Gloucester City Council

Overview and Scrutiny Committee

Meeting: Monday, 23rd February 2015 at 6.30 pm in Civic Suite, North Warehouse, The Docks, Gloucester, GL1 2EP

Membership:	Cllrs. Lugg (Chair), S. Witts (Vice-Chair), Gravells (Spokesperson), Haigh, Hanman, Lewis, Wilson, Ravenhill, Field, Dee, Taylor, Beeley, Hansdot, Toleman and Pullen
Contact:	Sonia Tucker Democratic Services Officer 01452 396126 sonia.tucker@gloucester.gov.uk

AGENDA

1.	**APOLOGIES** To receive any apologies for absence.
2.	**DECLARATIONS OF INTEREST** To receive from Members, declarations of the existence of any disclosable pecuniary, or non-pecuniary, interests and the nature of those interests in relation to any agenda item. Please see Agenda Notes.
3.	**MINUTES** (Pages 5 - 10) To approve as a correct record the minutes of the meeting held on 26 January 2015.
4.	**PUBLIC QUESTION TIME (15 MINUTES)** To receive any questions from members of the public provided that a question does not relate to: • Matters which are the subject of current or pending legal proceedings, or • Matters relating to employees or former employees of the Council or comments in respect of individual Council Officers
5.	**PETITIONS AND DEPUTATIONS (15 MINUTES)** To receive any petitions and deputations provided that no such petition or deputation is in relation to: • Matters relating to individual Council Officers, or • Matters relating to current or pending legal proceedings

6.	**FINANCIAL MONITORING QUARTER 3** (Pages 11 - 22) To receive the report of the Cabinet Member for Performance and Resources which asks Cabinet to note the financial monitoring report details including budget variances, year-end forecasts, and progress made against agreed savings targets for the 3rd quarter ended 31st December 2014. The report also highlights some key performance indicators.
7.	**HOUSING STRATEGY** (Pages 23 - 84) To receive the report of the Cabinet Member for Housing, Health and Leisure which updates Members following consultation on the draft housing strategy and presents the final version for adoption and implementation.
8.	**REVIEW OF CULTURAL SERVICES** (Pages 85 - 184) To receive the report of the Cabinet Member for Regeneration and Culture which provides Members with the details of the work undertaken by Michael + Partners in relation to the City and Folk Museums and the Guildhall and which recommends to Members elements of the report to be taken forward.
9.	**ARRANGEMENTS FOR NEXT OVERVIEW AND SCRUTINY COMMITTEE MEETING MONDAY 23 MARCH 2015** Members are asked to note that there will be a private training session at 6.15 pm on Monday 23 March 2015 in Meeting Room 1 on the subject 'Making Task and Finish Groups Effective'. **All Members are asked to attend this training**. The main Committee meeting will then commence at **7 pm** in the Civic Suite.
10.	**MEMBER UPDATE ON OUTSIDE BODIES' ACTIVITIES** To receive verbal updates, as appropriate, from Members of the Committee who sit as City Council representatives on any of the outside bodies.
11.	**DATE OF NEXT MEETING** Monday 23 March 2015. PLEASE NOTE – There will be a private Member Training Session from 6.15 pm which is not open to the public. The public meeting will start at 7 pm.

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Martin Shields
Corporate Director of Services and Neighbourhoods

Date of Publication: Friday, 13 February 2015

NOTES

Disclosable Pecuniary Interests
The duties to register, disclose and not to participate in respect of any matter in which a member has a Disclosable Pecuniary Interest are set out in Chapter 7 of the Localism Act 2011.

Disclosable pecuniary interests are defined in the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 as follows –

<u>Interest</u>	<u>Prescribed description</u>
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the Council) made or provided within the previous 12 months (up to and including the date of notification of the interest) in respect of any expenses incurred by you carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between you, your spouse or civil partner or person with whom you are living as a spouse or civil partner (or a body in which you or they have a beneficial interest) and the Council (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged
Land	Any beneficial interest in land which is within the Council's area. For this purpose "land" includes an easement, servitude, interest or right in or over land which does not carry with it a right for you, your spouse, civil partner or person with whom you are living as a spouse or civil partner (alone or jointly with another) to occupy the land or to receive income.
Licences	Any licence (alone or jointly with others) to occupy land in the Council's area for a month or longer.
Corporate tenancies	Any tenancy where (to your knowledge) – (a) the landlord is the Council; and (b) the tenant is a body in which you, your spouse or civil partner or a person you are living with as a spouse or civil partner has a beneficial interest
Securities	Any beneficial interest in securities of a body where – (a) that body (to your knowledge) has a place of business or land in the Council's area and (b) either – i. The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or ii. If the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, your spouse or civil partner or person with

whom you are living as a spouse or civil partner has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

For this purpose, "securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

NOTE: the requirements in respect of the registration and disclosure of Disclosable Pecuniary Interests and withdrawing from participating in respect of any matter where you have a Disclosable Pecuniary Interest apply to your interests and those of your spouse or civil partner or person with whom you are living as a spouse or civil partner where you are aware of their interest.

Access to Information
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For further details and enquiries about this meeting please contact Sonia Tucker, 01452 396126, sonia.tucker@gloucester.gov.uk.

For general enquiries about Gloucester City Council's meetings please contact Democratic Services, 01452 396126, democratic.services@gloucester.gov.uk.

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If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions:

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building; gather at the assembly point in the car park and await further instructions;
- Do not re-enter the building until told by a member of staff or the fire brigade that it is safe to do so.

Gloucester City Council

OVERVIEW AND SCRUTINY COMMITTEE

MEETING **:** Monday, 26th January 2015

PRESENT **:** Cllrs. Lugg (Chair), S. Witts (Vice-Chair), Gravells (Spokesperson), Haigh, Hanman, Wilson, Dee, Taylor, Toleman, Pullen

Others in Attendance
Cllr. James, Cabinet Member for Regeneration and Culture
Mr Anthony Hodge, Head of Regeneration and Economic Development

APOLOGIES **:** Cllrs. Lewis, Ravenhill, Field, Beeley and Hansdot

72. DECLARATIONS OF INTEREST

Councillor Gravells declared a personal interest in agenda item 7, Regeneration and Economic Development Strategy, by virtue of his role as a County Councillor at Gloucestershire County Council.

Councillor Susan Witts declared a personal interest in agenda item 7, Regeneration and Economic Development Strategy, by virtue of her employment at Gloucestershire College.

73. MINUTES

The minutes of the meeting held on 1 December 2014 were confirmed as a correct record and signed by the Chair.

The minutes of the meeting held on 8 December 2014 were confirmed as a correct record subject to the following addition:-

'The Committee placed on record its disappointment with the performance of the representative of Amey and also wished to have it minuted that the monitoring information which had been requested on two occasions had not been presented to the Committee.'

74. PUBLIC QUESTION TIME (15 MINUTES)

There were no questions from members of the public.

75. PETITIONS AND DEPUTATIONS (15 MINUTES)

There were no petitions or deputations.

76. GLOUCESTER CITY CENTRE STRATEGY 2015-19

The Chair welcomed Councillor James, Cabinet Member for Regeneration and Culture and Mr Anthony Hodge, Head of Regeneration and Economic Development, to the meeting.

Members were presented with a report which sought to establish the basis for the creation of a co-ordinated City Centre Strategy for Gloucester in order to develop a thriving 21st century City Centre. The document included seven strategic priorities and key actions which would be shared with stakeholders as part of a wider consultation exercise.

Overview and Scrutiny Committee was asked to note the report subject to any comments Members wished to make to Cabinet.

The Committee discussed the following matters:-

1. **'Develop and Strengthen the City's retail niche (affordable fashion) – Strategic Priority 1'**

   Members asked why Gloucester wanted to increase the amount of 'affordable fashion' instead of attracting high end designer stores. Councillor James explained that advice had been taken from Stanhope, the prospective developer for King's Quarter, in this regard. Councillor James said that Stanhope had consulted with leading experts in the field. He stressed the importance of building on Gloucester's strengths and remarked that this did not mean that the stores would be unfashionable. He added that Gloucester Quays provided the designer labels and contributed to the Gloucester offer. Members pointed out that it was important to have the 'high end' stores as well as the 'affordable' ones for residents and visitors alike to avoid losing potential shoppers to cities such as Birmingham, Bristol, Worcester, Cardiff and Cheltenham. A Member expressed disappointment that the City had not attracted a John Lewis store and remarked on the small size of the new Marks and Spencer's store in Eastgate Street. Councillor James replied that the size of the Marks and Spencer's store was beyond his control and reminded Members that the company had invested £25M in the City. Mr Hodge advised the Committee that Stanhope intended to invest £60M in Gloucester and that they were committed to the success and prosperity of Gloucester's City Centre.

2. **'Enhance the City's indoor and outdoor market offer, so it appeals to a wide audience and generates increased footfall' – Strategic Priority 1**

Councillor James clarified that this related to all the markets which took place in the City. He confirmed the Cabinet's commitment to finding a long term solution for the indoor market traders.

3. Planning application for King's Quarter and for the Bus Station

In response to a query from a Member, Councillor James confirmed that the planning applications would be in two parts with the Bus Station being presented first. A new development agreement would be drawn up to include a timetable aimed for Christmas 2018. Milestones would be set in the new agreement in order for Stanhope to demonstrate their commitment. Members were advised that funding was already available for the new Bus Station and that Stanhope had appointed architects. There would be a public consultation exercise on the design of the new Bus Station prior to submission of the planning application. Councillor James confirmed that the new development agreement would be brought before Council in due course.

4. 'Comprehensive audit of the City Centre' – Strategic Priority 1

In response to a query from a Member, Mr Hodge confirmed that this process had already started.

5. 'Investigate options for establishing a new cultural venue in the City Centre' – Strategic Priority 3'

In response to a query from a Member, Councillor James reported that Stanhope was looking to have a strong leisure focus in the scheme and that this was likely to be completely different to the Guildhall.

6. Independent Review by the Javelin Group ranking Gloucester as the second fastest growing retail destination in the UK and now a top 100 retail destination

A Member stated that it was important to highlight the positive elements of Gloucester rather than the negative ones and referred to the review by the Javelin Group. The Committee concurred with this remark. A Member commented that research had demonstrated that Gloucester had the potential to do a lot better and that there was a desire by all elected Members to make Gloucester a great place. A Member suggested that Gloucester could be promoted as a 'Wedding Planning City' and also as a good place to buy outdoor clothing and equipment. All Members agreed it was important to get the balance right and that the number of betting shops and discount shops needed to be kept under control.

7. Role of Partners and Stakeholders in contributing to the success of Gloucester

A Member referred to the Committee's Task and Finish Group on the Evening Economy in 2013 which had highlighted the role of the Railway Station in welcoming and attracting visitors to Gloucester. Councillor James was pleased to point out to the Committee that a positive outcome from the study had been the installation of a leaflet rack at the Railway Station which was extremely popular with visitors. The rack was managed by Marketing Gloucester.

8. 'Street Art'

A Member asked if there was a policy governing the length of time street art would be on display to ensure it did not become dilapidated and unsightly. Mr Hodge confirmed that this would be examined.

RESOLVED: That the report be noted.

77. REGENERATION AND ECONOMIC DEVELOPMENT STRATEGY

Councillor James introduced a report which set out the proposed draft Regeneration and Economic Strategy 2015-2010 for the City of Gloucester. The Strategy identified six key regeneration and economic development objectives which would be delivered over the next five years. Councillor James outlined the key headlines of the document and advised Members that a public consultation exercise would follow as soon as Cabinet had approved the strategy.

Overview and Scrutiny was asked to note the report and make any recommendations it considered appropriate to the Cabinet.

The Committee discussed the following matters:-

1. Blackfriars

A Member sought clarification on the bid to the Local Enterprise Partnership and the Memorandum of Understanding which had been signed with the County Council and asked whether there was more than one masterplan. Councillor James explained that the agreement drawn up with the County Council allowed both Councils to bring their respective landholdings together at the site. He confirmed that work on the masterplan had already started, that there was only one masterplan, and that he hoped to be able to share the proposals with Group Leaders shortly.

Members were advised that the purchaser of the Prison was keen to engage with the City Council and would be seeking the views of other stakeholders in the City.

Another Member asked why this particular scheme was more likely to succeed than others that had been mooted in the past. Councillor James explained that factors such as potential funding from the Local Enterprise Partnership, the securing of landholdings and the deliverability of the masterplan all contributed to the belief that the scheme would succeed.

