further work was likely to be needed on the bid from Gloucestershire in the next few weeks. The general response from the Government was that it would be focussing predominantly on city and urban areas at this stage but that a small number of Shire authorities would go forward. Overall it was felt that the initial feedback from Civil Servants was quite encouraging and, on that basis, the workstreams within the devolution project were continuing. Another Member questioned when the bid was likely to involve figures rather than just words and, in response, he was advised that this would be part of the detailed negotiation. Currently the bid stated that Gloucestershire was interested in devolution but, since the project team did not yet know what the Government was prepared to put forward, it was unable to really tie down any detailed figures.
- 27.4 In terms of the expression of interest document, a Member questioned who it was intended for and how it had been distributed. In response, the Chief Executive explained that it was a statement of intent that had been put forward to the Government in July. A second document had been circulated to Members and submitted to the Government since that time; both were publically available on the Council's website. In respect of the affordable homes figure, the Chief Executive advised that this was subject to change and was likely to be adjusted slightly following the Joint Core Strategy Examination. The Government would probably wish to see how the Council would adjust the tenure and housing mix so that the right type of housing was built at the right time. This would also be the case for infrastructure but this could only happen with support from the Government as it was not all within the gift or affordability of the Council.
- 27.5 A Member referred to the use of the word 'subsidiary' within the document and questioned whether the Borough Council would speak to the County Council to see what it would devolve to the Borough. In response, the Chief Executive explained that the principle of subsidiary had been accepted by Leadership Gloucestershire and, whilst there had been no detailed discussions as yet, the County Council was open to ideas. It might also be the case that the Borough Council may wish to consider further devolution to communities but this had not been explored in any detail at this stage.

- 27.6 A Member questioned whether there was any evidence that the New Homes Bonus funding would continue going forward as this may help fill the gap in the budget. In response, the Chief Executive explained that nothing was certain at this stage. The New Homes Bonus funding was a significant support to the budgets of many Councils but Tewkesbury Borough Council was looking to try and reduce its reliance on it going forward. In response to a query as to how devolution would affect the NHS, the Chief Executive advised that the funding for health within the devolution project did not include hospital funding. The project included the commissioning budget for the clinical commissioning group and it was hoped that this would allow more flexibility within the community and achieve prevention rather than treatment.
- 27.7 In referring to the establishment of a Devolution Working Group, which had been agreed by the Executive Committee, the Leader of the Council advised that this would take the form of a Group of nine Members; seven Conservative Group Members, including the Leader and Deputy Leader of the Council; one Liberal Democrat; and one Independent. If either the Liberal Democrat Group or the Independent Group wished to give their place to the non-aligned Member this would be acceptable.
- 27.8 Having considered the information provided, it was
- RESOLVED** That the progress undertaken by Leadership Gloucestershire in respect of the devolution agenda be **NOTED** and that the Council supports, in principle, further development work together with Leadership Gloucestershire Partners.

Naming of New Leisure Facility

- 27.9 At its meeting on 2 September 2015 the Executive Committee had considered a report in respect of the name of the new leisure facility and had recommended to Council that the name for the new leisure facility at Gloucester Road, Tewkesbury be 'Tewkesbury Leisure Centre'.
- 27.10 The report that had been considered by the Executive Committee had been circulated with the Agenda for the current meeting at Pages No. 30-33.
- 27.11 The recommendation from the Executive Committee was proposed and seconded. During the discussion which ensued, a Member referred to the chosen operator for the new centre, Places for People (PfP), and questioned what its background was. In response, the Deputy Chief Executive advised that the company was originally an established Housing Association; a mature leisure company arm was then brought into it. The company now had a track record of being a landlord and a leisure operator and had been successful across the country.
- 27.12 Some Members expressed the view that whilst the name 'Tewkesbury Leisure Centre', did what it said, it was not exactly interesting or inspiring. It was suggested that, given the history of the Borough, there were probably other names that could be used to appeal to a wider audience. Some Members were also concerned that the name Tewkesbury Leisure Centre did not represent the whole Borough and they agreed that a name in line with the Borough's heritage would be more appropriate. It was suggested that the people of the Borough could be asked to provide some ideas as to what the facility should be named. Conversely, some Members indicated that people looking for a pool in Tewkesbury Borough needed to be able to find one easily and this meant that the name needed to include the location of the facility. They were aware that the operator needed a name for the centre so that it could begin marketing it ready for opening and they felt this was not something that could, or should, be put off. They felt that Places for People were the experts and therefore the Council should follow their advice and name the facility as soon as possible.

27.13 Having considered the information provided, it was

RESOLVED That the name for the new leisure facility at Gloucester Road, Tewkesbury be 'Tewkesbury Leisure Centre'.

CL.28 CHANGE TO OUTSIDE BODY REPRESENTATION

28.1 Members were advised that, at the Council meeting on 26 May 2015, it had been agreed that Councillor Mrs Janet Day would be an observer to the Gloucestershire Hospitals NHS Foundation Trust. Since Councillor Day was also the Council's representative to the Gloucestershire Health and Care Overview and Scrutiny Committee she now felt unable to attend the meetings of the Gloucestershire Hospitals NHS Foundation Trust and had therefore asked that a new representative be appointed to replace her.

28.2 It was proposed and seconded that Councillor Graham Bocking be the replacement representative and accordingly it was

RESOLVED That Councillor Graham Bocking replace Councillor Mrs Janet Day as the Council's representative to act as an observer to the Gloucestershire Hospitals NHS Foundation Trust.

CL.29 AMENDMENT TO SCHEME FOR PUBLIC PARTICIPATION AT PLANNING COMMITTEE

29.1 Attention was drawn to the report which had been circulated separately as an item of urgent business. Members were asked to consider whether to make an amendment to the Scheme for Public Participation at Planning Committee in order to allow local Ward Members and Parish Council representatives from bordering Local Authorities, which had been consulted on planning applications in accordance with the Town and Country Planning (Development Management Procedure) (England) Order 2015, an opportunity to register to speak at Planning Committee.

29.2 In introducing the report, the Borough Solicitor explained that the Council had previously agreed a Scheme of Public Participation at Planning Committee and this had come into effect with the term of the new Council in May 2015. It had also been agreed that the Scheme would be reviewed after it had been in operation for 12 months. The current Scheme allowed for representations from the Parish/Town Council; an objector; a supporter; and a local Ward Councillor which normally ensured all interested parties were catered for. However, when the most recent Planning Schedule of Applications had been published it included a site that shared borders with Cheltenham Borough Council and this had raised a potential omission from the Scheme. Under the Town and Country Planning (Development Management Procedure) (England) Order 2015, when considering applications which bordered different authorities, the Planning Authority had to serve notice and consult with any District or Parish Council if the development was likely to 'affect land' in the area of that Parish or District Council. As soon as the Planning Agenda was published the Council began receiving requests for public speaking and there had been queries raised about whether someone who was not in the particular Parish could speak. The Council's Scheme did not allow for any discretion from Officers in such matters so it was decided that the matter should be addressed by the Council to give Officers clarity to respond to people who raised queries. If the Council wished to amend its Scheme it could justifiably do so in line with the legislation. However, this was entirely the Council's decision; there was no recommendation at this stage.

- 29.3 A Member questioned whether the change would be solely for other Authorities to speak or whether the amendment could also include adjoining areas within the Borough. She explained that her Ward in Churchdown adjoined another and she often wished to speak on applications that affected her Ward although were not within it and this was not permitted by the Scheme. In response, the Borough Solicitor advised that the current report looked at those areas where another Authority was a statutory consultee; the issue of how an application affected adjoining Wards within the Borough was more subjective and would need to be thought about carefully. She suggested that this could be considered as part of the 12 month review. The Member indicated that she was happy not to include it at this stage but that she would raise it within the review.
- 29.4 Referring to the Schemes used by other Authorities, a Member questioned whether any addressed this issue. In response, the Borough Solicitor indicated that she was not aware of any that included it within their Schemes but she understood that some offered flexibility even though it was not in their Scheme. This was not a route that Tewkesbury Borough would take as Officers did not exercise discretion within the Scheme. In respect of whether or not it would be reasonable to amend the Scheme, the Borough Solicitor expressed the view that, if Members wished to make an amendment, this would not be unreasonable. However, it was entirely up to the Council.
- 29.5 Members felt that an amendment in this regard was unnecessary and could cause confusion. They suggested that anyone that did not qualify for public speaking could write to the Planning Committee and any statutory consultees could respond in the usual way so that their representation was included within the Planning Schedule. Accordingly, it was

RESOLVED That no changes be made to the Council's Scheme of Public Participation at Planning Committee.

CL.30 SEPARATE BUSINESS

- 30.1 The Chairman proposed, and it was

RESOLVED That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely discussion of exempt information as defined in Part 1 of Schedule 12A of the Act.

CL.31 LAND AT KAYTE LANE, BISHOP'S CLEEVE (SOUTHAM PARISH)

(Exempt –Paragraph 5 of Part 1 of Schedule 12A of the Local Government Act 1972 –Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings)

- 31.1 Members considered and agreed the commencement of Committal proceedings in the High Court for the breach of an Injunction Order on land at Kayte Lane, Bishop's Cleeve.

The meeting closed at 7:50 pm

TEWKESBURY BOROUGH COUNCIL

**Minutes of an Extraordinary Meeting of the Council held at the Council Offices,
Gloucester Road, Tewkesbury on Monday, 23 November 2015 commencing at
6:00 pm**

Present:

The Worshipful the Mayor
Deputy Mayor

Councillor R E Allen
Councillor Mrs G F Blackwell

and Councillors:

P W Awford, Mrs K J Berry, R A Bird, R Bishop, K J Cromwell, D M M Davies, M Dean,
R D East, J H Evetts, R Furolo, R E Garnham, Mrs P A Godwin, Mrs M A Gore, Mrs J Greening,
Mrs R M Hatton, Mrs S E Hillier-Richardson, Mrs A Hollaway, Mrs E J MacTiernan, A S Reece,
V D Smith, T A Spencer, Mrs P E Stokes, P D Surman, H A E Turbyfield, R J E Vines,
D J Waters and M J Williams

CL.32 APOLOGIES FOR ABSENCE

32.1 Apologies for absence were received from Councillors G J Bocking, Mrs J E Day, A J Evans, D T Foyle, B C J Hesketh, J R Mason, Mrs H C McLain, M G Sztymiak and P N Workman.

CL.33 DECLARATIONS OF INTEREST

33.1 The Committee's attention was drawn to the Tewkesbury Borough Council Code of Conduct which was adopted by the Council on 26 June 2012 and took effect from 1 July 2012.

33.2 There were no declarations of interest made on this occasion.

CL.34 ANNOUNCEMENTS

34.1 The evacuation procedure, as set out on the Agenda, was advised to those present.

CL.35 HONORARY ALDERMEN

35.1 The Mayor thanked those present for attending the meeting to witness the conferring of the Office of Honorary Alderman on ten former Councillors. He expressed what an honour and privilege it was to have the opportunity to bestow such a title upon those that had done so much for the Borough during their time in Office. The Mayor indicated that, unfortunately, two of those being honoured, Brian Calway and Gordon Shurmer, had been unable to attend the meeting that evening and, in particular, he expressed the best wishes of the Council to Brian Calway who was unable to attend due to ill-health.

35.2 Councillor Robert Vines expressed his great pleasure in being able to formally propose the ten former Councillors for this honour. He explained that they had all served the Office of Councillor with integrity and had each shown a unique ability to represent their own Wards and the Council in the best possible way. With that in mind he proposed that, in recognition of their public service to their community and the Borough, the under-mentioned persons have conferred upon them the title of Honorary Alderman:

Brian Calway

Brian Jones

Allen Keyte

Tony Mackinnon

Margaret Ogden

Jude Perez

Audrey Ricks

Gordon Shurmer

Bill Whelan

Claire Wright

35.3 The Motion was seconded by Councillor Kay Berry who indicated that it was with great pleasure that she seconded the honouring of the ten past Members with the Office of Honorary Alderman. She was of the view that all of them had done a tremendous amount of work for the Borough and their local communities during their time in Office as Councillors.

35.4 Upon being put to the vote, the Motion was carried and each new Honorary Alderman in attendance was presented with their certificate and gifts to mark the occasion.