A Member referred to previous plans to bring the Dominican library to Blackfriars as its showcase setting would attract a lot of visitors to Gloucester and asked if this could be looked into again. Councillor James agreed to consider this.

2. City Centre Boundary

A Member noted that the Gloucestershire College did not feature on the map of the City Centre. Councillor James responded that the City Centre boundary would be extended to include the Docks and Quays area and that there would be consultation in this regard and that the map which appeared in the report was also contained within the current version of the City Plan for Gloucester. Under this heading the role of the Council's City Centre Manager was discussed and Councillor James stated that the Manager's attention would be focused on the historic City Centre.

RESOLVED: That the report be noted.

78. BRIEFING NOTE ON JOINT MEETING OF SCRUTINY LEAD MEMBERS AND STRATEGIC STREETCARE PARTNERSHIP MEMBERS

The Chair briefed the Committee on the outcomes achieved from the meeting held on 15 January 2015.

RESOLVED: That the information be noted.

79. CABINET FORWARD WORK PROGRAMME

The Committee considered the latest version of the Cabinet's Forward Work Programme. Items identified as being of interest to the Committee were added to the Overview and Scrutiny Committee Work Programme.

RESOLVED: That the Cabinet's Forward Work Programme be noted.

80. OVERVIEW AND SCRUTINY WORK PROGRAMME

The Committee considered the latest version of its work programme. Amendments to the programme were made in accordance with the Committee's discussion.

RESOLVED: That the Overview and Scrutiny Committee work programme be noted.

81. MEMBER UPDATE ON OUTSIDE BODIES' ACTIVITIES

There were no updates on this occasion.

82. DATE OF NEXT MEETING

Monday 23 February 2015 at 18.30 hours.

Time of commencement: 18:30 hours
Time of conclusion: 20:00 hours

Chair

Gloucester City Council

Meeting:	**Overview and Scrutiny** **Cabinet**	**Date:**	**23rd February 2015** **25th February 2015**
Subject:	**Financial Monitoring Quarter 3**		
Report Of:	**Cabinet Member for Performance and Resources**		
Wards Affected:	**All**		
Key Decision:	**No**	**Budget/Policy Framework:**	**No**
Contact Officer:	**Andrew Cummings – Management Accountant**		
	Andrew.cummings@gloucester.gov.uk		**Tel: 396231**
Appendices:	**Appendix 1 – Progress Against Savings Targets** **Appendix 2 – Capital Programme** **Appendix 3 – Council Income**		

1. Purpose of Report

1.1 For Cabinet to note the financial monitoring report details including budget variances, year-end forecasts, and progress made against agreed savings targets for the 3rd quarter ended 31st December 2014. It also highlights some key performance indicators.

2. Recommendations

2.1 **Overview and Scrutiny Committee** is asked, subject to any recommendations it wishes to make to Cabinet, to note the contents of the report.

2.2 **Cabinet** is asked to **NOTE** that:

(1) The savings achieved in year total £833k.

(2) The forecast year end position for 14/15 is to increase the Council's General Fund balance by £264k.

(3) In addition to the general fund increase it is currently estimated that £150k will be transferred to an earmarked reserve for Regeneration as a result of surpluses generated by assets transferred to council ownership from the South West Regional Development Agency.

3. Background

3.1 The figures contained within this report forecast the year end position. This is based on the actual expenditure to the end of quarter 3 and forecast forwards based on budget monitoring meetings between service managers and financial services staff.

3.2 A summary table below shows the projected position for each service area. Explanation of significant changes since last reported to members is detailed in the main paragraphs of the report.

4. Council Summary

Service Area	2014/15 Budget £000	Forecast Outturn £000	Forecast Variance £000
Services	7,803	8,264	461
Resources	3,724	4,367	643
Funding and Corporate Adjustments	(12,164)	(12,895)	(731)
GCC	**(637)**	**(264)**	**373**

4.1 The forecast position for the Council is that the general fund will be increased this year by £264k. The Council's challenging budget was set to achieve a surplus of £637k but the current position is that budgets will be exceeded by £373k.

4.2 The tables show the forecast outturn and variance for Quarter 3 as well as the forecast outturn from Quarter 2 for comparison. To further aid the readability of the report both the variance and the change have been classified as favourable or unfavourable.

5. Services and Neighbourhoods

Service Area	2014/15 Budget £000	Forecast Outturn at Qtr 2 £000	Forecast Outturn at Qtr3 £000	Movement between Quarters £000	
Director	187	177	169	Fav	(8)
Public Protection	(363)	(315)	(436)	Fav	(121)
Neighbourhood Services	5,568	5,818	5,929	Unfav	111
Development Services	300	303	280	Fav	(23)
Housing Services	689	673	601	Fav	(72)
Cultural Services and Tourism	618	851	956	Unfav	105
Contact Centre and Customer Services	804	811	764	Fav	(47)
Directorate Total	**7,803**	**8,318**	**8,263**	**Fav**	**55**

5.1 The largest single area of variance for the Services and Neighbourhoods Directorate is Neighbourhood Services which has seen an increase in forecast outturn by £111k. This overspend principally relates to the Amey savings which will not be achieved in year. Discussions with Amey are ongoing about further delivery of savings and any savings not achieved this year will form part of the package of savings to be delivered in future years.

5.2 The other significant variance relates to Cultural Services. Income levels at the Guildhall when compared to budget have previously been reported to members. Live events, cinema and the bar and cafe are not reaching budgeted levels. The Cultural Services review has been received and contains within it options for saving in this area.

5.3 The improvement in the forecast outturn for Public Protection results from an additional surplus being expected at the Cemeteries and Crematorium. The quarter 2 report included an assumption that these facilities would generate a surplus in line with budget expectations. Monitoring indicates that an additional surplus of approximately £80k may be achieved. It is unclear whether this increase will continue in future years.

5.4 Development Services have previously reported that budgeted income will not be achieved. However, income is now expected to be in line with the budget.

6. Resources

Service Area	2014/15 Budget £000	Forecast Outturn at Qtr 2 £000	Forecast Outturn at Qtr3 £000	Movement between Quarters £000	
Director	90	70	70	Fav	(0)
Audit	121	127	119	Fav	(8)
Business Improvement	1,968	2,324	2,382	Unfav	58
Finance	146	270	194	Fav	(76)
BT & T	648	681	739	Unfav	58
Parking	(846)	(965)	(812)	Unfav	153
Regeneration and Economic Development	120	287	278	Fav	(9)
HR	323	271	267	Fav	(4)
Legal, Democratic and Communications	1,154	1,050	1,129	Unfav	79
Directorate Total	**3,724**	**4,115**	**4,366**	**Unfav**	**251**

6.1 Within the group of budgets sitting with the Business Improvement area there are two budget issues currently being highlighted. The first of which is the Council's IT contract with Civica. This includes the cost of remedial works being undertaken to the Council's network infrastructure. It is possible that some of these works may be charged to capital budgets which would reduce the impact on the general fund. In addition the level of budgeted income that the Council recovers from partners for work done on their behalf is not achievable. The impact of these two issues has previously been reported to members and has remained stable throughout the year.

6.2 Until September the Council enforced both off street and on street parking and a proportion of costs, including of Council staff, were recharged to the County Council. This arrangement has now ended and the Council enforces off street only. This means that a lower level of staff costs have been recharged to the County. The number of parking administration staff has recently reduced so this will not create an ongoing pressure.

6.3 Hardware and software budgets are recorded under the heading of BT&T. It is expected that these areas will overspend to a total of £91k. The level of this overspend is higher than had been anticipated. The Council has recruited a new Business Analyst to focus on IT who will look to better plan and control this expenditure.

6.4 The change in forecast within the legal and democratic team is a result of redundancies which have taken place. These redundancies are a one off cost and create budget savings in future years so are not a continuing pressure upon the base budget.

6.5 Work has been carried out to improve the monitoring of housing benefit income and expenditure as even small variations in this area can have a large impact on the Council's bottom line. This involves tracking areas of expenditure which do not receive full subsidy from central government and working with Civica to monitor the impact of the recovery of housing benefit overpayments. This process had identified significant sums of reclaimed housing benefit income which can be credited to the General Fund to offset the cost of housing benefit payments.

7. Reserve Movement

7.1 In previous years the Council took ownership of a number of assets previously held by the South West Regional Development Agency. A number of these assets generate income. Where the asset portfolio generates a surplus it is to be transferred in an earmarked reserve for use only on local regeneration purposes. The latest analysis suggests that this reserve may now be established and it is estimated that a minimum of £150k is likely to be transferred at the end of the 2014/15 year.

7.2 In line with best financial practice any transfers to or from reserves at year end will be brought before members for approval. Transfers between reserves will be included in the recommendations of the year end outturn report.

8. Savings

8.1 Appendix 1 shows that £833k of savings have been successfully implemented in 2014/15. These include savings related to the Amey contract, reductions in grants to the voluntary sector, and a reduction in the Aspire management fee.

8.2 At this late stage in the financial year it is prudent to assume that no further savings will impact upon 2014/15. Although actions might be taken to reduce costs, such the restructuring within regeneration and economic development, the impact of these actions will not affect budgets until 2015/16.

8.3 It is therefore expected that £630k of savings will not be achieved in 2014/15. The Council budget was for a surplus of £637k so without these savings a broadly break even position could be expected. The true position as discussed earlier in this report is that a surplus of £264k is still predicted.

9. Capital Programme

9.1 The Capital Programme budget for the year, including Housing Expenditure, is £21.416m with expenditure year to date of £13.449m. Quarter 3 includes significant expenditure towards the Kings Quarter project, the Council has purchased a number of sites aiding the future development of the project.

9.2 The Capital programme forecast for quarter 4 is £3.162m, the majority of the forecast relates to Regeneration and Housing projects. It is anticipated the HRA budget will be fully utilised in quarter 4.

9.3 The nature of capital projects means that many of them span a number of financial years, budgets are set per project any unspent budgets at the end of any one financial year may be carried forward into the next.

9.4 A summarised table for the Capital Programme is shown as Appendix 2.

10. Supplier Payments

10.1 The Council is committed to paying invoices within terms. During Quarter 3, the actual achievement was 94% within 30 days. The details on prompt payment (30 days performance) are:

-	TOTAL QUARTER 1		TOTAL QUARTER 2		TOTAL QUARTER 3	
Number paid within 30 days	**2619**	**93%**	**2496**	**94%**	**2683**	**94%**
Number paid over 30 days	**183**	**7%**	**173**	**6%**	**167**	**6%**
Total Invoices paid	**2802**		**2669**		**2850**	
Average Days to Pay (from receipt of invoice to payment date)	**9**		**9**		**9**	

11. Financial Implications

11.1 Contained in the report

(Financial Services have been consulted in the preparation this report.)

12. Legal Implications

12.1 There are no legal implications from this report

(Legal Services have been consulted in the preparation this report.)