35.5 Councillor Dave Waters stated that, it was with great pleasure that he was able to speak about Brian Calway at this important occasion. He explained that he had first met Brian in the early days of the campaign to retain Alderman Knight School when Brian had suggested the campaign would be better led by someone with a personal connection to the school rather than a politician. He mentioned that Brian had spent his life in public service, serving in the 'Blues and Royals' as a trooper followed by a full career in the police force and then, during retirement, as an Enforcement Officer with Tewkesbury Borough Council. On retirement from paid work, Brian had thrown himself into public service as a Councillor; being elected onto the Borough Council in 2003. He had also served on Tewkesbury Town Council as well as Gloucestershire County Council and had been Town Mayor in 2003/04 as well as Borough Mayor in 2008/09. He had represented Prior's Park Ward along with former Councillor Claire Wright with zeal, enthusiasm and passion to do the best for his constituents; he had also been a major participant with the Prior's Park Neighbourhood Project and one of the key movers in creating the Tewkesbury Nature Reserve. During his time at the Council, Brian had been Chairman of the Overview and Scrutiny and Standards Committees as well as a Member of the Economy Committee and the Licensing Committee amongst others. Brian had been very active in supporting Tewkesbury in any way he could, also being a representative on the Board of Severn Vale Housing Society, Tewkesbury Museum Trust and the Swimming Bath Trust as well as being Chairman of the Gloucestershire Police and Crime Panel. Councillor Waters advised that Brian seemed to know everyone and had one of the largest networks of people of anyone he knew. He felt that the reason he knew so many people was that he truly

cared, was genuinely interested in people and was a man of great integrity; who, together with his wife, had forged a formidable team. Councillor Waters was delighted that Brian's tremendous public service and contribution to public life had been marked by the award of Honorary Alderman. Honorary Alderman Brian Calway was not present at the meeting to collect his certificate and the Mayor advised that Democratic Services would ensure it was delivered to him.

- 35.6 Councillor Derek Davies expressed what a pleasure it was for him to speak in support of Brian Jones. He advised that Brian had first joined the Council in 1988 and had chaired almost all Committees except Planning. Brian had had a very successful Mayoral year in 1997/1998 during which time he and his wife had memorably ridden a tandem on a 40 mile cycle ride; had held a triple concert in a day; and had organised a cricket match between staff and Members – on that day Brian had saved the day with his batting ability and fitness resulting on the Councillors team winning by 150 runs to 76. Councillor Davies expressed his great thanks to Brian for all he had done for the Council and his constituents. On receiving his certificate, Honorary Alderman Brian Jones thanked the Council for the honour of conferring the title of Honorary Alderman upon him and for the kind words that Councillor Davies had spoken. He indicated that it truly was an honour to have been chosen.
- 35.7 Councillor Rob Bird indicated that it was his pleasure to speak in support of Allen Keyte. He had not known Allen as long as many but had quickly learned that he did not suffer fools gladly. Councillor Bird felt that Allen's willingness to challenge had been a great achievement and, since joining the Council in May 1995, he had given 20 years of outstanding service. He had sat on a long list of Committees and Outside Bodies and had been the Council's Deputy Leader for a number of years; in particular he had been a longstanding Member of the Planning Committee and his common sense attitude to planning and strategic planning had been of great benefit. In terms of the Council's finances, Allen's professional expertise had undoubtedly left the Council in a much better position than it might otherwise have been. On receiving his certificate, Honorary Alderman Keyte expressed what a real privilege it was to be honoured in this way. He felt strongly that the title of Honorary Alderman was something which was earned and he was delighted to have been chosen as a recipient. He missed the Council, and particularly the interactions with both Officers and Councillors, and he hoped to make the most of speaking to people following the meeting.
- 35.8 Councillor Kay Berry expressed her pleasure at being able to speak in support of Tony Mackinnon. She advised that Tony had first joined the Council in 2003 and during his time he had earned the respect of all of the Members for his attention to detail and his astuteness in financial matters. Tony continued to work for the residents of Bishop's Cleeve and had been a prime mover in one of the Borough's largest new attractions, the Jet Age Museum. She felt that it was very fitting indeed that he should be made an Honorary Alderman. On receiving his certificate, Honorary Alderman Mackinnon thanked the Council for the honour. He indicated that it was not just a piece of paper but was a significant honour. He expressed his thanks to Officers for their help during his time as a Councillor and to Peter Richmond for being his guest that evening, explaining that they had worked in partnership in Bishop's Cleeve and he hoped this had been to the benefit of residents. Honorary Alderman Mackinnon indicated that he had found his time on the Council to be an interesting twelve years. He felt that one of his best achievements had been the Council's record of affordable housing provision during the time that he had been Chairman of the Housing Sub-Committee. He indicated that he missed the Council a little but was now Chairman of Bishop's Cleeve Parish Council which presented its own challenges. He wished everyone luck for the future and thanked them for conferring the title of Honorary Alderman upon him.

- 35.9 Councillor Mike Dean indicated how fitting it was that he was to speak in support of Margaret Ogden. He indicated that he had known Margaret prior to 2011 when he had become a Councillor but then he had looked upon her as being a Borough Councillor that also attended Parish Meetings. Once he got to know her he had seen her as a stoic and indomitable lady. He indicated that Margaret had served as Mayor and had always been a champion of older people with the particular interests of her constituents at heart. He felt that she fully deserved the honour and was delighted that she should be given it. On receiving her certificate, Honorary Alderman Margaret Ogden offered her sincere thanks to everyone. She indicated that she felt as honoured that evening as she had when she had been made Mayor and when she had become a Nursing Sister; she felt the honour was almost too much to handle. She explained that at the moment she was not sure what being an Honorary Alderman entailed but she knew that someone would advise her. She was truly honoured to receive the title and thanked all of those concerned for honouring her for something that truly had been a pleasure.
- 35.10 Councillor Mrs Pearl Stokes expressed what a great pleasure it was to speak in support of Jude Perez in receiving the title of Honorary Alderman. She explained that she had not known Jude before she had become a Councillor but she felt sure that there were not many people that worked as hard for the residents in their Wards as Jude had. Jude had done fantastic work and it was a real shame, and a loss to the Council, that she had decided not to stand in the recent elections; although she understood that she still worked hard in Brockworth campaigning for the area. On a personal note, Councillor Stokes thanked Jude for her work on the Gloucestershire Market Towns Forum and the Tewkesbury District Twinning Association, both of which they had worked on together. On receiving her certificate, Honorary Alderman Jude Perez expressed her thanks for the honour which had been quite a surprise. She thanked all of those Councillors that she had worked with for their support and indicated that her experience as a Councillor had been quite a learning curve.
- 35.11 Councillor Mrs Elaine MacTiernan indicated that she had not known Audrey Ricks for very long but it was an absolute pleasure to speak in support of her becoming an Honorary Alderman. Audrey had served as a Councillor for twelve years and always gave the impression that party politics did not matter to her; she just worked to do the best she possibly could, both for the Council and her community. During her time as a Councillor, Audrey had sat on nine different Committees along with Working Groups and Outside Bodies; she had also chaired the Parish Council in Churchdown for five years and was a Board Member for the Citizens' Advice Bureau and Innsworth Infant School amongst others. Councillor MacTiernan indicated that she had really got to know Audrey when they had gone to the Queen's Garden Party earlier that year and had realised then just how much fun she was and what a great sense of humour she had. Councillor MacTiernan felt that she thoroughly deserved the recognition of becoming an Honorary Alderman. On receiving her certificate, Honorary Alderman Audrey Ricks indicated that it had been a privilege to serve the community of Churchdown St John's for twelve years. Over that time the Council had changed a lot and it was a very different place now than it had been when she had first become a Councillor. She was extremely grateful for the honour of becoming an Honorary Alderman and she thanked everyone for bestowing the privilege upon her.

- 35.12 Councillor Robert Vines indicated that it was a pleasure to speak in support of Gordon Shurmer. He explained that he and Gordon had arrived at the Council on the same day and had worked together for sixteen years on the Borough Council. During his time on the Council, Gordon had served on a number of Committees and had been the Chairman of the Planning Committee and a Lead Member for some time. In addition, Gordon had been a County Councillor for a number of years and had also been granted the honour of being an Honorary Alderman by that Authority which Councillor Vines felt was quite an achievement and an acknowledgement of his hard work. Honorary Alderman Gordon Shurmer was not present at the meeting to collect his certificate and the Mayor advised that Democratic Services would ensure it was delivered to him.
- 35.13 Councillor Philip Awford expressed what a privilege it was for him to speak in support of Councillor Bill Whelan. They still worked together at Gloucestershire County Council, as well as within the Parish, and therefore he still interacted with Bill on a regular basis. Councillor Awford indicated that Bill had joined the Council in 2007 and over the years they had come to know each other quite well. He explained that his work in the community was phenomenal and, in addition to his work at GL3 Hub, meant that he worked exceptionally hard for the residents of both Churchdown and Innsworth. Over the years he had found Bill to be quite an adversary and he felt that he would be a tough act to follow on the Council. On receiving his certificate, Honorary Alderman Bill Whelan indicated that he had known many of the Officers at the Council Offices even before he had become a Councillor and they had always interacted with him and helped him when he needed advice. He thanked everyone for giving him the honour of becoming an Honorary Alderman.
- 35.14 Councillor Philip Surman expressed what a privilege it was to witness Claire Wright becoming an Honorary Alderman and to be able to speak in support of her. He explained that Claire had joined the Council in 2007 and had been a very successful Councillor who was respected by Officers and Members alike. She had worked tirelessly for Prior's Park and had sat on a number of Committees as well as being a Lead Member and also Mayor in 2013/14. In that respect he felt that he could not finish without thanking her for her help and support in his Mayoral Year when she had been Deputy Mayor. On receiving her certificate, Honorary Alderman Claire Wright indicated how lovely it was to be back at the Council. She explained that she had really missed the 'buzz' and the friends that she had made; it was also good to see so many new faces. She felt it was a real pity that Brian Calway had not been able to attend; it had been a huge privilege to share her work in Prior's Park Ward with him and she hoped they had made a little difference during their time. In respect of the honour of becoming an Honorary Alderman she advised that she was thrilled to be nominated and would treasure it as was fitting for such a title.
- 35.15 At the conclusion of the presentations, the Mayor congratulated the new Honorary Aldermen and indicated that, following the close of the meeting, all were welcome to join him and the Mayoress for something to eat and drink in Committee Room One.

The meeting closed at 6:55 pm

TEWKESBURY BOROUGH COUNCIL

Report to:	Executive Committee
Date of Meeting:	25 November 2015
Subject:	Medium Term Financial Strategy 2016/17–2020/21
Report of:	Simon Dix, Finance and Asset Management Group Manager
Corporate Lead:	Rachel North, Deputy Chief Executive
Lead Member:	Councillor D J Waters, Lead Member for Finance and Asset Management
Number of Appendices:	One

Executive Summary:

The Medium Term Financial Strategy (MTFS), attached at Appendix A, provides the financial plan for the Council for the period 2016/17–2020/21. It sets out the Council's estimates of its commitment expenditure, identifies the spending pressures it faces and the budget savings needed to achieve the recommended council tax levels for each of the five years of the plan.

Recommendation:

The Committee is asked to RECOMMEND TO THE COUNCIL the adoption of the Medium Term Financial Strategy 2016/17–2020/21.

Reasons for Recommendation:

The agreement of a five year financial plan is crucial to the Council in ensuring sufficient resources are allocated to priority areas and that the Council remains financially sustainable.

Resource Implications:

The Council faces a deficit in its base budget of over £2.9m in the next 5 years. The MTFS sets out some of the strategies that will need to be considered to deal with the deficit.

Legal Implications:

None.

Risk Management Implications:

Set out in in MTFS.

Performance Management Follow-up:

The MTFS will be kept under continual review and amended in line with significant policy changes, and performance will be monitored against the plan by Members through the quarterly performance monitoring reports.

Environmental Implications:

None

1.0 INTRODUCTION/BACKGROUND

1.1 Financial planning is fundamental to good financial management and the five year Medium Term Financial Strategy sets out resource availability within recommended Council Tax levels.

2.0 MEDIUM TERM FINANCIAL STRATEGY

2.1 The Medium Term Financial Strategy (MTFS) is a key element within the Council's overall strategic planning framework. The Strategy takes a five year perspective and is reviewed, updated and rolled forward annually to set a framework for how budget pressures and priorities will be managed within the best estimates of available capital and revenue resources.

2.2 The MTFS outlines the budget that will be delivered over the medium to long-term. A further report, specifically on the 2016/17 detailed budget, will be presented to both Executive Committee and Council in January 2016 for Member approval.