13.0 Risk & Opportunity Management Implications

13.1 There are no specific risks or opportunities as a result of this report

14. People Impact Assessment (PIA):

14.1 A PIA screening assessment has been undertaken and the impact is neutral. A full PIA is not required.

15. Other Corporate Implications

Community Safety

15.1 None

Sustainability

15.2 None

Staffing & Trade Union

15.3 None

Budget Savings Programmes - 2014/15

Appendix 1

Service	Details: aim of the project	2014/15 £000	Achieved £000	In Progress £000	At Risk £000	Not Achieved	Comments
Neighbourhood Services	Amey contract review,ongoing project from 2013/14 with requirement to identify further savings	(500)	(270)	0		(230)	£270k saving achieved. As part of the 2015/16 budget process Amey are producing proposals for further contract savings.
Neighbourhood Services	Environmental Team Review	(100)				(100)	A review of the operations of the Environmental Planning Team is to be carried out to identify potential savings.
Business Improvement	Aspire, ongoing project from 2013/14 with requirement to identify further savings	(100)	(100)				Contract price changed to achieve saving 14/15
Business Improvement	Accommodation Saving	(90)	(90)				Achieved
Business Improvement	Grants to VCS	(100)	(100)				Achieved
Public Protection	Shopmobility	(50)				(50)	Work ongoing to review the service and deliver savings in 2015/16
GLT	Senior Management Restructure		(100)				Early achievement of Senior Management Restructure, saving achieved 14/15 rather than 15/16
Guildhall	Events grant	(10)	(10)				Achieved
Public Protection	Market Service	(50)				(50)	No saving expected in 14/15
Development Services	Building Control savings to be gained from Shared Services	(30)	(30)				Will be achieved in year. Shared Building Control Service with Stroud District Council to be implemented.
Cultural Services	Museums Operational Review	(50)				(50)	Cultural Services review completed and recommendations to deliver savings are being implemented.
Cultural Services	Guildhall Operational review	(50)				(50)	Cultural Services review completed and recommendations to deliver savings are being implemented.
Regeneration	Asset Management Service Review	(100)				(100)	Structure approved and changes are now being implemented. A full year saving is expected in 2015/16.
Business Improvement	CIVICA, review further savings on contract	(50)	(33)	(17)			Contract price changed to achieve saving 14/15
ICT	BT & T Outsourcing	(100)	(100)				Contract price changed to achieve saving 14/15
		(1,380)	**(833)**	**(17)**	**0**	**(630)**	

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Capital Programme 2014/15

Directorate	Revised budget 2014/15	Actual Spend to date	Variance	Forecast	C/F-or request 2015/16
Regeneration	10,215,899	6,730,248	3,485,651	7,852,847	2,365,654
The Regeneration capital programme includes the City Centre Fund projects, Kings Quarter, repairs to the Eastgate rooftop car park, Commuted Funds for social housing and various building works projects					
Service and Neighbourhoods	2,972,685	493,674	2,479,012	758,645	2,225,351
The Services and Neighbourhoods capital programme includes agreed Section 106 funded projects, the Lottery funded Southgate Street Townscape Heritage Initiative project, the Herbert Reception upgrade, improvements at the Depot, Crematorium and public spaces					
Resources	331,310	92,000	239,310	140,890	197,340
The Resources capital programme covers various IT projects					
Housing General Fund	795,860	396,276	399,584	750,600	45,260
The Housing General Fund capital programme covers various grant funded housing projects, including Disabled Facilities improvements					
HRA	7,100,000	5,737,114	1,362,886	7,108,780	0
The HRA capital programme funds improvements to the GCH managed housing stock					
TOTAL	21,415,754	13,449,311	7,966,443	16,611,761	4,833,605

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Position on Budgeted Income at the end of Quarter 3 **Appendix 3**

Service Area	Income to end of Month 9	Budgeted Income 2014/15	Forecast Income	Forecast Variance
Internal Audit	65	112	126	14
Financial Services	68	63	91	28
Parking	1,634	2,172	2,180	8
Asset Management	1,229	1,564	1,573	9
Business Improvement	403	827	721	(106)
Legal and Democratic	350	343	466	123
Human Resources	36	85	48	(37)
Total Resources Directorate	**3,785**	**5,166**	**5,205**	**39**
Development Services	544	806	820	14
Shopmobility	18	24	24	0
Private Sector Housing	64	56	50	(6)
Cem and Crem	1,354	1,638	1,787	149
Food Safety and Licensing	217	271	277	6
Markets	752	981	982	1
Public Health and Flooding	90	15	97	82
Waste Management	916	1,110	1,084	(26)
Countryside and Environment	93	86	123	37
Tourist Information Centre	293	422	379	(43)
Museums	92	152	120	(32)
Guildhall	454	690	589	(101)
Total Services and Neighbourhoods	**4,887**	**6,251**	**6,332**	**81**
Overall Council Position	**8,672**	**11,417**	**11,537**	**120**

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Gloucester City Council

Meeting:	**Overview and Scrutiny Committee** **Cabinet** **Council**	**Date:**	**23/02/14** **25/02/15** **26/02/15**
Subject:	**Housing Strategy**		
Report Of:	**Cabinet Member for Housing, Health & Leisure**		
Wards Affected:	**All**		
Key Decision:	**No**	**Budget/Policy Framework:**	**Yes**
Contact Officer:	**Helen Chard Housing Strategy & Enabling Service Manager**		
	Email: Helen.Chard@gloucester.gov.uk	**Tel: 396534**	
Appendices:	**1. Housing Strategy** **2. Consultation Summary**		

1.0 Purpose of Report

1.1 The purpose of the report is to update Members following the consultation on the draft housing strategy, and to present the final version for adoption and implementation.

2.0 Recommendations

2.1 **Overview and Scrutiny Committee** is asked to **RESOLVE** that the report be noted, subject to any recommendations the Committee wishes to make to Cabinet.

2.2 **Cabinet** is asked to **RECOMMEND** that the Housing Strategy at Appendix 1 be adopted and implemented.

2.3 **Council** is asked to **RESOLVE** that:

(a) The Housing Strategy at Appendix 1 be adopted and implemented;

(b) Progress reports be brought to Council every two years; and

(c) Authority to make minor revisions to the action plan be delegated to the Housing Strategy and Enabling Service Manager in consultation with the Cabinet Member for Housing, Health & Leisure.

3.0 Background and Key Issues

3.1 At present, the Council is required to put in place a Housing and a Homelessness Strategy in order to meet the requirements of the Homelessness Act 2002, the Local Government Act 2003 and the Housing Act 2004. The Strategy should set out its objectives and be based on an assessment of need within the district and outline an approach to homelessness within the area.

3.2 In July 2013, the Government prepared a Draft De-regulation Bill, which at the time of writing has progressed to its 8th sitting in the House of Lords (November 14), and this Bill contains the proposal to remove the requirement under S87 of the Local Government Act 2003 requiring local housing authorities to prepare Housing Strategies.

3,3 However, the strategy itself describes the role it plays as being to: -

- Communicate the Council's proposals so that City residents, and our partners who are involved in housing activity, can enhance our plans.
- Identify the housing priorities that require investment or attention, and share these with our partners so that we can collaborate and deliver mutually beneficial outcomes.
- Link our local priorities with national plans ensuring the availability and quality of housing in the City, supporting economic growth and prosperity.

So whilst we appear to be moving toward a relaxation of the statutory requirement for a strategy, it would appear beneficial in still fulfilling the functions above and meeting what is still currently a statutory requirement.

3.4 Since the original drafting of the Housing Strategy, significant changes have occurred as a consequence of the Care Act 2014 that alter our responsibilities in relation to care and safeguarding which come into effect in April 2015. Housing has been raised in its importance in Care legislation, so that when local authorities are involved in care and support functions, they must act to promote well-being, and this now includes an assessment of the 'suitability of living accommodation'; local authorities must also now aim to prevent need. Changes have also been made to the strategy reflecting alterations to the Joint Core Strategy and the progression of the stock transfer to Gloucester City Homes.

3.5 Consultation was undertaken and the responses from this are demonstrated in Appendix 2. As explained in the appendix, input from the general public was at a very low level, and adjustments to the strategy have arisen more as a consequence of the involvement of those involved in the housing sector. Of those who responded, there seemed to be broad support for the strategic objectives as proposed, and so they remain unchanged and are:-

- To increase the availability and quality of homes
- To have the right type of homes available for city residents
- To reduce homelessness
- To foster good community health and well-being

4.0 Alternative Options Considered

4.1 The option to not have a strategy has been considered, although given the progress with stakeholders, and the desire to promote clear objectives to our partners; and to meet what is still current legislation has determined that we progress and fulfil our obligations.

5.0 Reasons for Recommendations

5.1 The strategy has been subjected to a period of consultation, and whilst responses were limited, of those who did, there was support for the objectives and no objections to any of the objectives. Amendments have been made to the strategy given the passage of time since the first draft and changing circumstances, and also to take account of feedback received.

6.0 Future Work and Conclusions

6.1 Once the strategy has been approved, officers can begin more proactively pursuing the objectives, with a Council approved approach.

6.2 The action plan will be subject to less formal periodic review, and a more formal review of the delivery of the objectives will be undertaken annually, whereby any actions could be subject to change to ensure we achieve our desired outcomes.

7.0 Financial Implications

7.1 The Council has successfully secured Department of Communities and Local Government (DCLG) approval to retain a proportion of receipts that are generated as a result of tenants exercising their ‘right to buy’ on the council housing. There are specific rules regarding the expenditure of capital receipts including a condition that the money must be spent on new build. As at 28th January 15 the Council held £1,303,261 of receipts, and under the Government agreed formula this can only contribute to a maximum of 30% of the cost of a new build scheme, thereby under-pinning development to the value of £4,344,205. The earmarked receipts must be spent within three years and under-pin delivery of the objectives of the Housing and Homelessness Strategy.

7.2 A commitment is already in place to utilise £600k, with other discussions underway.

7.2 Given the stock transfer that is underway between the City Council and Gloucester City Homes, we don’t envisage any further receipts being generated through further ‘right to buy’ receipts.

(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

8.1 S8 of the Housing Act 1985 placed a duty upon the Local Authority to consider housing conditions and the needs of the district with regard to the provision of further housing accommodation and S3 of the Housing Act 2004 provides that it must keep housing conditions under review.

S 1 of the Homelessness Act 2002 provides that the Local Authority may carry out a homelessness review for their district and formulate and publish a homelessness strategy based upon the results of that review. The strategy may be published as part of an authority’s wider housing strategy but only the homelessness strategy is required to be published and available for inspection by members of the public.

(Legal Services have been consulted in the preparation this report.)

9.0 Risk & Opportunity Management Implications

9.1 There is a risk of challenge as a consequence of not meeting our statutory responsibilities and putting in place a strategy.

9.2 Our failure to adequately set our plans and priorities, risks those developing or offering services related to housing doing so in areas that aren't a priority for us and therefore not making best use of limited resources.

9.3 In relation to organisations that fund housing development including the Homes and Communities Agency, we may fail to demonstrate credible evidence or consideration regarding investment and risk not securing funding.

9.4 By way of opportunities, the strategy sets out a considered plan of our priorities that has been subject to public consultation. The strategy under-pins our discussions or bids with partner agencies to secure funding. Beyond the financial implications, the strategy provides an opportunity to share with our partners and the public the way in which we intend to deliver our services and secure improvements in housing standards and availability in the City.

10.0 People Impact Assessment (PIA):

10.1 A PIA was carried out and as it did not identify any potential or actual negative impact, a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 The proposals within the Strategy are concerned with improving the approach to community safety and envisaged to have a positive impact.

Sustainability

11.2 The proposals within the strategy are concerned with ensuring the quality of homes are maintained and enhanced. In relation to new-build we are seeking that homes are built to high environmentally efficient standards to minimise fuel poverty and minimise carbon emissions. The strategy also concerns itself with 'lifetime neighbourhoods' and aspiring to deliver homes where residents want to live now and in the future.

Staffing & Trade Union

11.3 There are no staffing implications arising from the report, other than adapting from more informal approaches to resolving housing matters, to a more structured approach that should create a beneficial framework for staff.

Background Documents: Please see bibliography at the end of the Strategy

Housing & Homelessness Strategy 2015-20

Final Draft

Contents

Foreword

Welcome to Gloucester's new Housing Strategy which sets out our plans for ensuring new homes are delivered and improving existing homes and services within our neighbourhoods in the City.

I know how important it is to make available a range of homes that are affordable for all pockets, and to ensure there are a range of properties available that meet the needs and aspirations within the City. We all recognise the need for choices concerning our homes; we know that one size doesn't fit all.

It is also important that we make sound plans for housing in the future, by anticipating the growth of the City, including providing for the increasing numbers of older people who will be present in our communities; ensuring the right housing support services are available for those who may need them, either in the short or longer term; and encouraging communities to be involved in developing informal support arrangements, within their own neighbourhoods should they wish.

We mustn't underestimate the role housing can play for the City in underpinning economic growth and supporting the local economy. We recognise the importance of keeping the construction sector moving, building attractive homes and neighbourhoods for those wishing to come and live and work in the City, whilst creating opportunities for trades people & professionals and in the provision of new jobs and apprenticeships for young people.

In difficult economic times, making good use of our resources is more important than ever, so building good quality homes that make efficient use of fuel and keep bills low and making sure that existing homes are as well insulated as they can be, is vital.

Tenants and other residents have come to expect the highest quality services and for a range of housing options to be available, including to those at risk of homelessness. We value our staff and partners providing housing services here in the City and I share in the ambitions of Gloucester City Homes, our other Housing Associations, and Registered Provider partners to continue to drive up standards by listening to, and involving their customers.

We shared our plans with residents and those people with an interest in housing during the Summer of 2014 and used their feedback when shaping our strategy.

We all wish to see good quality homes and neighbourhoods we can enjoy and take pride in and for Gloucester to thrive. I welcome working with our communities and partners to make that happen.