2.3 The MTFS also contains important strategic planning in a number of areas including the increase of Council Tax and the use of New Homes Bonus. The headline recommendations of the Strategy are as follows:

- Council Tax to be increased by 2% for 2016/17 and with 2% increases thereafter.
- NHB support to the base budget should not exceed 65% of the total allocation in any one year.
- Tewkesbury Borough Council to operate outside of the Gloucestershire Business Rates Pool in 2016/17 and until such a time as the risk from Virgin Media is mitigated.
- The Local Council Tax Support scheme to remain unchanged for 2016/17.

2.4 The position of Local Government finance has been uncertain for long period of time and successive MTFS's have tried to outline a medium term plan against this uncertain backdrop. In producing this year's Strategy, there is even more uncertainty. Some of the issues contributing towards this include:

- The continued reduction in public spending to help produce a national budget surplus by the end of the current Parliament.
- The outcome of the Comprehensive Spending Review due on 25 November.
- The recent announcement by the Chancellor of local authorities retaining 100% growth in business rates by the end of the current Parliament in return for reduced Government grant funding and increased responsibilities.
- The ongoing discussions surrounding a devolution deal.

2.5 Best estimates have been made of the future financial position of the Council within the attached MTFS based on current assumptions of both government and local policy. Clearly the projections within the MTFS are subject to potentially significant change as a result of government policy on local government finance and strategic financial management of this authority will need to be flexible to be able to respond to the rapidly moving agenda.

3.0 OTHER OPTIONS CONSIDERED

3.1 None.

4.0 CONSULTATION

4.1 Statutory consultation will be carried out with businesses and a public consultation is carried out through the Autumn. The Transform Working Group has also been consulted on the make up of the MTFS.

5.0 RELEVANT COUNCIL POLICIES/STRATEGIES

5.1 MTFS sets out the level of resource availability to meet the Council priorities and pledges which form the Council Plan.

6.0 RELEVANT GOVERNMENT POLICIES

6.1 Council Tax levels must be set within Government limits to avoid the need to hold a referendum on 'excessive' increases.

7.0 RESOURCE IMPLICATIONS (Human/Property)

7.1 Some of the savings streams identified may have implications on staffing levels and the asset portfolio. These will be set out specifically within the detailed reports surrounding proposed saving actions.

8.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

8.1 These will be set out specifically within the detailed reports surrounding proposed saving actions.

9.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

9.1 These will be set out specifically within the detailed reports surrounding proposed saving actions.

10.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

10.1 None.

Background Papers: None.

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Appendices: A - Medium Term Financial Strategy 2016/17–2020/21.

Medium Term Financial Strategy 2016/17 to 2020/21



“Tewkesbury Borough, a place where a good quality of life is open to all.”

Tewkesbury Borough Council
November 2015

Foreword to Medium Term Financial Strategy 2016 - 2021

The Medium Term Financial Strategy is a forecast supported by assumptions and what impact those may have on the finances in the future. It is a tool we use to assist in the preparation of the detailed budgets for 2016-17 and frames the considerations, particularly the savings and additional incomes, required over the forecast period.

It has always been important to plan for the future, particularly in regard to finances. Over the past five years under the Government's Austerity measures this has become increasingly difficult but even more important.

As a Council we try to plan ahead for five years but recognise that a plan is subject to change, especially in the more distant future. This year, these problems have been exacerbated due to a number of uncertainties, such as the outcomes from the Comprehensive Spending Review, Autumn Statement and Revenue Support Grant settlement. We do not yet know what the impact on the Council's financial situation will be following the announced welfare reforms.

This strategy is a tool that can and will be modified to help us adapt to an uncertain future to ensure our finances are robust and support the services our residents and businesses expect us to deliver.

What is certain is that our Medium Term Financial Strategy will change and will change more rapidly than at anytime in the past.

Councillor Dave Waters
Deputy Leader of the Council
Lead Member for Finance and Asset Management

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- 1.0 Background
- 2.0 The Council Plan 2012-2016
- 3.0 National context
- 4.0 Local Government Finance settlement
- 5.0 New Homes Bonus
- 6.0 Retained Business Rates
- 7.0 Local Council Tax Support scheme
- 8.0 Growth pressures
- 9.0 Capital programme
- 10.0 Medium term financial projection
- 11.0 Council tax
- 12.0 Business Transformation Strategy
- 13.0 Other elements of deficit reduction strategy
- 14.0 Risk and sensitivity
- 15.0 Revenue reserves
- 16.0 Public and stakeholder consultation
- 17.0 Treasury strategy including Minimum Revenue Provision

1.0 BACKGROUND

- 1.1 The Medium Term Financial Strategy (MTFS) provides a financial framework for the council's strategic planning and decision making. The MTFS 2016/21 incorporates key factors such as the changes in Government funding, our spending plans and the level of savings that are likely to be needed to keep council tax affordable. By anticipating financial pressures now, we can plan ahead early to meet the significant challenges in a way that ensures financial resources are targeted to the council's highest priorities and have the minimum impact on services.
- 1.2 These are unprecedented times for budget setting, with significant cuts in public spending. The Comprehensive Spending Review is to be announced on 25th November and the local government finance settlement in December, both of which will shape our financial profile over the medium term and give us a better understanding of the challenges facing the Council. Until both outcomes are known, there is considerable uncertainty about the extent and profile of financial deficits. Once again, financial planning has to be made without a stable footing and core assumptions are made on the basis of what is actually known at the current time and best estimates of the future direction of financing the council.
- 1.3 In addition, the recent announcement by the Chancellor of the Exchequer with regards to the full retention of business rates by the end of the current Parliament in return for additional responsibilities and the phasing out of core government support will have a significant impact on the way the council operates and the way it finances its services to the public.
- 1.4 It is therefore essential that we continue to set our annual budget within the context of a rolling five year resource strategy. A longer term strategic view must be taken when decisions are made that have a financial impact beyond the annual budget as it enables us to assess the sustainability of such decisions. The financial strategy is linked to our key strategic objectives and incorporates both national and local improvement priorities which have been included in our individual service plans and strategies.
- 1.5 The 2015/2016 approved budget provides the base position for the financial strategy from which projections can be made to give an overall forecast of expenditure and income levels for the coming years. It is also necessary to maintain a minimum level of reserves to provide working capital and act as a contingency to meet any unforeseen needs.
- 1.6 In order to progress towards our aims and objectives, as contained within The Council Plan 2012 – 2016, we need to prioritise our spending plans. This involves not only considering the financial pressures identified, but also undertaking a strategic review of existing services; identifying new ways of working and areas where reduced levels of activity or discontinuation should be pursued.
- 1.6 Whilst effectively managing spending will help to reduce the deficit over the medium term, it will not address the financial challenge in its totality. The council will need to consider how it can increase income, both within its core services and from its financing streams, and therefore grow its way towards financial sustainability and perhaps in the medium to long term be able to be self-sufficient and insulated from economic shock and central government funding decisions.
- 1.7 To meet this challenge, the Council will need to think differently, have a strong risk appetite and be prepared to venture into new and innovative ways of tackling the funding gap.

2.0 THE COUNCIL PLAN 2012-2016

2.1 In May 2012, the new Council Plan for 2012 – 2016 was approved. The document is a statement of intent to drive forward our vision:

“Tewkesbury Borough, a place where a good quality of life is open to all.”

2.2 To deliver this vision and provide focus we have established five priorities and a number of objectives within each priority. We will:

Use resources effectively and efficiently:

- Maintain low council tax.
- Provide value for money service delivery.
- Provide customer focused services measured by output against customer needs.
- Regularly review the effectiveness of customer focused services.

Promote economic development:

- Promote Tewkesbury Borough to attract large scale businesses.
- Provide support to help new start-ups, young and growing businesses.
- Work with the Local Enterprise Partnership to promote economic growth.
- Ensure the Core Strategy makes provision for sufficient employment land.

Improve recycling and care for the environment:

- Focus on continuous improvement in recycling and waste collection.
- Work towards achieving a 60% recycling target.
- Focus on continuous improvement in street cleansing.
- Promote activities to reduce litter and fly tipping.
- Continue work with partners to provide flood resilience measures.

Provide customer focused community support:

- Support and promote joint working arrangements with Gloucestershire County Council's Child and Family Support Services, Gloucestershire Constabulary and other agencies to achieve better outcomes for residents.
- Simplify and standardise business processes for the benefit of customers.
- Work with town and parish councils to deliver the localism agenda.
- Work with partners to reduce the level and perception of crime.
- Support the health and well-being of our residents.

Develop housing relevant to local needs:

- Develop a Core Strategy to meet current and future housing needs
- Promote initiatives to make quality housing more affordable and accessible.
- Work with all stakeholders to promote specific housing types to meet defined shortages.
- Improve the quality of the housing stock

2.3 In addition to the priorities and objectives, which are aimed at delivering our vision, the council has adopted a set of values which we apply across all of our services and activities. We are a council that:

- **Puts customers first:** We will put the needs of our customers at the heart of what we do and listen to what they say, treating people fairly and without bias.
- **Is positive about working with others:** We recognise we cannot achieve our vision by working alone. We will continue to develop productive working relationships with other organisations and our communities, including the voluntary sector, town and parish councils and neighbourhood groups to achieve common goals.
- **Values our employees:** We will support, praise and invest in our workforce to develop our organisation.

2.4 Work has begun with the new membership of the council aimed at refreshing the Council Plan for the period up to 2020. The new Council Plan is expected to be approved early in 2016.

3.0 NATIONAL CONTEXT

3.1 The national economic background in recent years has seen a period of stagnation following on from the recession of previous years. More recently the UK economic recovery has continued apace and now appears more sustainable. UK economic growth is expected to average 2.5% of GDP in the current year mainly driven by household spending but the outlook for business investment is tempered by the impending EU referendum and uncertainty surrounding global growth and recent financial market shocks.

3.2 The council's treasury advisors, Arlingclose, forecast the first rise in official interest rates to be in Q2 2016, which is later than general market sentiment. There is clear momentum in the economy, but inflation is benign and currently sits below target. Expectations are for this situation to persist for some time, reducing the need for immediate monetary tightening.

A slow rise in the Bank Rate is predicted. The pace of interest rate rises will be gradual and the extent of rises limited; the normalised level of Bank Rate, post-crisis, is likely to range between 2.5% and 3.5%. The table below shows expectations in the medium term.

Table 1 – Base rate forecast

Official Bank Rate	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Upside risk		0.25	0.25	0.50	0.25	0.25	0.25	0.25	0.25	0.50
Arlingclose central forecast	0.50	0.50	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50
Downside risk				-0.25	-0.50	-0.50	-0.75	-0.75	-1.00	-1.00

- 3.3 Following the General Election in May this year, the new Government announced a Summer Budget which outlined cuts to welfare spending along with further aspirations for tackling tax avoidance and a raft of policy changes for pensions and employment. There were no details about unprotected departmental spending including Local Government.
- 3.4 The Chancellor instructed Government Departments to model the effects of 25% and 40% cuts to departmental spending which sets the tone and gives a strong indication that ongoing and significant reductions in Local Government funding will be the headline of the Spending Review announcement in November.
- 3.5 The next few years will also see the development of the Chancellor's plan to allow local authorities to retain 100% of business rates. At the time of writing, no details about how the scheme will work or the additional responsibilities for local government have been released. In addition, there is uncertainty about the elimination of core government funding in terms of the scope of the statement. A significant risk to this council will be if New Homes Bonus is included within the scope as this is currently worth around £3.3m annually to Tewkesbury.

4.0 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 4.1 Following the election in May 2010, the coalition government embarked on a deficit reduction programme. Local authorities were targeted with estimated reduced funding of approximately 21.1% during the period of 2011 to 2015. The actual reduction for Tewkesbury Borough was in excess of 37% which equated to approximately £1.84m. In addition, the austerity programme was extended into 2015/16 and saw a further reduction in core funding of £550,000 giving a total reduction of nearly £2.4m or around 44%. If reductions in other grants such as Housing Benefit Administration subsidy are factored in, this figure would be closer to a 50% reduction.
- 4.2 As outlined earlier, reductions to the funding available for public services continue into the new Parliament with the Conservative government pushing forward with plans to create a national budget surplus. Whilst departments are modelling funding reductions to departmental expenditure of both 25% and 40%, with it widely expected that the DCLG will be expected to reduce expenditure by the higher amount, the impact on individual councils could be far higher than this in the medium term.
- 4.3 There are two elements to the finance settlement. The first is the business rates baseline which contributed £1.676m to Tewkesbury in 2015-16 and will continue to rise each year. The second element is the Revenue Support Grant (RSG), currently worth £1.319m to Tewkesbury, and it is this element that will continue to see significant reductions.
- 4.4 In line with current expectations, our forecast of RSG suggests steep reductions in the next two years with continued reductions in the two years thereafter. We have gone a step further than many have previously suggested in that the modelling actually eliminates all RSG support by 2019/20. This forecast is in line with an ambition to be self-sufficient and also now in line with the Chancellor's plan to reshape local government finances in the medium term.
- 4.5 Table 2 below outlines the levels of core government funding assumed in the MTFP.

Table 2 – Core Government support 2015 – 2021

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant	1,319	731	337	180	0	0
Business Rates baseline	1,676	1,718	1,761	1,805	1,850	1,896
Total	2,995	2,448	2,097	1,985	1,850	1,896
Change		-546	-351	-113	-135	46

5.0 NEW HOMES BONUS

- 5.1 New Homes Bonus (NHB) was introduced in 2011 and provides funding of a sum equivalent to 80% of the average annual council tax for every new home built, once occupied. This sum is payable for six years with an additional bonus of £350 for every affordable home occupied. The final scheme design included the principles of the funding being both permanent and flexible. There was no ring-fencing of the funding and no specific requirements for its use.
- 5.2 Tewkesbury is in a very fortunate position in that it has been able to benefit from relatively large amounts of NHB accumulating in the first five years of operation of the scheme. There has been a resurgence in house building activity in the borough in recent years and with further substantial expansion planned in a number of locations in forthcoming years, the amount of NHB received on an annual basis could accelerate.
- 5.3 The next financial year, 2016/17, is the final additional year of the rolling six year support offered by NHB and is therefore the last substantial increase. Future years will either see growth or contraction dependent on the level of NHB generated against the NHB that is lost as the first years start to drop out. Table 3 shows the funding currently received by the council from NHB and a forecast of potential future receipts.

Table 3 – Forecast New Homes Bonus

	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17 Est	2017/18 Est	2018/19 Est	2019/20 Est	2020/21 Est
Year 1 actual income	526,818	526,818	0	0	0	0
Year 2 actual income	410,595	410,595	410,595	0	0	0
Year 3 actual income	294,622	294,622	294,622	294,622	0	0
Year 4 actual income	638,205	638,205	638,205	638,205	638,205	0
Year 5 actual income	871,491	871,491	871,491	871,491	871,491	871,491
Year 6 projected income	0	630,000	630,000	630,000	630,000	630,000
Year 7 projected income	0	0	600,000	600,000	600,000	600,000
Year 8 projected income	0	0	0	600,000	600,000	600,000
Year 9 projected income	0	0	0	0	600,000	600,000
Year 10 projected income	0	0	0	0	0	600,000
Sub-total	2,741,731	3,371,731	3,444,913	3,634,318	3,939,696	3,901,491

- 5.4 NHB has become a key feature of local government funding, particularly at District level. The expected level of receipt for Tewkesbury in 2016/17 will, for the first time, eclipse the level of core government support. This means there is an ongoing dependence on NHB to support both the Council's base budget but also provide monies towards transformational activities. The Council has previously agreed to cap the level of general support to the base budget at 65% of NHB receipts in order to avoid over reliance. This is a prudent strategy and one that should be continued unless the impact of the austerity programme is so severe that additional NHB would be required. The following table indicates the level of support to the ongoing budget and one-off programme based on current forecasts.

Table 4 – Forecast split useage of NHB

	2015/16	2016/17 Projection	2017/18 Projection	2018/19 Projection	2019/20 Projection	2020/21 Projection
Total New Homes Bonus	£2,741,731	£3,371,731	£3,444,913	£3,634,318	£3,939,696	£3,901,491
65% support to base budget	£1,782,125	£2,191,625	£2,239,193	£2,362,307	£2,560,802	£2,535,969
35% one-off programme	£959,606	£1,180,106	£1,205,720	£1,272,011	£1,378,894	£1,365,522

- 5.5 Even though a cap of 65% has been set for general support to the budget, this useage to balance the budget presents a risk to the Council. Any changes to the scheme itself or the distribution methodology would have a significant adverse impact on the Council's finances. Although there has been no specific announcement on any changes, it is clear that the NHB scheme is on the government's agenda as it remodels local government finance.

6.0 RETAINED BUSINESS RATES

- 6.1 The new scheme of Business Rates Retention is intended to provide incentives for local authorities to drive economic growth, as the authorities will be able to retain a share of the growth generated in business rates revenue in their areas.
- 6.2 The Local Government Finance Act also allows local authorities to form pools for the purpose of business rates retention. Tewkesbury has signed up with the other Gloucestershire districts and the county council to be designated as a Gloucestershire pool. Pooling offers the potential to deliver more benefits to Gloucestershire and promote closer working between authorities.
- 6.3 The first year of operation of the pool proved very successful in retaining additional monies for Gloucestershire. Unfortunately in the second year 2014/15 the pool suffered significant loss due to the impact of backdated appeals on rateable values and, in particular, the successful backdated appeal of Virgin Media in Tewkesbury. The final position of the pool reported a deficit of £2.3m following a safety net payment of £3.9m to Tewkesbury. The cost of this deficit was borne by the members of the Pool.
- 6.4 Despite its successful appeals in 2014/15, Virgin Media still has a number of appeals outstanding and, in addition, a request for a single assessment made against all of its 68 independent assessments across the country. The potential risk arising from this is that Tewkesbury could lose all of the rateable value for Virgin Media backdated to 2010. The single assessment is due to be heard first by the Value Office Agency although this is unlikely to happen during 2015/16.

- 6.5 As a result of the ongoing uncertainty and level of risk surrounding Virgin Media, Tewkesbury and its partners have agreed, on a temporary basis, for Tewkesbury to be removed from the Pool from April 2016 onwards. In doing so, local authorities will not be responsible for any safety net payment required by Tewkesbury and can therefore retain the growth created in Gloucestershire.
- 6.6 For Tewkesbury itself, outstanding appeals and in particular Virgin Media, mean that forecasting future business rates income is very difficult and levels retained can be volatile. The council has set itself an income target of £255,000 per annum from retained business rates but as a result of the ongoing appeals issue was unable to deliver this in 2014/15 and is unlikely to do so in the current year. The growth that has been delivered in the Borough has been exceeded by the extraordinary level of appeals in the last two years and has necessitated the use of substantial reserves to balance the budget and insulate against the risk.
- 6.7 Future uncertainty remains within the scheme with a national revaluation impacting in 2017 and a full reset of the system planned for 2020. Despite this and the appeals issue, income from business rates offers significant potential for growth over the medium to long-term as aspirations for the development of Junction 9 and 10 and also the redevelopment of the Town Centre become reality. Retained business rates is therefore an area where the council can look to maximise income. Growing and retaining the business rate base in Tewkesbury should be a key priority for the Council and even more so since the announcement of retaining 100% of business rates in the future.

7.0 LOCAL COUNCIL TAX SUPPORT SCHEME

- 7.1 From 1 April 2013, the council tax benefit scheme was replaced by a Localised Council Tax Discount Scheme (LCTS). The new scheme only attracted funding of 90% of the previous scheme and is subject to the overall reduction in government support in the years since its inception. Councils can set their own scheme but must protect certain groups e.g. pensioners, from any effect of a new scheme. Therefore the burden of any reduced scheme would fall on the working age claimants. Tewkesbury has agreed not to amend the default scheme and therefore all claimants are still entitled to receive the same level of council tax benefit/discount.
- 7.2 Tewkesbury amended its discounts and exemptions on second homes and empty properties in order to cover the costs of LCTS. Costs were covered in 2013/14 and are projected to be covered in the current year. Evidence from the first two years of operation of the scheme suggests that authorities who chose to change their scheme are seeing an increase in council tax arrears and also an increase in the cost of collecting council tax as a result of the changes made. Given this emerging picture, Tewkesbury along with four of the other five Councils in Gloucestershire are of the opinion that there is little to be gained from amending the current scheme. There is also no strong political pressure from the County or Police to amend the scheme.
- 7.3 Parish and town councils were also brought under the umbrella of these changes and therefore receive a grant to compensate for some of the loss. Tewkesbury Borough administers the grant on behalf of the government and passes on the grant given in full to the parish and town councils.

8.0 GROWTH PRESSURES

- 8.1 In addition to the pressures on the council's finances already mentioned, the council continues to face rising costs. Whilst the budget is prepared on a standstill basis, in that no price inflation is added other than to contractual commitments and the cost of energy, other areas of rising and potential cost can have a major impact on the council's budget as highlighted in the following paragraphs.
- 8.2 The cost of employees is the Council's biggest area of expenditure and increases can be significant. In the Summer 2015 Budget, the Chancellor announced a pay award cap of 1% per annum for 4 years from 2016/17 for public sector workers. Pay awards in local government are covered by collective bargaining between employers and trade unions and this is not subject to direct control from central government. However, it is reasonable to assume that the local government employers will mirror what happens in the rest of the public sector and this assumption has been built into the projections. Pay settlements for the years 2016/17 onwards are estimated to be 1% per annum.
- 8.3 The forecast for pay awards of 1% follows on from pay awards of 1% in the last three years and a number of years of pay freeze prior to that. Suppression of pay in local government presents a risk to Tewkesbury in being able to recruit and retain suitable staff in some key areas. The Council will need to consider the ongoing impact of pay restraint and may need to increase key salaries or provide market supplements in order to attract qualified and experienced staff capable of taking the council forward on its transformational journey. In addition, a reserve for any increased pay award following negotiation should be established to mitigate the impact in the first year.
- 8.4 The creation of a single tier state pension and the end of contracting out of the second state pension will negatively impact on employers providing defined pension schemes such as the Local Government Pension Scheme. Currently, providing that such pension schemes meet statutory requirements, employers pay a reduced national insurance contribution – the reduction is 3.4%. This reduction will be removed from April 2016 and it has been estimated that additional employer national insurance contributions for Tewkesbury will be £150,000.
- 8.5 The triennial valuation of the Gloucestershire Local Government Pension scheme took place in 2013 and saw the value of the liabilities within the fund increase dramatically as a result of falling expectations of future government gilt yields. This resulted in an increased deficit of the fund which required further funding. Tewkesbury's contribution towards this deficit increased by £200,000 in 2014/15 and will need to continue to increase by this level for the next two years to meet the deficit requirement. The annual contribution to the pension deficit is expected to be in excess of £1.5m by 2016/17. The results of the next triennial valuation will be known in late 2016 and will again be largely dependent on the gilts market.
- 8.6 The cost of providing the waste and recycling service could see significant change over the course of the MTF5. The fall in prices obtained for selling recyclate will have a significant impact on the price the council pays to a contractor for processing its collected recyclables. In addition, new regulations will expect to see the separation of glass from the other recyclables collected. The expansion in the number of domestic properties within the Borough will also put pressure on the services capacity and at some point additional rounds will need to be provided.

8.7 A detailed workstream is currently ongoing to review the requirements of maintaining both our land and property portfolio and our IT infrastructure. Neither service area currently has a long term view on asset requirements and has relied in the past on ad hoc approaches to council for funds to maintain and improve the assets. The development of a long term strategy is both sensible and prudent but will require the Council to set aside annual sums to cover the costs associated with the maintenance and replacement programme.

9.0 CAPITAL PROGRAMME

9.1 The capital expenditure of the council has an impact on the revenue budget and is part of the overall preparation of the revenue proposals for the coming year.

9.2 It is estimated that £9.05m will be spent on Capital Programme schemes during 2015/2016 which are to be funded by a combination of grants and contributions (£0.45m) and the usable capital receipts reserve (£8.6m). The programme includes expenditure on a new leisure centre, refurbishment of the Roses Theatre, disabled facility grants and property investment.

9.3 Looking ahead, the total value of the Capital Programme over the following five years is approximately £14.18m. Table 5 summarises the planned capital expenditure for future years, together with information on the funding of that expenditure.