Councillor Colin Organ

Cabinet Member for Housing & Health & Leisure

The City Vision

A shared vision for the City is that "**Gloucester will be a flourishing, modern and ambitious City, which residents can enjoy**".

This housing strategy is designed to share our plans for housing activities to support the delivery of our "City Vision".

Our City - Currently the population of Gloucester is around 121,688 comprised of around 50,363 households and this is expected to grow by approximately 1% per year over the next twenty years.

Our Vision for this Housing Strategy

For Gloucester to be a flourishing place where people can find homes that are affordable to them, that meet the needs and aspirations of their families; and for those homes to be within supportive neighbourhoods that promote success, and where respect and community value are common-place.

Summary of Our Key Objectives

1. To increase the availability and quality of homes

2. To have the right types of homes available for City residents.

3. To reduce homelessness

4. To foster good community health & Wellbeing.

The key objectives above serve to create a greater focus on the housing issues we are experiencing here in Gloucester and add to those from the Housing Strategy for England. The national strategic objectives are about: -

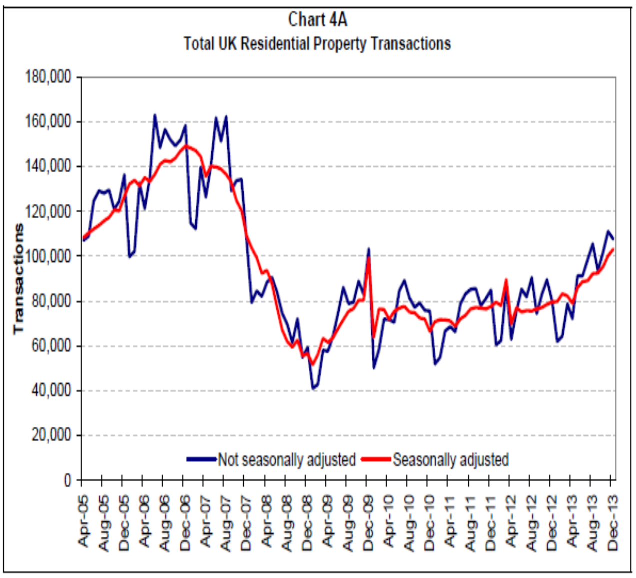
- **Providing help for home buyers**
- **Help for House-builders**
- **Improving Fairness in Social Housing**
- **Action on Empty Homes**
- **Supporting Older People to live independently**

Introduction

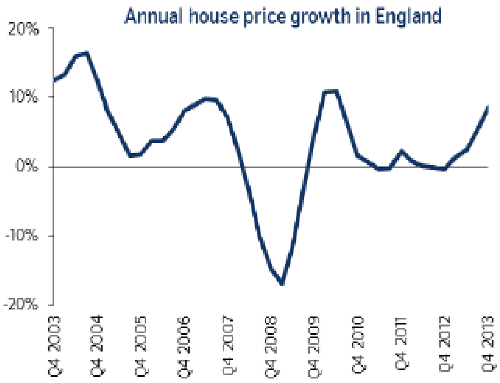
Housing should provide a secure foundation for individuals to live the lives they want to live. Finding the right home, in the right place, can be an essential platform for people seeking to support their families and sustain work. Laying the Foundations - A Housing Strategy for England 2011 (CLG, 2011)

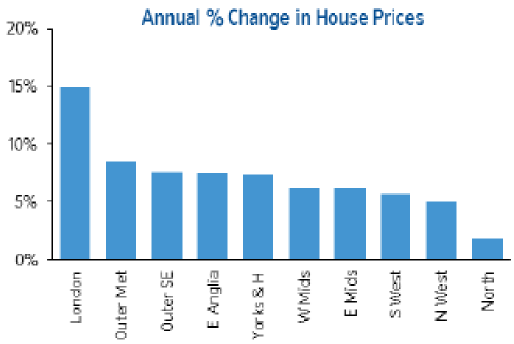
This strategy was created during fairly uncertain economic times as listed below, although there were some promising signals emerging in the housing market. With a fragile economic recovery underway our resources still need to be used to best effect.

- National house-building levels have been at some of the lowest levels in peacetime history.
- Mortgage availability has been poor, in particular for first time buyers without deposits.
- Improved buoyancy coming about in the housing market via 'Help to Buy' supporting many first-time buyers although the housing recovery is still relatively fragile.
- Nationwide Building Society report that all UK regions saw annual price rises in 2013. Reports indicate a 5% increase in house prices for Gloucestershire in the last year, although nationally prices are around 4% below 2007 peak.
- Property transactions have improved although still not above levels pre market downturn levels in 2007.
- Currently inflation is at record low levels, not seen since 2001, the CPI 12-month rate (between Dec 2013 and Dec 2014 stood at 0.5%. Low inflation means interest rates can remain low also, preventing rises in mortgage costs. The Bank of England currently envisages this will change in the medium term.



HMRC 2014





Nationwide Building Society 2014

In these circumstances, we recognise the importance of linking our plans to those of our partners, which are set out in other strategic documents; such documents include the City Vision and Plan, the emerging Regeneration and Economic Development Strategy, the Health & Wellbeing Strategy, the Supporting People and Interim Regeneration Strategy.

Our population profile is fairly consistent with the national situation, with 89% of the population being white, which is slightly higher than the national average of 85%; but in the South West region Gloucester has one of the highest proportions from the black and minority ethnic (BME) community, standing at 11%, a slightly lower level than Bristol with 16% (Census 2011). Recognising and embracing the diversity within our neighbourhoods will help us understand how best we can support communities, including the way we respond to community led initiatives, to ensure our neighbourhoods are the best they can be.

70% of households own their own homes, 15% rent privately and 14% rent from Registered Providers (RPs) and the Council and 1% live rent free.

The population projections for the City are shown below.

	2012	2017	2022
0-17	30.9	32	33.6
18-65	73.7	75.9	77.6
66+	19.0	21.4	23.9
Total	123.4	129.5	135.2

Figs in thousands correct to 1 decimal place - 2012 Population Projections

Housing Tenure in the City

Tenure	Gloucester Number	Gloucester %	England %
Owned with Mortgage	19,129	38	31
Owned Outright	14,729	29	33
Private Rented	8,755	17	17
Local Authority	3,921	8	9
Registered Provider	2,793	6	8
Shared Ownership	557	1	1
Living Rent Free	479	1	1
Total	50,363	100	100

Census Table KS402EW 2011

Achievements from our last strategy

- Since 2005 **1521** affordable and below-market cost homes have been built in the City.
- The development of 166 homes at the Extra Care Village offering an independent, yet companionable environment for older people.

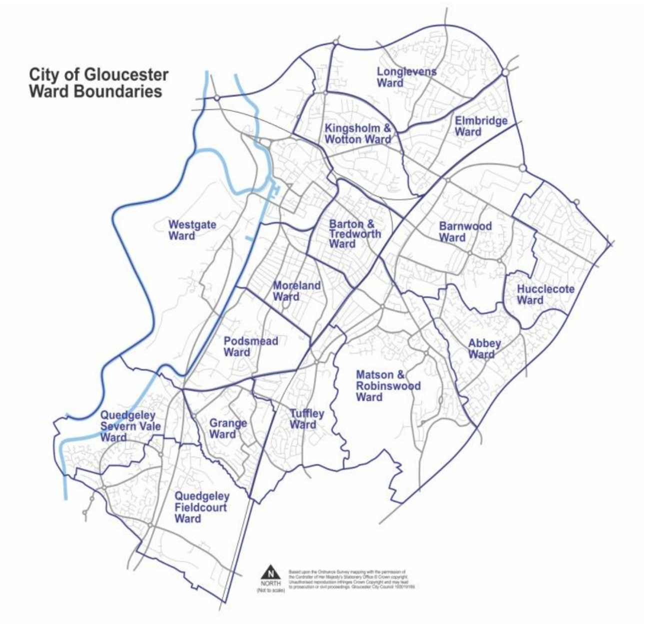
- Over the last three years, prevented 2035 households from becoming homeless
- Facilitated mortgage rescue resulting in over 30 households being able to remain in their homes.
- Assisted more than 300 people through the Gloucester Homeowners Assistance Scheme to prevent them losing their home.
- 100% Decency in City Council housing stock
- Developed a cost effective Sanctuary Scheme to offer additional security measures for those victims of domestic violence.
- To move from over-night shelter provision for rough sleepers, to 'assessment and support' provision.

Why do we need a Strategy?

- To communicate our proposals to residents of the City.
- To identify the priorities for focus and investment to our partners and stakeholders, in order that we can direct resources to deliver the best possible results for Gloucester.
- To link our local priorities with national plans and ensure the availability of good quality housing that supports growth and prosperity here in the City.
- To meet the requirements of the Homelessness Act 2002, the Local Government Act 2003 and the Housing Act 2004.

Where do we need to focus our efforts?

- We use as a tool, a collection of statistics related to income, employment, health, education, housing, quality of living environment, access to open space and crime to help us understand some of the areas that need our support most of all.
- Whilst the statistical information is useful to us, we mustn't overlook the strengths that exist within all communities (sometimes referred to as assets) so that we avoid focusing only on what a community's needs appear to be, and take advantage of the strengths that exist also. We believe that there are benefits by working together with communities; that it can lead to more effective community activity and leadership, and a better way of delivering other external support or investment.
- Our City Vision document developed with partners and residents, sets out shared priorities for the City. At the core of our vision for the City is the desire to reduce deprivation, and this cuts across our plans for improved prosperity and better outcomes for our communities.
- Based on findings from a City Council project that reviewed the housing stock and community outcomes, the following areas: - Podsmead, Matson & Robinswood, Westgate, and Kingsholm & Wotton, were considered to be those that should be prioritised for investment. It is our intention for this strategy to focus attention within these areas, whilst sustaining high standards within all of the City Council's housing stock.
- We wish to work with communities to shape investment and improvements into our homes and neighbourhoods, and increase numbers of affordable homes. We want to ensure we have a good mix of property types to suit all needs and incomes, and support initiatives that improve employment, safety, and well-being which is hoped, will bring about wider improvements.



More than just housing

We wish to ensure that there are suitable housing choices for those wishing to live in the City, whilst also recognising that housing is so much more than that.

Housing provides that place of safety; that place to nurture educational development and employment and aspiration; that place to enjoy as families or communities; the place to foster a sense of well-being, and at other times to recover and receive support.

Therefore this Strategy is designed to set out our key priorities for housing, as well as supporting a range of broader activities to make Gloucester a great place to live and work.

Strategy approach

The strategy is separated out into four sections, one around each of the key objectives to be pursued. Each of those chapters sets out the key matters relating to the objective and provides the context to the current position in the City. Each chapter then moves toward considering our intentions toward delivering the objective.

Finally the strategy considers the resources available to deliver its objectives and provides an action plan that guides our early interventions toward delivering the strategic aims. The action plan will be reviewed annually to assess the progress toward delivering the objective, and whether our actions have been delivered, need to continue or be varied.

Key Objective 1

To increase the availability and quality of homes to underpin economic prosperity

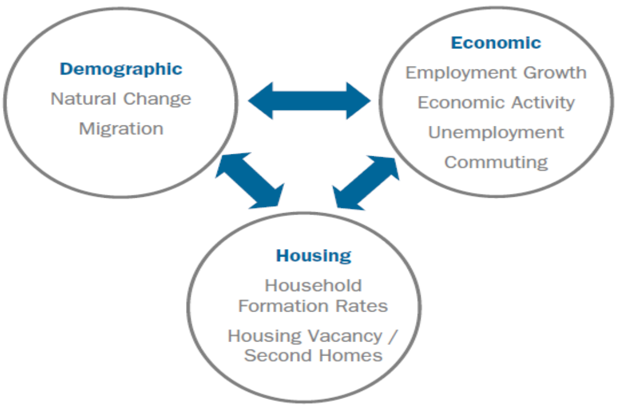
Where are we now?

In comparison with other districts in the County, over the next twenty years, the projections indicate that Gloucester's population will continue to grow significantly.

For the City Council to meet the requirements of the Government's National Planning Policy Framework (CLG, 2012) a Local Plan must demonstrate how it will meet the objectively assessed housing need (OAN) and show how it will meet that objectively assessed need, for both market and affordable housing.

As well as demonstrating the overall number of homes to be delivered, it is important that we also encourage the right size, type and mix of homes in order that the right homes are built.