Table 5 – Capital programme

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
Gross capital expenditure	£9.05m	£2.53m	£0.65m	£0.65m	£0.65m	£0.65m	£14.18m
Funded by:							
Grants and contributions	£0.45m	£0.40m	£0.40m	£0.40m	£0.40m	£0.40m	£2.45m
Capital receipts reserve	£8.60m	£2.13m	£0.25m	£0.25m	£0.25m	£0.25m	£11.73m
Earmarked revenue reserves	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m	£0.00m
Total	£9.05m	£2.53m	£0.65m	£0.65m	£0.65m	£0.65m	£14.18m

9.4 The current capital programme will deplete capital reserves to around £1.6m by March 2017. The council will also need to consider the purchase of a vehicle fleet for 2017. This will require an investment of around £1.5m and although partial funding can be found through use of New Homes Bonus, the majority of the investment, if approved, will utilise the final balances of the capital reserve. Any future ambitions for asset investment, town centre redevelopment and the continuation of the Disabled Facilities Grant (DFG) programme will require the utilisation of other sources of funding.

9.5 Consideration will need to be given for the disposal of some under-utilised assets in order to replenish the capital reserves. Whilst the council will investigate the use of assets to generate revenue streams, a balanced approach will be necessary so as to provide capital funding for schemes that can generate the best investment return. In addition, consideration will need to be given to using revenue streams, such as New Homes Bonus, to support the capital programme. Finally, the council will need to utilise prudential borrowing to fund both ambitions and statutory requirements in the very near future.

10.0 MEDIUM TERM FINANCIAL PROJECTION

10.1 The council's Medium Term Financial Projection includes the impact of all known capital and revenue commitments between 2016/17 and 2020/21. This is summarised in table 6.

Table 6 – Medium Term Financial Projection

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Employees	7,910	8,355	8,499	8,630	8,726	8,879
Premises	668	676	684	693	701	710
Transport	163	157	159	160	161	164
Supplies and services	6,086	6,144	6,160	6,193	6,225	6,269
Housing benefits	19,666	19,666	19,666	19,666	19,666	19,666
Income	-26,242	-26,136	-26,170	-26,178	-26,220	-26,260
Base budget	8,250	8,863	8,998	9,163	9,258	9,428
Growth	0	157	1,077	1,117	1,292	1,382
Approved savings plan	0	-317	-392	-415	-438	-438
Net budget	8,250	8,703	9,683	9,865	10,112	10,372
Financed by:						
Settlement Funding Assessment	-2,995	-2,448	-2,097	-1,985	-1,850	-1,896
Council tax freeze grant 14-16	-33	-18	-8	-5	0	0
Collection Fund Surplus	-102	-100	-75	-75	-75	-75
Retained Business Rates	-255	-261	-268	-275	-281	-289
New Homes Bonus	-1,782	-1,782	-1,782	-1,782	-1,782	-1,782
Council tax income	-3,084	-3,121	-3,192	-3,266	-3,341	-3,418
Total financing	-8,250	-7,731	-7,423	-7,387	-7,329	-7,459
Deficit	0	972	2,260	2,478	2,783	2,913

10.2 The table illustrates a funding gap of £2.9m over the five year life of the MTFs. In order for the council to remain financially sustainable over the medium term, a number of financial strategies will need to be followed to bridge the gap as well as allowing for the use of alternative funding streams such as New Homes Bonus and retained Business Rates, as already discussed.

11.0 COUNCIL TAX

- 11.1 For the last five years, the council has decided to freeze its Band D council tax charge at £99.36 per annum. In return for freezing the council tax, the council has received a grant from government of varying value and for different periods of time. The most recent grants have been equivalent to a 1% increase in council tax and have been rolled into the Revenue Support Grant element of core government funding to allow for ongoing support. It must be noted however that it is the RSG element of support that has been reduced under the austerity programme therefore limiting the ongoing benefit of the council tax freeze grant.
- 11.2 It is not clear whether the government's offer of a council tax freeze grant will continue into the future. It is also not clear what the government's position will be with regards to excessive council tax increases which require a local referendum for their approval. In the current year, a ceiling of 2% has been set but both this ceiling and the offer of a grant are unlikely to be known until the local government settlement is issued.
- 11.3 Previous financial strategies have suggested that council tax levels should increase from 2016/17 onwards in line with the referendum limits. This was in recognition of both the ongoing budget deficit facing the council and the freezing of council tax for the past five years. Increasing the council tax level by the current referendum limit of 2% over the life of the MTFs would generate an additional £320,900 of income and produce tax levels for residents in line with table 7.

Table 7 – Council Tax Projections

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Band D Council Tax	£99.36	£101.35	£103.37	£105.44	£107.55	£109.70

- 11.4 The government may amend the referendum limit which may necessitate the council considering other levels of council tax. An indication of potential changes to referendum limits is shown in table 8.

Table 8 – Impact of different council tax increases

Council Tax increase	Annual Income generated	Income over MTFP 5 Years	Average Annual Increase	Tewkesbury Band D 2016/17
1.00%	£30,800	£157,300	£1.01	£100.35
1.50%	£46,300	£238,300	£1.54	£100.85
2.00%	£61,700	£320,900	£2.07	£101.35
2.50%	£77,100	£405,200	£2.61	£101.84
3.00%	£92,500	£491,100	£3.17	£102.34
4.00%	£123,300	£668,100	£4.31	£103.33
5.00%	£154,200	£851,900	£5.49	£104.33

- 11.5 The current council tax charge of £99.36 is the fifth lowest of English district councils and is over £40 below the bottom quartile threshold and £60 below the national average. Projections of future increases to council tax will ensure the council remains within the bottom quartile for council tax charges and meet its priority to maintain a low council tax.

12.0 BUSINESS TRANSFORMATION STRATEGY

- 12.1 Over the period of the last government, the council has responded to the financial challenges facing local authorities through the introduction of a wide range of efficiency and service improvement measures. It has also implemented and developed shared services and shared service arrangements to meet business and budget needs. This approach has resulted in reduced costs and staffing whilst maintaining service levels.
- 12.2 A more strategic and planned approach to meet the significant challenges posed by continuing public sector funding reductions was necessary and therefore the Business Transformation Strategy was developed. This would help the council to plan and implement innovative or radical change to the range, scope, shape and practices of current council services. The council has embarked on a journey to re-shape itself and its partnerships to fit the resources available and now needs to accelerate the pace of change and take bigger steps. This work will also help the council to prepare for the changing agenda around public sector reform and the rethinking of the relationship between public services, people, place and economy.
- 12.3 The Council has already achieved a great deal with Business Transformation in the last two years. A summary of some of the transformational work streams that have been delivered and those in progress is included below.
- 12.4 **Service reviews**

Waste / operational services

In the summer of 2014, a review of the efficiency of the current operation was carried out focussing on a review of the rounds currently deployed to collect waste and recyclables and a review of the staffing establishment. The round review concluded that the current round deployment was at optimum efficiency and there was no scope for efficiency savings. The review of staffing led to savings of £30,000 being identified.

The Council formally approved the transfer of its waste collection, recycling, street cleansing and grounds maintenance services to Ubico Ltd in 2014 with the actual transfer taking place on the 1st April 2015. This decision was taken against the backdrop of securing appropriate depot facilities, the existing partnership arrangements with Ubico Ltd, the degree of additional service demand arising from the high levels of residential development in the borough and the lack of strategic / commercial capacity to develop opportunities to market services to increase the level of income generated.

Considerable efficiencies for 2016/17 have been identified as a result of joining the company amounting to £90,000 per annum. This has been achieved through opportunities to share resources and amend terms and conditions for new staff joining the company. Further business development work is scheduled to take place in the forthcoming years aimed at reducing costs or increasing income.

A joint project between TBC staff, Ubico Ltd and the Joint Waste Committee is currently underway and is focussed on service delivery arrangements for 2017 onwards reflecting the need to procure a new vehicle fleet, the end of the current MRF contract and the introduction of new regulations around glass recyclables. It is likely that the Council will be asked to purchase a new fleet rather than lease it as it is more cost effective. This will likely need a sum in the region of £1.5m being set aside from capital balances, supported by revenue one offs, to meet this requirement but will produce an ongoing revenue saving against current leasing costs. The final detail of this scheme, including any proposals over collection and disposal methods, is to be presented to members early in 2016.

Revenues and benefits

A service review of this area took place in 2014 and resulted in significant efficiencies being delivered together with improvements for the customer, in the form of the reduced number of processing days for claims. As a result, nearly £150,000 of cashable savings was delivered from direct expenditure and improved subsidy reclaim. Currently the service is reviewing its counter fraud and financial inclusion arrangements. The future provision of this service area will need to see an increased focus on Business Rates, given the move towards 100% retention of growth, and will also be driven by the rollout of Universal Credit over the next few years.

Customer Services

Following on from the successful review of Revenues and Benefits, the same review technique and process was used in Customer Services. The review looked at current service delivery but also allowed for the expansion of the service to accommodate some of the retained functions following the transfer of services to Ubico Ltd, including the administration of the Garden Waste function. Improved processes, reorganisation of service delivery, the elimination of failure demand and the relocation of the service have all resulted in an improved experience for the customer and the staff as well as delivering cashable savings. The service has released two part-time roles, reduced the reliance on agency staff to cope with demand in peak times and taken on the Garden Waste function with no additional resources being required.

Environmental Health and Planning

Both service areas are currently going through the same review process as Revenues and Customer Services. The conclusion of this joint review is likely to be early in the new year with the same improvements for both customers and staff being made. As with the other reviews, it is hoped that cashable savings or increased income can be generated from the review and contribute towards the Council deficit.

One Legal

In Spring 2015, the shared legal service of Tewkesbury and Cheltenham, was enlarged to include Gloucester City Council. This helped to produce increased offices rental income for Tewkesbury. Discussions with the County Council for further expansion of the service are on-going with proposals set to be made to Councils in early summer 2016.

12.5 Building transformation

The £1.5m refurbishment of the public offices building was completed in September 2014. The project replaced the roof and windows of the building and refurbished the first floor. On-going energy and maintenance savings as a result of these works amount to nearly £40,000 whilst the desk to officer ratio being reduced to 8:10 means that all borough staff can now be accommodated on the first floor. The top floor has now been fully vacated and negotiations are on-going with public sector partners to secure additional tenants for this area. Discussions have been widened to include not only the top floor but also the ground floor as well as additional areas within the footprint of the Public Service Centre.

Development of a new leisure centre on the Public Services Centre site continues to progress well. It is now envisaged that the new centre will be open for the public in late May 2016. At that point, the responsibility for the delivery of the service will pass to Places for People who were appointed as operators in January 2015 following a tender process. Whilst the delivery of a new build leisure centre has incurred significant financial expenditure, the new centre together with the new operator will deliver significant ongoing revenue benefits to the council in the form of the elimination of an ongoing subsidy, a contract sum payment and a share in any additional surpluses made by the operator.

Investment of over £250,000 has been made to deal with the landlord responsibilities associated with the Roses Theatre building. This has included the replacement of roofs and windows at the theatre and together with the works commissioned by the Theatre Trust will provide a secure building and financially sustainable operation therefore securing a long-term cultural offering for the borough.

Renewable energy from solar panels will be available to the Public Services Centre in 2016. An array of panels will be installed on three roofs prior to Christmas which will supply some of the centres energy needs. This will result in energy savings of over £7000 per annum and also generate a return of £7000 from feed in tariffs, giving a total return of approximately 14%. Attention will be focussed on the councils other assets after that although it must be remembered that many assets are leased and will require negotiation and also the feed in tariffs will reduce in the near future therefore reducing the return that can be made.

The council is also currently in negotiations for the purchase of retail property which could be added to the current portfolio of investment assets. It will continue to look for additional property investments although it must be remembered that financing additional investments will require borrowing and so net returns will reflect this requirement.

The council continues to investigate opportunities for redeveloping or disposing of under-utilised assets including car parks, garage sites and the MAFF site. For redevelopment to occur, significant borrowing of resources will be required and therefore any plans will need to be robust and supported by a sound business case to ensure they are financially viable. In some cases, disposal may be preferable in order to generate capital receipts which can be reinvested in other scheme developments.

12.6 Devolution

The council, along with its partners in Gloucestershire, is currently negotiating a devolution deal with the government. The shape of the final deal is being developed with the intention of an announcement in late 2015 and final sign off in 2016. Any devolution deal agreed will have a significant impact on the delivery of some core services including strategic housing, strategic planning and economic development. It may also provide access to significant funds to promote growth and development in Gloucestershire.

13.0 OTHER ELEMENTS OF DEFICIT REDUCTION

13.1 In addition to council tax and business transformation strategies, New Homes Bonus and Retained Business Rates, the council must look at all available ways to bridge the funding gap. This will include increasing income from existing sources, new income sources, maximising the use of its asset portfolio, procuring its goods and services cheaper and reviewing the council tax support it offers.

13.2 The Council must also investigate opportunities to move towards a more commercial approach in delivering its services. This could include the selling of services within a wider market to deliver an income for the council. The council must understand what services it does well, where market demand exists and what investment will be required to be able to trade its services.

14.0 RISK AND SENSITIVITY ANALYSIS

14.1 The MTFs is based on a series of estimates and assumptions about future expenditure and income levels as well as government funding and local financing. These estimates and assumptions are based on the best information available at the time but will obviously be susceptible to fluctuations and changes to both national and local policy. It is therefore important not only to model different scenarios but also be aware of individual sensitivities within the figures. Table 9 analyses the risk around some of the key assumptions within the MTFs:

Table 9 – sensitivity analysis

Description	2016/17	2017/18	2018/19	Sensitivity
Pay	1.00%	1.00%	1.00%	+/- 1.00% = £80,500
General inflation	2.00%	2.00%	2.00%	+/- 0.50% = £25,000
Energy – increases	2.00%	2.00%	2.00%	+/- 5.0% = £25,000
Income - fees and charges	2.00%	2.00%	2.00%	+/- 0.50% = £28,000
Return on council investments	1.00%	1.50%	1.88%	+/- 0.50% = £62,000
Total sensitivity / risk re: changes to the above expenditure and income assumptions:				+/- £220,500

Resources				Sensitivity
Council tax	2.0%	2.0%	2.0%	+/- 1.00% = £32,000
Funding Settlement decrease	18.0%	14.0%	5.0%	+/- 0.50% = £14,970
New Homes Bonus increases	23.0%	1.3%	5.5%	+/- 5.00% = £137,000
Tax base	2.3%	2.3%	2.3%	+/- 1% = £30,835
Council tax total collected	98.50%	98.50%	98.50%	+/- 1.0% = £32,000
Total sensitivity / risk re: changes to the above resource assumptions:				+/- £246,805

14.2 As with all plans and strategies, it is prudent to set aside some monies in order to deal with unforeseen issues and for deviations from the set budget as a result of changes to the assumptions underpinning the plan.

14.3 It is therefore recommended that the use of New Homes Bonus continues to allow for an uncommitted sum to cover the risks in setting a budget within the current financial climate. Any unspent monies from these set asides should be accumulated within reserves at the year end to provide further on-going security.

15.0 REVENUE RESERVES

15.1 The General Fund 'working balance' and the earmarked reserves are a significant element of the council's financial resources, and as such it is important that they are aligned to priority areas as well as mitigating against potential financial risks to the authority.

15.2 The council's 'Working Balance' is the revenue reserve that is set aside to cover any significant business risks and emergencies that might arise outside of the normal set budget. This reserve had been increased in previous years from £500,000 to £600,000 which equated to approximately 8.5% of net revenue budget for the year 2010/11. At the end of 2012/13, it was necessary to reduce the balance to £450,000 in order to accommodate a specific reserve to guard against the risk inherent in the new retained business rates scheme.

15.3 The external auditor does not provide specific guidance on what the level of council reserves should be other than that they should be adequate to cover potential risks. It is considered that the £450,000 currently in the working balance is adequate to cover potential unknown risks provided sufficient earmarked reserves are provided to mitigate other known risks.

15.4 As at the 31 March 2015, the council had £10.57m in earmarked reserves although it should be noted that over half of this reserve is not useable as it covers the timing difference in business rate payments to the government and a proportion of the balance is held on behalf of third parties for specific purposes.

- 15.5 It is suggested that the level of these reserves are adequate to cover medium levels of risk. Further expansion of the risk management reserves should be considered at the earliest next opportunity in order to provide enhanced levels of confidence and reassurance in the financial affairs of the council.
- 15.6 Earmarked reserves are also required to fund the one-off elements of the council priorities and to meet its future business needs. These reserves do not recur annually and once they have been utilised will not be available for future investment. It is therefore proposed that future reserves, having allowed for risk management requirements, should be developed on an invest to save basis. As such, reserves which are recycling in nature create an asset which could be realised in the future and those which reduce ongoing revenue costs should be given priority when considering year end balances and the allocation of new homes bonus. This approach should help the council combat the significant financial uncertainty being faced.
- 15.7 Section 25 of the Local Government Act 2003 required the chief finance officer to report to the council, as part of the budget and tax setting report, their view on the robustness of estimates and the adequacy of reserves. This view will be given in the report to council in January 2016.

16.0 PUBLIC AND STAKEHOLDER CONSULTATION

- 16.1 The production of the Medium Term Financial Strategy and the annual budget report is carried out with reference to the Transform Working Group, with views of members taken into account when compiling both reports.
- 16.2 In addition, consultation with both the general public and local businesses will continue to take place on budget principles and specific budget proposals.

17.0 TREASURY STRATEGY AND MINIMUM REVENUE PROVISION

- 17.1 The council is currently a debt free authority but has a diminishing investment portfolio estimated to be worth about £12.4m by the beginning of the next financial year. This portfolio is made up of cash flow balances and reserves. The council's approach to treasury management has been significantly revised since the collapse of the Icelandic banking institutions in October '08. The council had £1m invested with the failed bank, Landsbanki, and has since recovered over 90% of its original investment.
- 17.2 The council has, in recent years, been highly successful in generating significant investment returns over market benchmarks from proactive treasury management whilst minimising risk. We optimise the use of our cashflow to ensure that we minimise our borrowing for cash flow purposes whilst aiming to achieve high rates of investment income whilst, most importantly, minimising risk. Given the risk in the market as highlighted earlier, the current strategy leans more towards avoidance of risk than maximising returns and, as a result, both counterparties and lengths of deposit have been restricted.
- 17.3 We publish an annual Treasury Management Strategy which details our borrowing limits and specifies approved institutions for investment, considering risk, with maximum limits, based on credit ratings.

- 17.4 With low interest rates, the council has adopted a strategy of exploring other investment opportunities and £2m has been set aside to further this ambition. We are continually looking for safe alternative investments in other areas such as corporate bonds, equity bonds, property investments or renewable energy. The current problems in the banking sector mean that risks in cash investments are higher than normal at present and returns are lower than would be expected. If any alternative opportunities do arise the council will consider investing to help retain a low level of council tax. However, it must be remembered that ensuring cash flow has to be the highest priority within a treasury strategy and that the council's ability to make further investments of an illiquid nature are restricted having committed resources to a number of large projects in recent months.
- 17.5 The council's rapidly developing ambition of investing in growth in the borough through retail, commercial and residential asset developments will require the approval of strategic borrowing in future years. As previously indicated, interest rates remain low and borrowing money from the Public Works Loan Board at the current time offers value with indicative rates being around 3.5% for a twenty five year loan. The council will also be able to benefit from the 'certainty rate' offered to local government which reduces these indicative rates by 0.2%.

In addition to the interest rate payable, the council must also make provision for the repayment of principal borrowed. It is required to make a revenue charge each year to provide for this repayment. This has been historically based on regulations stating that 4% of the Non-HRA capital financing requirement at the end of each year be charged to revenue in the following year.

An amendment to the Government's Capital Financing Regulations, replaces the present rules with a simple duty for an authority each year to make an amount of Minimum Revenue Provision (MRP) which it considered to be "prudent". The prudent provision is to ensure that debt is repaid over a period reasonably commensurate with that over which the capital expenditure provides benefits.

Under the new regulations, the authority is required before the start of each financial year to prepare a statement of its policy on making MRP and submit it to the Full Council. The approved policy for 2015/16 is as follows:

Supported borrowing

For borrowing supported by Revenue Support Grant, the council will continue to use the current method of 4% of the adjusted Non-HRA capital financing requirement.

Unsupported borrowing

For new borrowing under the prudential system for which no Government support is being given and is therefore self-financed, MRP will be made in equal annual installments over the life of the asset.

Capitalisation directions

For capitalisation directions on expenditure incurred since 1 April 2008, MRP will be made in equal annual installments over 20 years in line with CLG guidance.

In all cases MRP will commence in the financial year following the year in which the expenditure is incurred.

- 17.6 So for example, if the council wished to borrow to fund the purchase or development of a retail unit with an estimated useful life of 50 years, it must make interest payment of 3.5% annually and also MRP provision of 2% annually. The business case for investment would therefore need to see a return in excess of 5.5% to make it viable and see a contribution towards the overall budget deficit.

TEWKESBURY BOROUGH COUNCIL

Report to:	Council
Date of Meeting:	8 December 2015
Subject:	Gloucestershire Devolution Project - Update
Report of:	Mike Dawson, Chief Executive
Corporate Lead:	Mike Dawson, Chief Executive
Lead Member:	Councillor R J E Vines
Number of Appendices:	One

<p>Executive Summary:</p> <p>The Gloucestershire devolution bid was submitted on 4 September 2015. This report gives an update on progress since that date and information on the next steps for the Gloucestershire devolution bid.</p>
<p>Recommendation:</p> <p>Council is asked to NOTE the report and the current position in respect of the Gloucestershire Devolution Project.</p>
<p>Reasons for Recommendation:</p> <p>To provide the Council with an update of the progress made with the Gloucestershire Devolution Project.</p>

<p>Resource Implications:</p> <p>None at this stage.</p>
<p>Legal Implications:</p> <p>None at this stage.</p>
<p>Risk Management Implications:</p> <p>None at this stage, risk analysis will be undertaken as the project progresses.</p>
<p>Performance Management Follow-up:</p> <p>None at this stage.</p>
<p>Environmental Implications:</p> <p>None.</p>

1.0 INTRODUCTION/BACKGROUND

1.1 At its meeting on 2 September 2015 Council noted the progress undertaken by Leadership Gloucestershire in respect of the devolution agenda and resolved to support in principle further development work together with Leadership Gloucestershire Partners.

1.2 The purpose of this report is to update the Council in respect of the further progress made since that meeting.

2.0 PROGRESS TO DATE

2.1 The devolution bid for Gloucestershire was submitted to Government on 4 September 2015 in accordance with the associated deadline. The bid document was circulated to all Members of the Council shortly after submission for information. The bid document is to secure a devolution deal for Gloucestershire based on two main areas, economic growth and public sector reform. Within each area there are two sub workstream areas as follows:

Economic Growth through:

Planning, transport and infrastructure (including housing growth).

Business growth and skills development.

Public Sector Reform in:

Health care commissioning.

Community Safety.

2.2 In addition to the specific workstream areas, the bid included a governance workstream which made proposal to establish a combined authority for Gloucestershire.

2.3 Since submission, workstream lead officers and work groups, have been in detailed conversation with lead civil servants to develop the respective workstreams to allow an agreement with government to be produced. The bid as submitted was welcomed by government and the Gloucestershire partnership was advised that it may be possible for a devolution deal to be agreed by government for announcement in late November or early December 2015. This was subject to the outcome of a 'Ministerial Challenge' meeting with Greg Clark Secretary of State (SoS) for local government which was held on 11 November 2015.

2.4 A small group of representatives from Gloucestershire attended the meeting with the SoS, they were Councillor Mark Hawthorne, Leader of Gloucestershire County Council, Councillor Geoff Wheeler, Leader of Stroud District Council, Diane Savory, Chair of the Local Enterprise Partnership, David Owen, Chief Executive of the Local Enterprise Partnership and Mike Dawson, Chief Executive. The meeting began with a presentation from the Gloucestershire representatives setting out the devolution bid. A copy of the presentation given is attached at Appendix 1 for information.

2.5 The meeting was positive and the SoS was supportive of the proposals for Business Growth and Skills, Health Commissioning and Community Safety. However, the SoS has requested that further work be undertaken in respect of the planning and housing elements of the planning transport and infrastructure workstream and the governance workstream.

2.6 The civil service lead for the Gloucestershire devolution agreement has indicated that it may possible to conclude the agreement for Gloucestershire in January 2016, subject to the additional work being agreed. He has also advised that a further meeting with the SoS is not likely to be required unless any outstanding issues cannot be resolved.