ONS Interim Sub National Population Projections 2011 have confirmed expectations of an ageing population in the county and City and this is expected to continue over the next twenty five years. Whilst Gloucester will see a significant growth of the numbers of older people, by contrast to other Districts in the County, Gloucester will still have the highest population of younger adults and will be the only district to see an increase in the population of children and young people.



(Nathaniel Lichfield & Partners, 2012, p. 20)

We have assessed a number of pieces of research and data in order to consider the right levels of homes to develop, which take into account of matters such as natural demographic change including births, deaths, relationship breakdown. We have also wanted to understand the level of development necessary to sustain and create economic growth and prosperity in the future. Using natural population growth projections as a guide on their own would mean we would be unlikely to build sufficient homes to sustain the levels of economic growth that we require to support a growing economy. We therefore need to plan the delivery of homes carefully and ensure they are in the right locations, to enable the local economy to thrive in the future.

A range of evidence supports the development of our '**Joint Core Strategy**', which is a plan for Gloucester, Tewkesbury and Cheltenham that sets out our intentions and identifies suitable locations for development throughout the districts up to 2031.

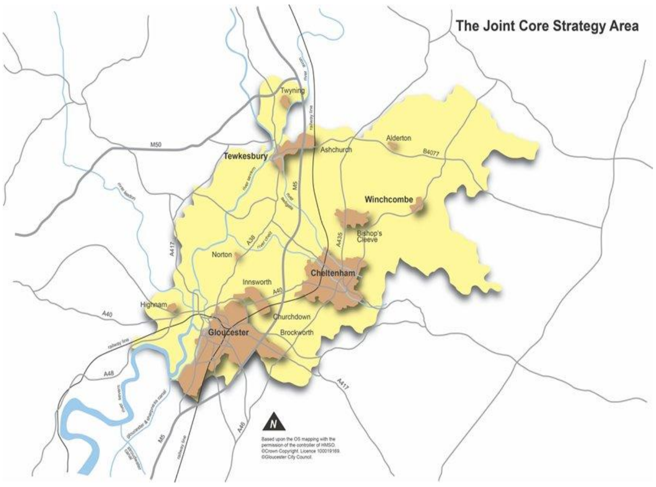
The Core Policies within the JCS are linked to three primary ambitions: -

- A thriving economy
- A sustainable natural built and historic environment
- A healthy, safe and inclusive community

Since the October 2013 JCS evidence base report concerning Objectively Assessed Need (OAN), there has been a revision due to a number of new pieces of evidence becoming available, most importantly that concerning formation rates with the 25-34 age cohort. Revised data suggests a 'partial return to trend', which has the effect of reducing the OAN from 33,200 to 30,500, a reduction of 8%.

The breakdown of need for dwellings by District is identified below (Submission JCS November 2014).

Gloucester	Cheltenham	Tewkesbury
11,300	9,100	10,100



(Nathaniel Lichfield & Partners, 2012, p. 7)

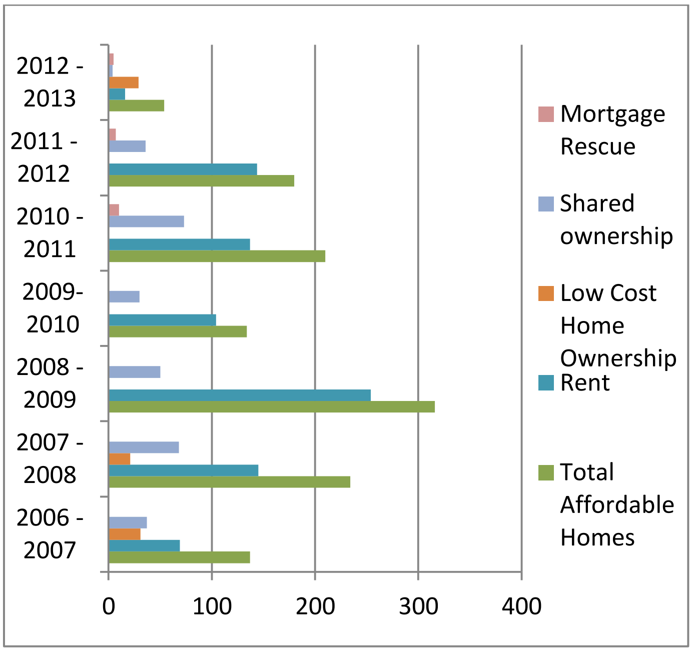
City Plan

This housing strategy has been developed alongside the City Plan. The City Plan will be used to define the approach to delivering the City vision; and will include agreed locations for development, development targets and thresholds for delivering affordable homes. This housing strategy is intended to provide further detail regarding the approach to housing within the City,

Development of New Affordable Housing

Development of affordable housing has fluctuated, partly reflecting changes in the economy and availability of funding.

The table below shows delivery of affordable housing in the City between 2006-2013.



Delivery of Affordable Homes in Gloucester 2006-13

Between 2005-2010, the majority of affordable homes were provided through planning obligations for large residential development. The Kingsway development at Quedgeley in particular, has contributed a significant amount of our newer supply of affordable housing.

Whilst housing secured via planning agreements will still contribute to the supply of affordable homes, many sites in the City do have constraints. We therefore need to continue to maximise affordable housing through this route, but also work with Registered Providers (RPs) to identify land or other opportunities for bringing forward sites independently, in order to ensure that we have the best chance of maintaining a good supply of new affordable homes.

We encourage Developers to have engaged with Registered Providers and be in contract before undertaking viability appraisals incorporating all resources that the RP and other stakeholders will bring to the development.

Brownfield Sites and Contaminated Land

Along with many other parts of the UK, Gloucester has a long industrial history, which has resulted in a legacy of Brownfield (previously developed) sites, many of which are also affected by potential ground contamination.

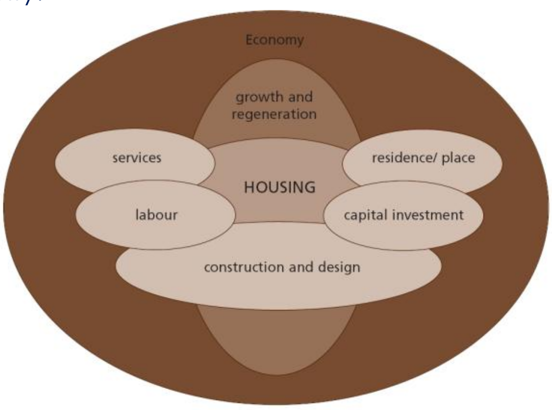
The safe, effective and affordable assessment and remediation of contamination is increasingly understood and information is readily available, and as long as good quality and timely advice is obtained, the potential presence of contamination will rarely present a significant barrier to the development of Brownfield and potentially contaminated sites.

Contamination is often a factor that Developers bring to our attention when assessing the level of planning obligations required for development in the City. We intend through the Joint Core Strategy and City Plan, to review and set out our target for the provision of affordable homes that we believe is at a deliverable level.

The Council is committed to delivering to an appropriate affordable homes target requirement through our Plan, and with good evidence available regarding land conditions, this should minimise uncertainties with the identification of abnormal costs associated with contaminated land. Where abnormal costs are identified, we will explore options to attract grant subsidy to try to ensure the delivery of affordable homes is still possible.

Housing, the Economy and Employment

Research suggests housing plays a fundamental role in place shaping, contributing to attractive localities and neighbourhoods, which draw in investment by businesses and supports business activity.



The draft JCS proposes a minimum of 30,500 new homes across the JCS area together with land to support 28,000 new jobs. This level of development will be delivered primarily through maximising the capacity of the urban areas with the development of a number of urban extensions on the edges of Cheltenham and Gloucester and strategic allocations at Tewkesbury.

Private rented sector housing does have the advantage of offering flexibility for people to move, to access employment, on an initial or temporary basis.

We recognise Registered Providers (RPs) as important partners in bringing substantial investment to the City and contributing to regeneration and the creation of new high quality neighbourhoods for people to live in. In addition many RPs recycle surpluses back into neighbourhoods and provide financial advice and support; promote safe lending organisations to their residents; and often develop initiatives to challenge low aspirations. These activities see RPs step beyond their boundaries and engage communities in ways that directly and indirectly support economic activity.

In addition, RPs also contribute in wider schemes to support education, training and the employment of residents within neighbourhoods.

The City Council wishes to consider proposals to develop 'Live Work' hubs or similar schemes, where business and accommodation units can be combined; in particular to aid the start up of new businesses. We will wish to explore suitable locations for development and appropriate accommodation options with the business community.

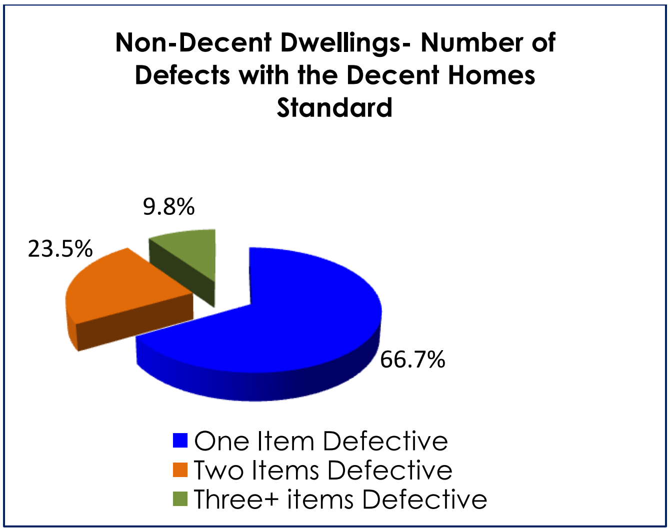
Condition of Our Housing Stock

Decency in Registered Provider Stock

In recent years Housing Association stock has had higher standards of 'decency' due in most cases to more recent period of construction, and raised construction standards. According to the HCA's Statistical Data Return for 2011-12 only one property in the City was recorded as not meeting the Decent Homes Standard. We encourage RPs to continue through their 30 year business plans, ensure these homes remain 'decent' at least.

Decency in Private Sector

It was reported in the Private Sector House Condition (David Adamson & Partners, 2011) Survey in 2011 that 8,250 dwellings (17.7%) of homes were rented from a private landlord (These statistics vary slightly from those provided by the census shown above due to self declaration). Of those dwellings, 76% met the requirements of the Decent Homes Standard and can be regarded as satisfactory. The remaining 11,154 dwellings (24.0%) are non-Decent.



(David Adamson & Partners, 2011, p. 39)

The cost of addressing non-Decent homes was estimated at £55.804M averaging £5,003 per non-Decent dwelling. With the exception of disrepair, housing conditions are generally better than the national average for all dwellings. The level of non-decency in Gloucester (whilst better than the national picture) is attributed to an increase in general levels of disrepair in the stock, particularly in the older housing, the private rented sector and in the Moreland and Westgate wards.

A continuing deterioration in the repair of homes presents some risks for the health and wellbeing of households who live in them.

The Council's Housing Stock – Decency & Regeneration

The Council's housing stock of approximately 4500 properties is at present managed through our Arms Length Management Organisation 'Gloucester City Homes' (GCH).

Investment of £38.6million has taken place within the Council's housing stock since October 2007 with 100% of our homes meeting the decency standard.

The maintenance of the housing stock was managed by means of a Property Investment Programme which was phased over five yearly stages covering the life of the 30 year business plan, the existing plan (GCH , 2012) was to have run between 2012-17. The plan reflected the new self-financing arrangements for the Housing Revenue Account (HRA) from 1st April 2012, however it has identified that the funds available will be insufficient to maintain the current levels of 'Decency', or to be able to develop any new affordable homes. Part of the reason for this, is high costs associated with refurbishing non-traditional stock, and also that a self-financing debt cap of £62.75 million to be reached in 2014, whereby the Council will be unable to borrow further funds for stock improvements.

In order to ensure that the Council's housing stock can be maintained to a 'decent standard' at least, further options for obtaining the necessary funding needed to be considered. Due to the financial circumstances outlined above, a ballot of the Council's secure and introductory tenants was undertaken between August and September 2014, with 63.7% of tenants (3,357) voting, and 89.1% (2,969) of votes cast were in favour of the transfer of the housing stock. This will ensure alternative financial arrangements that weren't available to the Council can now be secured to ensure the maintenance of the stock.