3.0 The Next Steps

- 3.1** Work is underway to develop the bid further in respect of the two outstanding areas and the latest draft version of this work will be considered by Leadership Gloucestershire on 9 December 2015. The amendments to these elements of the bid will then be discussed with lead civil servants and, once finalised, the bid proposals will be included in the draft devolution agreement to be signed off by the SoS.
- 3.2** Once the devolution agreement has been drafted by civil servants, it will need to be agreed by all partners prior to it being announced by the government. As part of that process, the final draft devolution agreement documentation will be presented to this Council and other partner Councils and boards for approval early in the New Year.
- 3.3** A formal governance review, including public consultation, in respect of the governance options linked to a combined authority will be required. It is planned to undertake this in 2016. However, following the delay in achieving the devolution agreement beyond November/December 2015, the detailed timescale for the governance review needs to be revisited and this matter will be considered by Leadership Gloucestershire on 9 December.
- 3.4** The devolution agenda is a key government policy and there is the potential for further agreements with government in future. This Council's Devolution Working Group will continue to maintain an overview of the process and Members will be kept informed of progress.

4.0 OTHER OPTIONS CONSIDERED

- 4.1** None.

5.0 CONSULTATION

- 5.1** Members have been kept advised to date through seminars, briefings and reports. Further consultation and briefing will be undertaken as required.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

- 6.1** The Council Plan – devolution proposals will need to support the overall aims of the Council Plan.

7.0 RELEVANT GOVERNMENT POLICIES

- 7.1** Existing and emerging legislation relating to devolution.

8.0 RESOURCE IMPLICATIONS (Human/Property)

- 8.1** None at this stage.

9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

- 9.1** None.

10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

- 10.1** None.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11.1 Council decision made 2 September 2015 and referenced in this report.

Background Papers: Gloucestershire Devolution Expression of Interest July 2015.

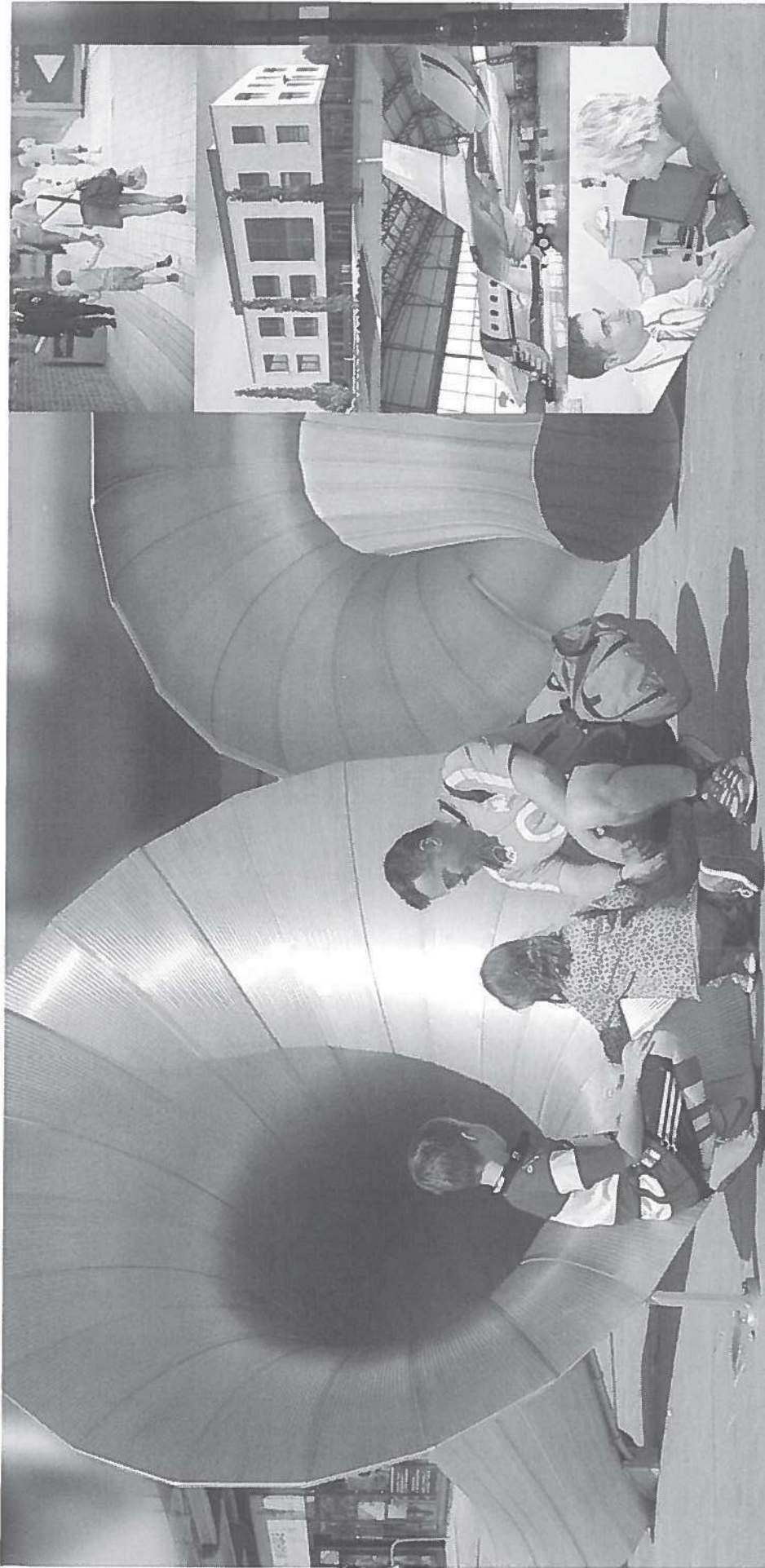
Gloucestershire Devolution Bid September 2015.

Both documents are available via the Council's website.

Contact Officer: Mike Dawson, Chief Executive Tel: 01684 272001

Email: mike.dawson@teWKesbury.gov.uk

Appendices: Appendix 1 – Ministerial Challenge Presentation.



Gloucestershire Devolution Deal

Mark Hawthorne
 Leader Gloucestershire
 County Council

Diane Savory
David Owen
 GFirst LEP

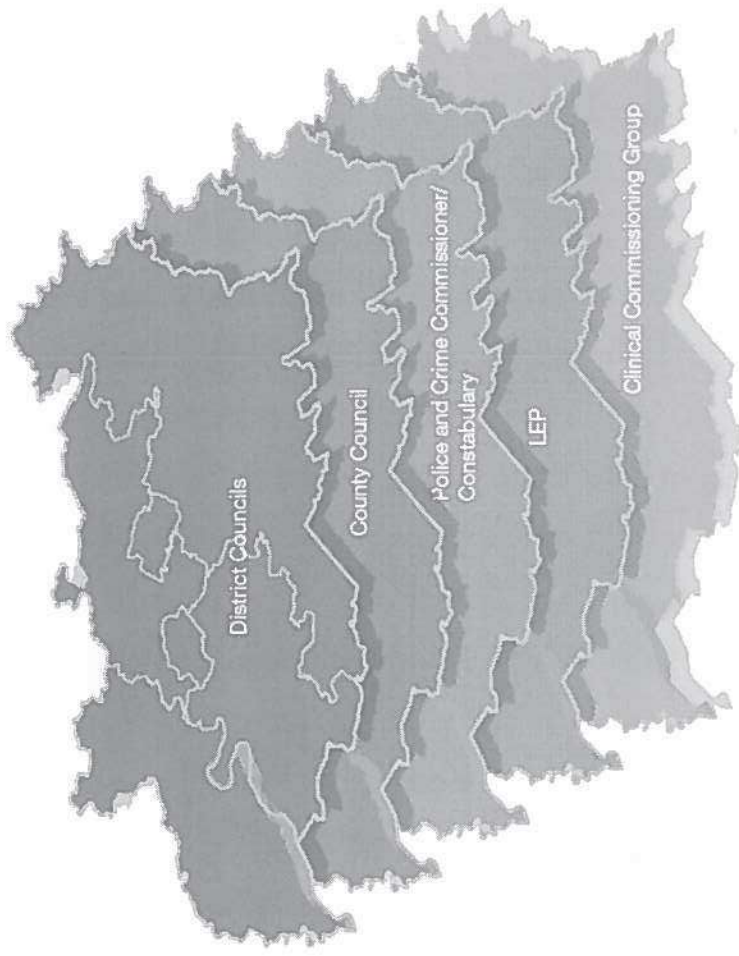
Geoff Wheeler
 Leader Stroud
 District Council

Mike Dawson
 Chief Executive Tewkesbury
 Borough Council















We are Gloucestershire...

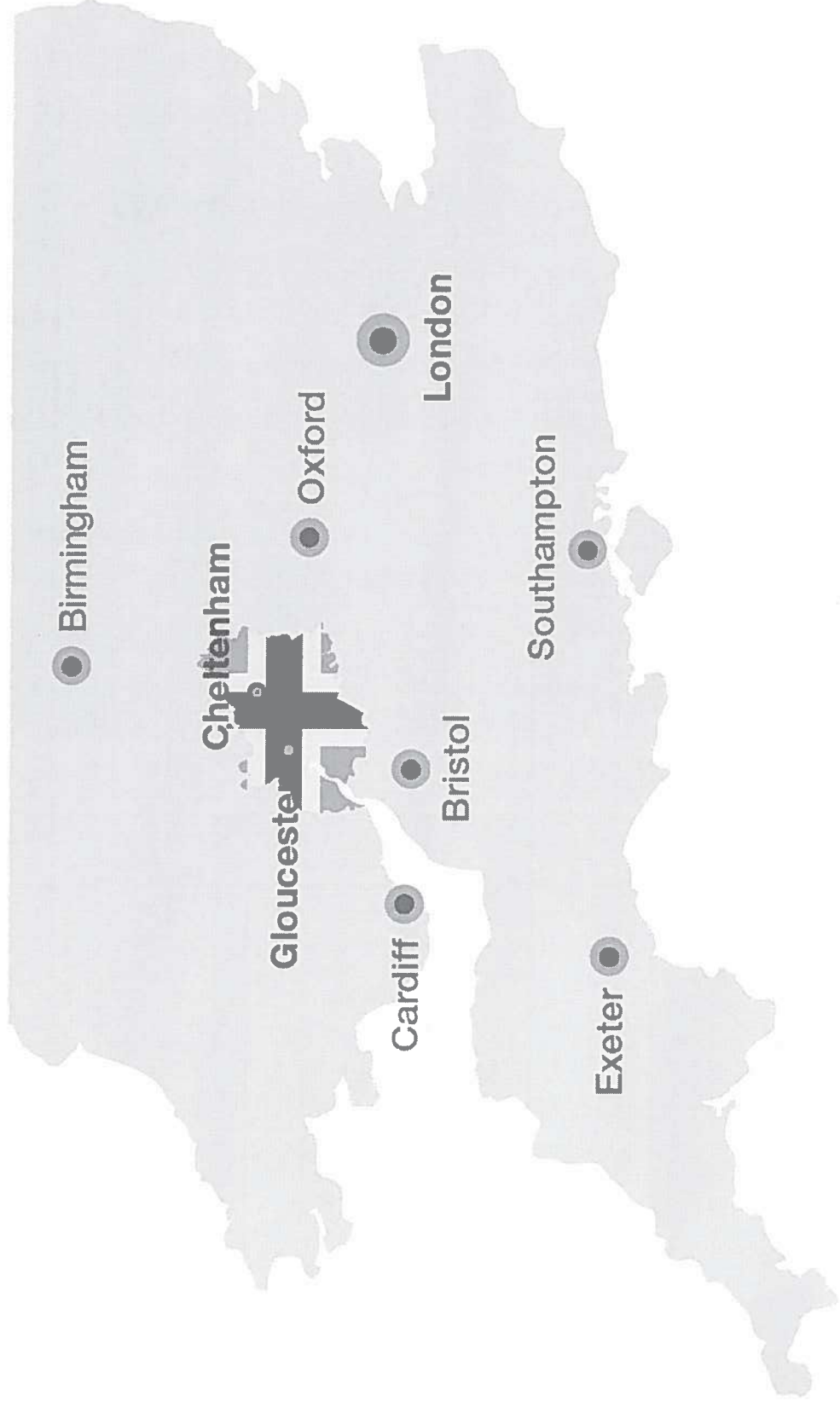


...ready for devolution

									
Steve Jordan Cheltenham Borough Council	Geoff Wheeler Stroud District Council	Lynden Stowe Cotswold District Council	Patrick Molyneux Forest of Dean District Council	Paul James Gloucester City Council	Rob Vines Tewkesbury Borough Council	Mark Hawthorne Gloucestershire County Council	Martin Surl Police and Crime Commissioner	Diane Savory GFFirst LEP	Helen Miller Clinical Commissioning Group



Location - Gloucestershire



Our Vision

Economic growth

- **HOUSING** - accelerated delivery of 47,000 new homes by 2031
- **SKILLS** - tailored to business need
- **GROWTH** - create 34,000 jobs and 4.7% uplift in GVA

Public sector reform

- **COMMUNITY SAFETY** - reducing first time youth offending and re-offending
- **HEALTH AND SOCIAL CARE** - faster integration

New governance arrangements to deliver it

The Gloucestershire challenge

Economic growth

Working with the private, public and voluntary sectors to generate

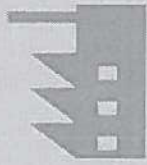
34,000 and **5,000** **NEW APPRENTICESHIPS**
NEW JOBS over

Deliver over
47,000
new homes



Supporting the creation of

1,000 NEW BUSINESSES
between 2016 and 2021



DEVELOPMENT

of 180 hectares of employment land, including around Junctions 9 and 10 of the M5



Aim to drive
GROWTH
of **4.7%**
GVA per annum
(£500m) by 2022

Public sector reform

Rising incidents of domestic abuse and sexual violence



MORE CHILDREN IN CARE



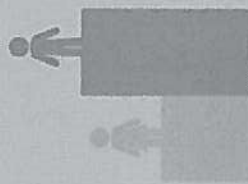
CLOSING THE HEALTH INEQUALITY GAP

3,400 MORE older people each year between 2012 and 2037



RISING NUMBERS OF CHILDREN

are leading to increased demand for school places and other services



LEADING CAUSES OF DEATH

Reducing cancer, cardiovascular disease and respiratory disease as the main causes of death in Gloucestershire

Finding new solutions – devolution



Housing and infrastructure

Problem definition

Gloucestershire is currently delivering 2500 new homes per year, in the next five years to 2021 this will need to increase to 4500 per year to meet the needs of our growing communities and business and increase GVA by 3.2% as set out in our Strategic Economic Plan. However, partnership inefficiencies, resource challenges, and infrastructure funding uncertainties will impede this.

We will streamline and integrate strategic planning under a Gloucestershire Combined Authority. We will bring forward sites and public land for early development and secure infrastructure funding to achieve a step change to accelerate delivery of new homes in this critical next 5 year period.

OFFER FROM GLOUCESTERSHIRE	ASK OF GOVERNMENT
<p>We will:</p> <ul style="list-style-type: none"> • Through the Combined Authority appoint a Strategic Planning Commissioner to provide effective leadership of strategic planning resources • Establish a local Planning and Land Commission to bring all agencies together to streamline delivery of new homes and infrastructure • Deliver over 47,000 new homes by 2031 - including 5,700 on public land - increasing the annual delivery rate by 55% from 2500 to 4500 in the critical 5 years to 2021 • Provide housing growth and infrastructure to support the creation over 40,000 new jobs to 2031 • Establish a single investment fund bringing together up to £170 million from CIL/S106 and £160 million transport and infrastructure funding over the next 5 years. 	<p>We want:</p> <ul style="list-style-type: none"> • Close and effective engagement with all relevant Government Agencies eg HCA, Highways England, Govt. Property Unit through a local Planning and Land Commission to support the delivery of infrastructure and accelerated delivery of new homes • Commitment to work with us and agree bespoke infrastructure support funding on a site by site basis for the 15 strategic development sites to ensure unimpeded delivery of 19,000 new homes on these key sites • Local fee setting powers for planning so they reflect local circumstances and ensure proper resources are available to speed up decision making • Devolution of all non-devolved transport funding to support transport infrastructure provision • £15 million to establish a rural starter homes initiative delivering 500 new homes over 5 years supporting rural communities in Gloucestershire.



Problem definition

Productivity has remained lower than UK average since 2008. Key barriers have been lack of co-ordinated business support, especially for SMEs, low levels of export and poor connectivity in parts of the county.

Proposed solution and impact

Drive increased productivity and job creation by providing integrated and tailored business support to high-growth companies and companies in our key sectors (nuclear, high tech manufacturing, ICT, professional, scientific and technical). Impact: create 34,000 jobs and generate a GVA uplift of 4.7%.

OFFER FROM GLOUCESTERSHIRE	ASK OF GOVERNMENT
<ul style="list-style-type: none"> • Strong, LEP and business-led leadership of business support including current national programmes • Commitment to further join up and co-ordinate local authority economic development and business support programmes to support the SEP and LEP objectives • Investment of €0.65m of ERDF funding from European Structural and Investment Funds (ESIF) into business support (49% of total allocation) to 2021 and continued EU funding alignment beyond • Continued good management of the roll out of broadband including EU funding investment of €1.9m, £4m of local match and BDUK/DCMS funding to ensure all businesses in the county benefit. 	<ul style="list-style-type: none"> • A devolved approach to the delivery of business support, including those services currently managed nationally – export support services, manufacturing support, high growth coaching and inward investment • Multi-year revenue funding for Gloucestershire Growth Hub of min £500k pa • Continued support for the National Helpline Service • Devolved funding for the roll-out of the broadband commitment and collaboration to deliver better mobile connectivity to ensure all businesses in the county benefit.



Skills

Problem definition

Productivity - key barriers have been imbalances in skills demand and supply, skills gaps, lower than average numbers of young people taking up apprenticeships. Insufficient local nurse training.

Proposed solution and impact

Greater local co-ordination and control over skills provision and budgets resulting in closure of local skills gaps, more than 5,000 new apprenticeships by 2021 (1000 more achievements p.a. from baseline of c2,700 p.a.).

OFFER FROM GLOUCESTERSHIRE	ASK OF GOVERNMENT
<ul style="list-style-type: none"> • Rationalisation of planning of skills and careers provision to better meet local demand including strong, active role in local area reviews • Develop existing LEP Skills Group into a full Employment and Skills Board • Local management of providers, employers and other stakeholders working together to re-shape post -16 vocational training and nurse training • Investment of € 11m of ESF funding from European Structural and Investment Funds (ESIF) into skills (59% of total allocation) to 2021 and continued EU funding alignment beyond this • €2.4m ESF investment in Apprenticeship Clearing House. 	<ul style="list-style-type: none"> • Local leadership of post-16 review of education and training provision to include 16-18 provision and private training provision • Full devolution of Adults Skills, Community Learning and nurse training budgets ahead of the 2019/20 academic year • Continue conversations about the introduction and implementation of the Apprenticeship Levy.



Public Service Reform

Problem definition

Health & social care and community safety systems are under strain and demand is growing. New challenges include child sexual exploitation and modern slavery. Overlaps between systems create bureaucracy and duplication.

Proposed solution and impact

Innovative, whole systems approach to community safety and safeguarding, improving outcomes for victims and communities. Reducing reoffending in young people by 20%. Faster progress with health and social care integration and improvements in acute admissions.

OFFER FROM GLOUCESTERSHIRE	ASK OF GOVERNMENT
<ul style="list-style-type: none"> We will deliver a whole systems, cohesive approach to community safety - making it work in a large county area, improving safeguarding for communities and families, improving outcomes for young offenders and providing effective support to victims We will manage the significant impact of projected demographic growth and contain spending within our existing level of allocation, assuming the additional costs of the Care Act and the National Living Wage are addressed in the CSR. £200m savings over 5 years We will deliver step-change in engagement with the voluntary and community sector through Enabling Active Communities programme, diverting people from acute services for example through social prescribing (£600k investment). 	<ul style="list-style-type: none"> Build on positive discussions with MOJ and Home Office, develop a detailed proposition to enhance delivery of community safety, including review of youth justice system, reviewing safeguarding approaches. Agree business case by March 2016. Work with us to agree a devolved place-based health and social care budget for Gloucestershire and work together to agree a detailed business case by March 2016



Strengthening governance

Problem definition

Notwithstanding our track record of working together, existing arrangements to drive local growth and public sector reform are complex, confusing and fragmented across our 10 organisations. Most have no legal status or permanence.

Proposed solution and impact

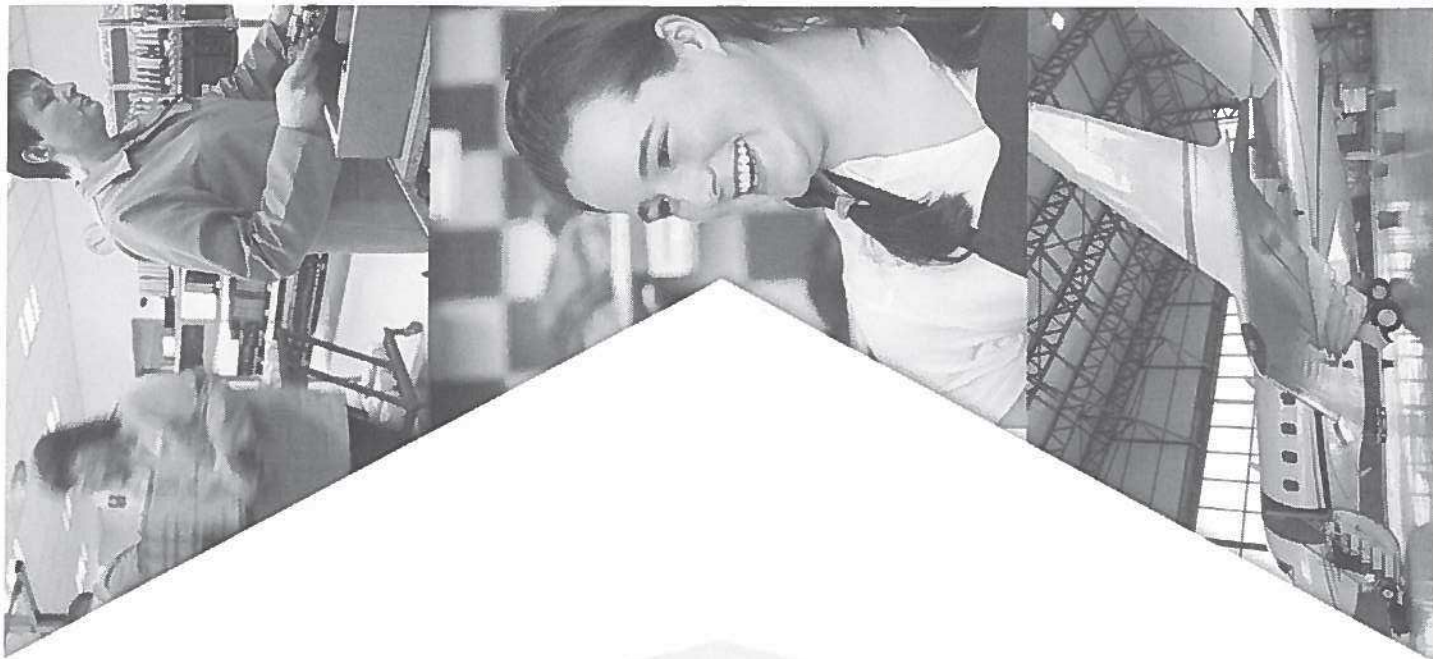
A broad Combined Authority consisting of 7 democratically elected representatives for the 7 councils and the Chair of the LEP, the elected Police and Crime Commissioner and the Chair of the Clinical Commissioning Group. All will have full voting rights. Delivers streamlined decision-making, improved accountability and delivery. Strong Chair as single point of contact.

OFFER FROM GLOUCESTERSHIRE	ASK OF GOVERNMENT
<ul style="list-style-type: none"> • Complete Governance Review by April 2016 (first two phases completed) • Set up an innovative Combined Authority of key partners to have responsibility for all key policies and commissioning strategies e.g. SEP, strategic planning, health and social care, community safety; budget and risk frameworks and, pooled budgets; specific functions in the devolution agreement including being the Integrated Transport Body and implementation plan • Set up powerful scrutiny and audit committees to improve accountability based on CfPS principles • No net increase in costs and no increase in bodies • Further develop our "double devolution" (Enabling Active Communities) plan. 	<ul style="list-style-type: none"> • Subject to completion of Governance Review and the passage of the Cities and Local Government Devolution Bill, to approve the establishment of a Combined Authority for Gloucestershire and scrutiny and audit committees • Work with us to streamline existing statutory arrangements, e.g. Health and Wellbeing Board, Community safety partnerships by March 2016.

We are...

- Unique
- Simple to work with
- Ready to sign now

Gloucestershire



Agenda Item 12

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Agenda Item 13

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