The City Council's offer document to tenants (Gloucester City Homes, 2014) contained a set of promises that would be kept should the transfer be approved. The promises included:

- Repairing and maintaining tenants' homes
- Improving tenants' homes and neighbourhoods
- Delivering excellent housing services by putting customers first
- Involving and empowering tenants
- Supporting independent living for older and vulnerable residents
- Delivering value for money services, ensuring every penny counts
- Building more affordable homes
- Investing in communities

Commitments to delivering new affordable homes and investment in two priority areas, that is Matson and Podsmead, will be pursued to underpin the Council's desire to secure improvements in neighbourhoods, and to decrease any associated deprivation.

The Resources section of the Strategy provides further information regarding the options to maintain the decency of the Council stock and regeneration of parts of the stock.

City Wide Regeneration

In order to make best use of our resources, we need to use those assets we already have and check whether they are fulfilling their potential; or whether there are opportunities to redevelop existing buildings or homes to create new housing solutions.

The emerging Regeneration and Economic Development Strategy proposes six key objectives: -

- Delivering major development sites
- A vibrant City centre
- Small Sites
- Local Communities and Urban Regeneration
- Jobs and Growth
- Working in partnership with Gfirst and adjoining local authorities to influence and achieve opportunities for growth beyond our boundaries.

There is a focus on delivering homes in the City Centre, and seeing major sites come to fruition such as Blackfriars, including the Fleece Hotel, The Quays, including Bakers Quay; developing and implementing an estate based regeneration programme; and supporting the delivery of strategic housing and employment sites outside of the City's boundary.

In parallel with the Regeneration and Economic Development Strategy, a separate strategic response is being prepared concerning the City Centre itself, given the enormous benefits that can ripple out from its success. The approach to the City Centre also includes the ambition of increasing the availability and quality of homes within the City Centre.

With the changing profile of the High Street, there are opportunities we will explore concerning the potential range of uses of vacant or less successful locations, including conversions to residential accommodation to support the success and vibrancy of the City centre.

Dwellings with Hazards

The Housing, Health and Safety Rating System is the current method by which risks to a resident(s) health and safety are evaluated. This is conducted by means of a formula, based on probability and the outcome of possible harm, a score is then provided.

Using hazard bands, risks are categorised into either Category 1 or 2 and under the Housing Act 2004, a Local Authority is placed under a general duty to take appropriate action in relation to Category 1 hazards, those in category 2 give rise to discretionary powers to Local Authorities.

Research by Adamson & partners in 2011 has identified that the most frequent Category 1 hazards encountered, were risks and falls from excess cold. Category 1 hazards were most likely to be found in the private rented sector, the older housing stock, Houses in Multiple Occupation (HMO's) and in the Moreland and Westgate Ward.

There are established relationships between housing conditions and ill health, resulting in implications for local NHS expenditure. One off costs to address the Category 1 hazards in Gloucester is estimated at £7,099M but would attract NHS savings locally of £0.484M per annum (a payback of 14.7 years).

Empty Homes

In the years 2009 to 2014 the number of empty homes has averaged at around 1746 and is showing a gradual reduction as a proportion of the total number of homes in the City having seen recent decreases from 3.7%, to 3.1% in September 2014. 3% is suggested to be an indicative level allowing a good degree of movement in the housing market.

	2009	2010	2011	2012	2013
Number of empty properties	1911	1945	1820	1734	1733
Number of properties empty for more than six months	864	966	863	779	794
Total number of dwellings					54536
Number of empty properties as a % of total properties	3.7	3.7	3.4	3.3	3.2

Source: Council Tax Register

In that time, the number of those homes that have been empty for more than six months has reduced from 1.7% to 1.4% as a proportion of the total number of homes.

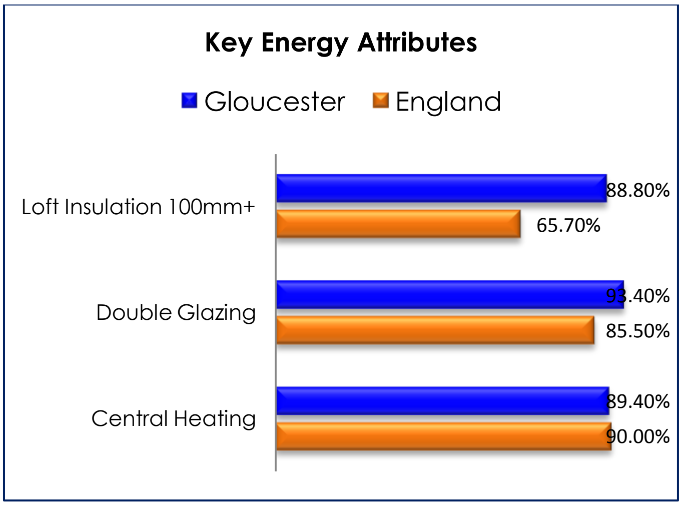
The wards with the highest percentage of empty homes are Westgate (8.5%), Kingsholm & Wotton (5.6%) and Barton & Tredworth (4.8%). The wards with the lowest percentage of empty homes are Longlevens (1.8 %,) Abbey (1.6%), Elmbridge and Matson & Robinswood at (2.1%).

The Council's approach to dealing with empty properties is targeted to those that have been empty for more than four years or where the properties are in such a poor condition that they are causing nuisance to neighbours. Initially, an informal approach is taken and owners are signposted to schemes that can help them renovate and return the property back into use. Enforcement action includes the service of statutory notices to improve the condition or, in the worst instances, the compulsory purchase or enforced sale of the empty property.

Energy Efficient Homes

We are currently working in partnership with a RP to secure funds to enable owners to return their homes back into affordable and privately rented accommodation.

The energy efficiency of homes is assessed by means of a Standard Assessment Procedure (SAP) energy rating score between 0 and 120. In Gloucester an average rating of 65 was recorded, which was an improvement, up from 61 in 2006 and above the national average of 51.



(GH, p. 72)

Energy efficiency levels in Gloucester are significantly better than the national average.

Of those dwellings without solid wall construction, 22,530 dwellings exhibit evidence of cavity wall insulation. This includes cavity insulation as built in more modern dwellings and insulation added since built. This represents 62.5% of dwellings with cavities and was above the national average for private housing of 32.3%.

Nevertheless, 5,786 dwellings or 12.9% fail to meet the thermal comfort requirements of the Decent Homes Standard. The sectors most greatly affected include:

- Private-rented Sector.
- Purpose-built Flats.
- Converted/Mixed-use Flats

Target areas for improvements are largely concentrated on areas of the City for e.g. Westgate where the properties are hard to insulate and perhaps require external insulation or have poor levels of thermal comfort caused by a combination of poor insulation and inefficient heating systems.

Improvements have been made with carbon dioxide emissions, with the average CO^2 emission per dwelling in Gloucester reduced to 4.42 tonnes per annum, from 5.25 tonnes per annum in 2005 which is better than the national average of 6 tonnes per annum.

In 2011, the Energy Act made provisions for the development of a Green Deal to replace the existing Carbon Emissions Reduction Target. Green Deal (DCLG Green Deal, 2011) is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. A 'golden rule' is fundamental to 'Green Deal' where the charge collected through the electricity bill should be no greater than the expected energy bill savings, estimated during the assessment process.

For Gloucester, the Green Deal can: -

Make available finance to allow for energy-efficiency improvements in both homes and businesses.

It can be used by local authorities to help drive economic growth, unlocking investment and supporting local jobs through the supply chain with the supply of materials for improved efficiency measures.

It may be used to support the work of Registered Providers in managing energy efficiency improvements in the stock.

Most importantly it can help minimise levels of fuel poverty.

As outlined within our Development Plan policy, "before considering the use of renewable energy technologies, the design of a development should first identify measures to reduce overall energy demand. This can include optimising solar gain, natural lighting and ventilation to reduce the need for space heating, cooling and lighting. Secondly the design should include measures to use energy more efficiently such as increasing levels of insulation in walls, floors and roofs and improved air tightness. Once the optimum benefit from these two stages has been achieved, the design should include measures to reach the required proportion of energy demand to be met from renewable or low carbon sources."

All new residential development will be required to comply with the revised government housing standards. As these are still emerging, we will detail more about these through our emerging City Plan

Fuel Poverty

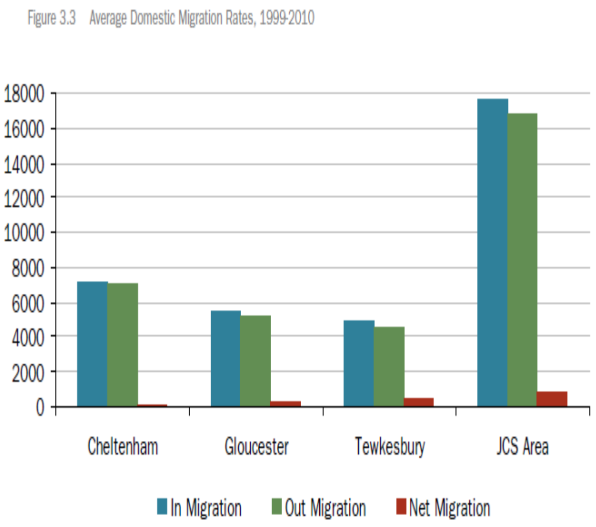
Research in 2011 found that 4,759 (10.8%) of households spend over 10% of their household income on fuel and were therefore defined as being in fuel poverty.

Priorities for the City Council's former housing stock being transferred to GCH will continue to see investment in support in the affordable warmth / fuel poverty agenda with specific consideration to:

- Replacement of Night Storage Heaters
- Review of Solar Panels
- Loft and Cavity Wall Insulation

The City Council's expects all providers with stock in its area, to respond to the needs of those in fuel poverty, either by way of property improvements or through the involvement of external advice agencies.

Migration



(Nathaniel Lichfield & Partners, 2012)

In the last five years, the Department of Work and Pensions has issued 4,520 National Insurance Numbers to migrants living in Gloucester, however as the graph above illustrates, in-migration is very closely matched to out-migration from the City. In addition, economic migration is an important element in supporting the growth requirements for

Gloucester, whether that is national or international.

For a small proportion of people who come to Gloucester having sought asylum, Gloucester City Council works with the Home Office or contracted organisations, as is the case with many other authorities, to have an overview of levels of such migration. However asylum seekers are accommodated outside of the social housing sector through a contract currently with Ready Homes. Whilst many people may wish to migrate to the UK, it is only those people who come to this Country, fleeing persecution at home that are considered as 'asylum seekers', and have formally applied for the right to be recognised as a refugee. We will continue to work with voluntary organisations such as Gloucestershire Action for Refugees and Asylum Seekers (GARAS) who support migrants to settle in the UK or provide a safe return to their country of origin.

We will continue to monitor the changing patterns of migration, and any implications related to housing and communities within the City and review our approach accordingly.

What do we want to achieve?

- **An increased supply of homes, including those for, owner-occupation; rent both in the private and social sector**
- **Fewer neglected and empty homes**
- **Improved quality of all homes**
- **Improved energy efficiency in homes, by targeting our resources to those properties in greatest need.**
- **Reduced fuel costs, fuel poverty and reduced carbon emissions**
- **Good take up of the Green Deal**
- **Disrepair being tackled through focus on homes in the most serious disrepair or with vulnerable household.**
- **That the City council's former housing stock is adequately maintained as outlined in the Council's 'offer' document to tenants and associated options for redevelopment are pursued.**
- **Raised awareness with tenants about acceptable housing standards.**
- **An increase in the number of Landlords accredited to the 'Fit to Rent' scheme to ensure good standards.**
- **More redevelopment of Brownfield land and bringing derelict, under-utilised, and contaminated land back into use.**
- **Monitor migration patterns to gain a greater understanding of migration patterns to inform the need for provision or understand any local neighbourhood effects.**

Key Objective 2

To have the right type of homes available for City residents

Where are we now?

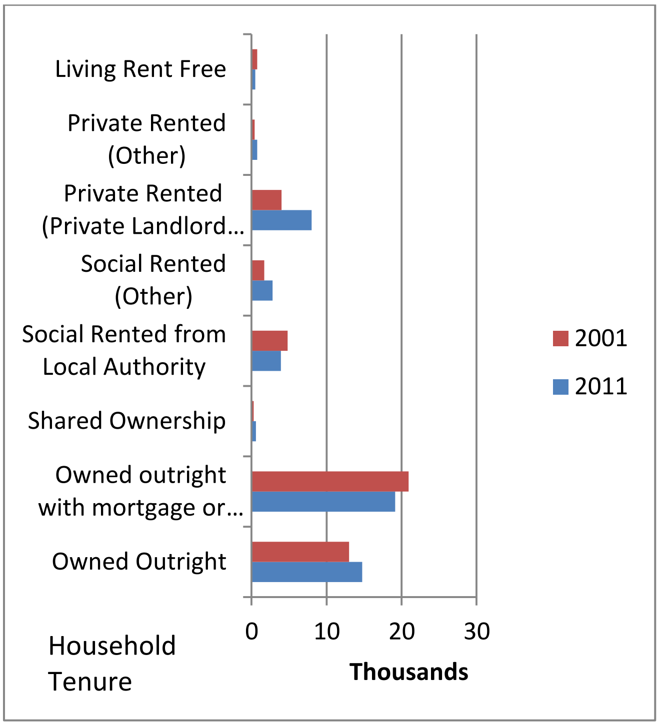
Market Housing

Market housing is housing that can be purchased without any government financial support, which meets a households' needs or aspirations. A household is considered able to afford market housing in cases where the costs payable would constitute no more than 25% of their gross income.

Private rented sector accommodation remains an important and flexible resource that allows for temporary accommodation for those wishing to be resident in the City for short periods; options for those not wishing or unable to purchase accommodation; and also accommodates households unable or not wishing to access social housing.

	2011		2001		
	LA Count	%	LA Count	Difference	%
Owned Outright	14729	29.2	12985	1744	28.4
Owned outright with mortgage or loan	19129	38.0	20918	-1789	45.7
Shared Ownership	557	1.1	274	283	0.6
Social Rented from Local Authority	3921	7.8	4784	-863	10.5
Social Rented (Other)	2793	5.5	1679	1114	3.7
Private Rented (Private Landlord or Letting Agent)	8012	15.9	3971	4041	8.7
Private Rented (Other)	743	1.5	420	323	0.9
Living Rent Free	479	1.0	734	-255	1.6
	50363	100	45765		

[1]Census 2011



House Prices

The mean (average) house price in Gloucester in 2013 was £151,825 compared to £76,144 in 2000. The cost of the average house price in Gloucester is below the national average of £246,764. In approximate terms, households wishing to buy a home in Gloucester would require a deposit, and an income of between £38,000 and £45,500 depending on lender requirements.

Average House Prices 2012

District Name	Total Averages	Total Sales
Cheltenham	£251,979	1728
Cotswold	£328,542	1257
Forest of Dean	£193,543	994
GLOUCESTER	**£151,825**	**1692**
Stroud	£230,078	1602
Tewkesbury	£230,049	1125

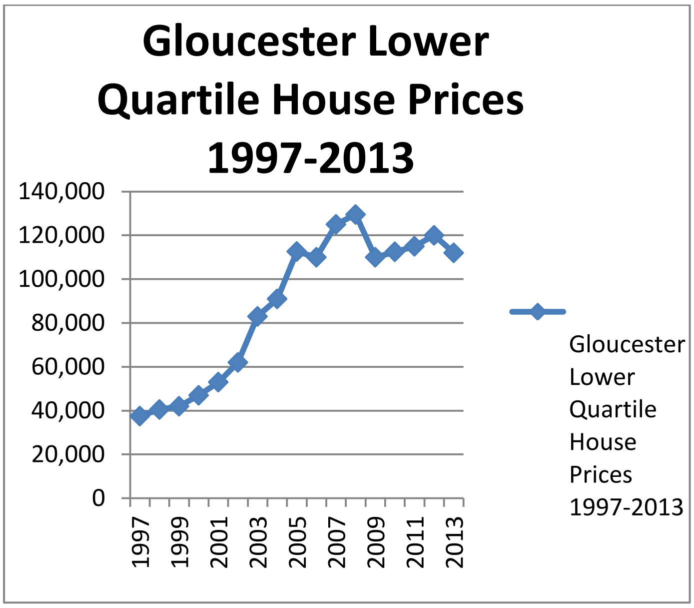
(Live Table 582)

In relation to affordability, in 2000 the bottom 25% of house prices were 3.61 times the average of the bottom 25% of the annual salaries in Gloucester. By 2012 based on provisional figures, the ratio had changed to 5.48 times lower quartile house price to lower quartile earnings. (Qtr 2 2013) Evidence indicates a lower quartile house price in the region of £114,000). The Gloucester ratio is still below the national average lower quartile figures

[1] The Census asked respondents to identify who their landlord is and the results reflect the responses they gave. In the past decade half of the local authorities in Wales have transferred the management of all their local authority housing stock to other social landlords. Individuals responding to the Census will report their understanding of their landlord and this may not reflect the actual management arrangements in all cases.

for house prices and salaries where the ratio is 6.45. (Table 576 Live Tables www.gov.uk)

Whilst house prices in the City, are comparatively affordable in national/regional terms, the increased ratio does still indicate a broader group of people than in 2000, who currently cannot access accommodation in the private sector without some financial support, either through shared equity type schemes supported by the Government and/or Developers, or through Benefits. It is important to note that with ratios of lower quartile incomes to house prices at 5.48, there are households with two incomes, able to still find properties affordable to purchase. The next most affordable area in the county is the Forest of Dean with a ratio of 7.14.



Affordable Housing

This is defined as social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

The census in 2011 suggests there were 2793 housing association homes recorded in the City and 3921 local authority owned homes and a further 557 held via shared ownership leases from social landlords. (These figures may vary slightly from official sources, as census statistics are based on resident returns).

Intermediate Affordable Housing

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels, this can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent.

Registered Providers include details of such homes through a regional Homebuy Agent, Help to Buy South, who act as a one stop shop for home ownership opportunities in South West England.

In addition to the product types above, currently to support the Government's housing strategy a 'Help to Buy' equity loan scheme has been created. This scheme offers a 10%-20% equity loan funded by the Government through the Homes and Communities Agency (HCA) on new build properties. The equity loan is interest free for the first 5 years. In addition, a 'Help to Buy' mortgage guarantee scheme has been introduced to provide Lenders with the option to obtain a guarantee, where the borrower only contributes a deposit between 5 & 20%.

We will promote the use of these and any newly identified products and the support available through Help to Buy South and Registered Providers to enable applicants who are eligible to take advantage of such schemes.

Housing Need

Local authorities have a duty to periodically assess housing need. An assessment of need tends to follow a tested method, where evidence of backlog need, (typically those already known to be in unsatisfactory housing circumstances or homeless); and then to go on and consider the future population profile projections, deducting levels of homes to be built, incomes and housing costs to identify how many people would be unable to resolve their own housing requirement for their household. As needs assessments consider projections for long time spans, annual variations are usually minor.

The Strategic Housing Market Assessment (SHMA) (HDH Planning & Development Ltd, 10`3) in 2014 identified the following as Gloucester's housing need.

Table A4.1 Housing needs assessment model for Gloucester	
Stage and step in calculation	Number
STAGE 1: CURRENT NEED (Gross)	
1.1 Homeless households and those in temporary accommodation	65
1.2 Overcrowding and concealed households	
1.3 Other groups	1,845
1.4 Total current housing need (gross)	1,910
STAGE 2: FUTURE NEED	
2.1 New household formation (gross per year)	1,234
2.2 Proportion of new households unable to buy or rent in the market	80.2%
	(990)
2.3 Existing households falling into need	1,395
2.4 Total newly arising housing need (gross per year)	2,385
STAGE 3: AFFORDABLE HOUSING SUPPLY	
Current supply 3.1 Affordable dwellings occupied by households in need	420
3.2 Surplus stock	0
3.3 Committed supply of affordable housing	107
3.4 Units to be taken out of management	0
3.5 Total affordable housing stock available	527
Future supply 3.6 Annual supply of social relets (net)	820
3.7 Annual supply of intermediate housing available for relet or resale at sub-market levels	66
3.8 Annual supply of affordable housing	886

Source: Gloucestershire Strategic Housing Market Assessment; various secondary sources

Table A4.5 Annual need requirement by support needs in Gloucester					
	Need requirement				
Support needs household	*No. of h'holds in need (gross)*	*Not in need*	*Total Number of h'holds*	*% of h'hold type in need*	*As a % of those in need*
Contains someone with support need	600	9,429	10,029	6.0%	21.7%
Nobody with support need present	2,167	39,252	41,419	5.2%	78.3%
Total	2,767	48,682	51,448	5.4%	100.0%

Source: Gloucestershire County Strategic Housing Market Assessment, 2013

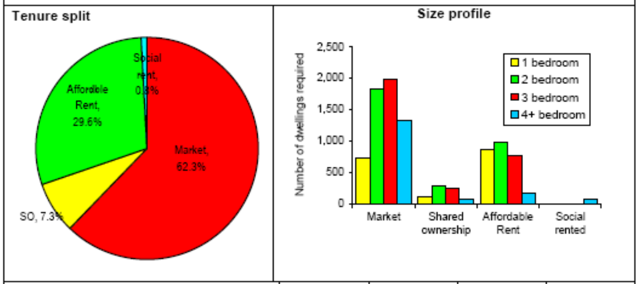
In addition to the traditional approach to housing need, the SHMA sets out an alternative approach that demonstrates how the 'objectively assessed need' will be met and is illustrated below.

Table A4.18 Tenure of new accommodation required in Gloucester over the next 18 years				
Tenure	*Current tenure profile*	*Tenure profile 2031*	*Change required*	*% of change required*
Market	39,371	47,208	7,837	64.9%
Shared ownership	580	1,329	749	6.2%
Affordable Rent*	0	3,339	3,359	27.8%
Social rented	2,612	11,659	130	1.1%
Benefit supported	9,047			
Total	51,610	63,685	12,075	100.0%

*It should be noted that there are a very limited number of Affordable Rented units already in Gloucester, however for the purpose of this model the stock is presumed to be 0.

Source: Gloucestershire Strategic Housing Market Assessment updated household dataset 2013

Figure A4.3 Profile of new accommodation required in Gloucester (lower scenario)



New housing required over 18 years		*1 bed*	*2 bed*	*3 bed*	*4 bed*
Market	5,909	735	1,843	1,994	1,337
Shared ownership (SO)	694	104	280	245	65
Affordable Rent	2,800	870	981	774	174
Social rent	72	0	0	0	72
Total	9,475	1,710	3,104	3,013	1,648
Total Market Requirement: 5,909, Total Affordable requirement: 3,566					

Source: Gloucestershire Strategic Housing Market Assessment updated household dataset 2013

Gloucestershire Homeseeker

In addition to the formula based approach described above, we also consider the needs as we know them today, from applicants for social housing. Applicants in housing need may apply through a 'Choice Based Lettings' IT system to bid for affordable homes.

Information regarding current levels of applications is provided below.

	April 2012	April 2013	Change
Emergency	97	172	77%
Gold	297	403	36%
Silver	1433	1539	7%
Bronze	3354	2637	-21%
Total	5181	4751	-8%

Source: Gloucestershire Homeseeker

Recent government flexibilities have made it necessary for our Homeseeker Policy to be reviewed and amended in order to reflect policy and welfare reform changes. Preliminary changes have been considered, including those supporting military personnel; however we wish to review the effectiveness of our service and consider whether further changes should be made. Please refer to our separate Homeseeker Policy (Gloucestershire Homeseeker Partnership, 2012) for more detailed information.

Overcrowding and Under-occupation

In 2011 a Private Sector Stock Condition Survey undertaken by (David Adamson & Partners, 2011) 34,186 (77.3%) dwellings were found to be under-occupied and 1,795 (4.1%) overcrowded.

In December 2012, Homeseeker identified 985 households wishing to move because they consider their home to be too small, and far fewer looking to move to smaller accommodation. This need will partly be accounted for within the housing need projections above, and developing sufficient affordable housing is critical.

More recently, the welfare benefit reform and the 'size criteria' will likely prompt some movement, as some households may be unable to afford the rent for a home that is larger than their needs. This may provide opportunities for some over-crowded families to move to larger accommodation.

Ageing Population & Older People

The chart below shows projections for Gloucester and the expected growth in the numbers of older people. By 2030, it is expected the population over 65 will be around 28,100, an increase of 9300 people (49%) over those in 2012. Importantly the increases and implications are significant, with the more frail elderly over 80 and 90 years, creating challenges in relation to provision of health and care services and more generally for support for older people.

Population aged 65 and over, projected to 2030					
	2012	2015	2020	2025	2030
People aged 65-69	5,600	6,100	5,700	6,600	7,800
People aged 70-74	4,200	4,700	5,600	5,300	6,200
People aged 75-79	3,500	3,600	4,200	5,100	4,900
People aged 80-84	2,800	2,800	3,000	3,600	4,400
People aged 85-89	1,700	1,800	2,000	2,200	2,700
People aged 90 and over	1,000	1,100	1,300	1,600	2,100
Total population 65 and over	**18,800**	20,100	21,800	24,400	**28,100 Difference 9300**

Include % column?? Poppi 2013

Over 65 population projection: % of numbers above

Population aged 65 and over, projected to 2030					
	2012	2015	2020	2025	2030
People aged 65-69	0	9%	2%	18%	39%
People aged 70-74	0	12%	33%	26%	48%
People aged 75-79	0	3%	20%	46%	40%
People aged 80-84	0	0	7%	29%	57%
People aged 85-89	0	6%	18%	29%	59%
People aged 90 and over	0	10%	30%	60%	110%
Total population 65 and over	0	7%	16%	30%	**49%**

Poppi 2013

Our early acknowledgement of meeting the needs of the ageing population was with the development of a 166 unit Extra Care Village at St Oswalds, this provision is well designed, secure, accessible and creates an environment that is companionable, to minimise social isolation. This however provides only one option for older people, and other options that are suited to Older People now also need to be made available.

In order to make the best use of resources, we propose working with Gloucester City Homes to ensure the number, type and mix is appropriate going forward. We wish to conduct a more detailed analysis relating to the present and the next generation of older people, and the types of homes those people currently occupy, to understand their future needs, and where appropriate, develop further options to suit.

Assuming a concluded successful stock transfer, GCH will be the largest RP in the City and have the largest share of sheltered accommodation. GCH amongst other RPs are currently adapting their Older Person services to meet with the requirements of the Supporting People Strategy by the inclusion of 'hubs' or 'centres' in different localities, which support residents living locally who require support. In addition, the hubs will provide a range of activities to promote well-being and minimise social isolation by inviting local residents to join in.

We wish to stimulate the development of further suitable accommodation which could achieve the double benefit of helping the younger generation as well. Building one or more retirement apartments can stimulate the supply chain, partly by making available family homes with gardens, to the next generation, and so recycling the home to serve the needs of the growing numbers of younger households. This recycling can make improvements to the quality of homes in the City due to the modernisation and investment by the next generation.

People with Disabilities

In the UK there are more than 11 million people who may fall within the definitions of the Equality Act under the definition of disability. This group is not a static group, as some people may experience disability temporarily, others throughout their lifetime. Only 3% of disabled people have had their impairment since birth, it is usually acquired, affecting our body or mind as we age.

In Gloucester, records show that 5880 people, just fewer than 5% of the population are in receipt of Disability Living Allowance, with 3120 receiving the Mobility Award at a Higher Rate and with 3480 receiving care at middle or high rates. The latest available data concerning Limiting Long Term Illness[2] experienced by people in the City showed as many as 18,531, almost 18% of the population. More recent census data from 2011 suggested 4.9% of the population of Gloucester described themselves as in bad or very bad health.

The City Council's housing register has recently shown 69 households citing medical, disability or caring as reasons for requiring accommodation in the social sector.

We wish to see any barriers to housing removed from disabled people, so they may achieve their aspirations and potential and are able to live independently.

We want to see disabled people have the ability to live within mainstream accommodation, with adaptations or with additional support provided when needed. We also wish to encourage and support disabled people to gain increased control and choice within their lives. We will encourage support an early intervention, or other preventative approaches to avoid any deterioration in circumstances.

We urge our partners, to support initiatives that encourage people with disabilities, should they wish to do so, to become involved, so that we create safe and inclusive neighbourhoods. We want to see facilities that offer easy access to a range of community services, and provide affordable housing designed to meet the needs of people with disabilities.

Adaptations

The Disabled Facilities Grant (DFG) enables disabled people to have adaptations carried out to their home to enable them to live independently.

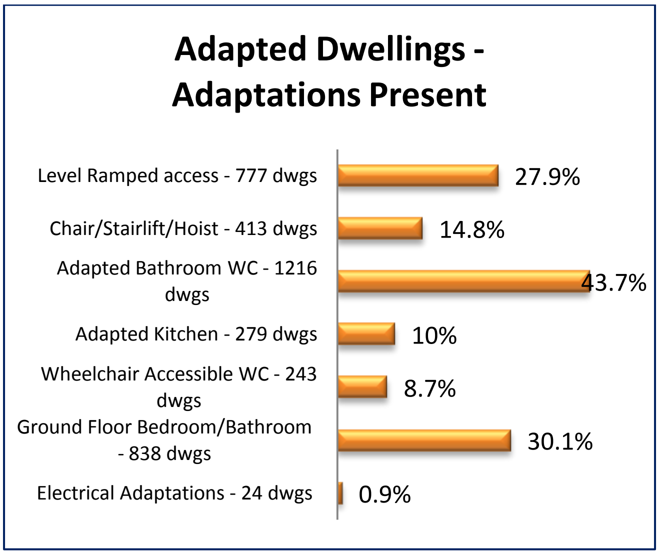
Currently we spend between £500,000 - £650,000 per annum carrying out adaptations to around 100 homes in the City.

The 2011 Adamson survey reports that over 50% of households affected by disability have had a mobility problem within their dwelling but of these households, only 27.3% live in an adapted dwelling. The remaining 72.7% of households represent a future demand for DFG support from the Council.

The most common mobility problems relate to climbing stairs, use of bathroom amenities and access to and around the dwelling.

2

The limiting long-term illness question in the 2001 Census was a self assessment of whether or not a person has a limiting long-term illness, health problem or disability which limits their daily activities or the work they can do, including problems that are due to old age.



(David Adamson & Partners, 2011, p. 67)

In order to meet demand within the available budget, the councils across the county are working closely with their Housing Improvement Agency, 'Safe at Home' to identify proactive measures to either remove the need for DFG's (e.g. through falls prevention) or find alternatives to DFG's through the recycling of commonly used equipment.

Options are being promoted as part of the budgetary process, that from 2013/14 a budget of £300,000 per annum is made available to supplement the existing budget for provision of disabled facilities grants and from 2014/15 this will increase to a further £100,000 per annum to a total of £400,000 per annum.

We will also now be working in conjunction with the County Council with the distribution of the Better Care Fund to consider how to best to meet these needs going forward.

Better Care Fund

Over the past four years, funding from the Department of Health has been passed, via local NHS commissioners to local authorities. This was previously conducted by the Primary Care Trust but, since the reform of the NHS, the duty moved to the Clinical Commissioning Group and NHS England.

In the June 2013 spending round - covering 2015/16 - a national £3.8 billion "Integration Transformation Fund" (now known as the Better Care Fund) was announced. This fund, established by the Department of Health, is to be held by local authorities.

The Better Care Fund provides an opportunity to transform local services so that people are provided with better integrated care and support. It encompasses a substantial level of funding to help local areas manage pressures and improve long term sustainability. The Fund will be an important enabler to take the integration agenda forward at scale and pace, acting as a significant catalyst for change.

The Fund is intended to support the aim of providing people with the right care, in the right place, at the right time, including through a significant expansion of care in community settings. As a result, the Gloucestershire Clinical Commissioning Groups (CCG) set up a Better Care Forum to identify funding priorities and direct spend. The six local priorities have been identified as:-

- Admissions to residential and care homes
- Effectiveness of re-ablement
- Delayed transfer of care
- Avoidable emergency admissions
- Patient/service user experience
- The quality of life reported to carers

This fund includes the total allocation for Disabled Facilities Grants (previously allocated individually to each Local Authority)

Gypsy, Traveller & Showpeople

Through the Housing Act 2004 and national planning guidance we are required to undertake an assessment of need for communities residing within the City and where need is identified to put in place a strategy to meet those needs. In addition we are required through 'Planning Policy for Traveller Sites', March 2012 to provide for local targets, working with neighbouring authorities where there are cross-boundary issues.

A recent (Opinion Research Services, 2013) Gypsy, Traveller and Travelling Showpeople Assessment has identified a need for 14 additional spaces for the Travelling and Show People community. In addition, the need for 2 pitches was identified for the gypsy and traveller community within the City.

Various options in the City have been explored to contribute to meeting some of that need; however, due to the tight City boundaries and flood constraints, all land options identified so far have been unsuitable. We will keep this matter under review and look to work collaboratively with our neighbouring authorities.

What do we want to achieve?

- **Development to meet aspiration and housing need providing market and affordable homes.**
- **Offer a full range of housing options for the City to meet all housing need, demand across the income profile of the City.**
- **Policies outlining our requirements for Older People based on an evaluation of evidence and good practice.**
- **Homes for people with physical and other disabilities within our communities and encourage corresponding community and personalised care and support budgets.**
- **For people with disabilities who require adaptations, for them to be provided as quickly and as efficiently as possible.**
- **To offer support initiatives that encourage older people or those with disabilities to engage with us concerning housing proposals and other community initiatives**
- **That through the development of homes or commissioning of services that the local authority and RPs secure social value or other opportunities that are economically advantageous to City residents.**
- **Ensure a range of house type options are available throughout all wards in the City.**
- **Promote our urban and neighbourhood regeneration priorities with key funding organisations, including HCA and GFirst.**
- **We will review opportunities to meet the requirements for the gypsy, traveller and the travelling show people community and seek to make available pitches as required.**
- **Increased residential accommodation in the City Centre.**
- **Introduce a regular mechanism for consultation with the Travelling Showpeople Community and any other Traveller communities.**

Key Objective 3

To Prevent Homelessness & Rough Sleeping

The common perception of homelessness tends to be individuals rough sleeping, but homelessness is a complex issue which affects both individuals and families who lose or face losing their homes as a result of numerous causes. Nationally the most common causes of homelessness are: parents or friends no longer willing to accommodate, relationship breakdowns including domestic abuse, end of private sector tenancies, discharge from hospital, custody, or residential care, or mortgage arrears. The three primary causes of Homelessness within Gloucester are: friends and family being no longer willing to accommodate; the loss of private-rented sector accommodation; and violence (including domestic violence). In almost all cases, homelessness creates an undesirable impact on an individual or their family that cannot be under-estimated.

The local authority recognises the importance of preventing homelessness wherever possible and assisting those experiencing homelessness. Homelessness is detrimental to every aspect of the lives of those directly affected, and often has a negative impact on others living in the community and creates additional costs to public services. Many homeless households have multiple complex health issues and the negative impact of housing crises on the education and the well-being and life chances of children affected are frequently reported. The most frequently identified causes of homelessness set out below are those the Government have indicated a commitment towards: -

- tackling troubled childhoods and adolescence
- improving health
- reducing involvement in crime
- improving skills, employment and the availability of financial advice

The importance of partnership working is imperative to tackle homelessness.

Where are we now?

Assessment of Homelessness in Gloucester

All Local Housing Authorities have a statutory duty to provide advice and assistance to anyone who is homeless or threatened with homelessness (as outlined in the Housing Act 1996 as amended). Local authorities also have further duties to vulnerable homeless households who have not caused their own homelessness. The Homelessness and Housing Options Team will undertake enquiries to assess what duties and assistance can be offered to those seeking help. We have a higher level of approaches from those facing homeless crisis than other districts in Gloucestershire, and we have worked hard to address their difficulties. Our focus is to work with our clients to prevent their homelessness wherever possible whilst undertaking an assessment of homelessness.

At the centre of our approach to homelessness is the desire to prevent homelessness occurring in the first place. We are pleased to have prevented 2035 households from becoming homeless over the last 3 years within the Gloucester. Our success in preventing homelessness has been achieved using a range of options and advice including:

- Advice on rights in current accommodation
- Negotiations and liaison with landlords and family members
- Tenancy rescue packages
- Payments to families
- Resolving housing benefit issues including authorisation of discretionary housing benefit payments in existing properties
- Court payments in possession proceedings
- Mortgage assistance for home owners and shared home owners including one off mortgage payments in some situations
- Sanctuary scheme adaptations for victims of domestic abuse
- Deposit Loans and rent in advance to find alternative accommodation

Homelessness Prevention

	2010-11	2011-12	2012-13	2013-14
Able to remain in existing home	130	136	86	88
Assisted to obtain alternative accommodation	505	590	674	539
Total Prevention	635	726	588	627

Source: P1E Report

2013-14	Q3	Q2	Q1	Q4	Average 2012-13
Able to remain in existing home	9	30	27	22	21
Assisted to obtain alternative accommodation	138	142	153	106	147
Total Prevention	147	172	180	128	168

Source: P1E Report

The government has set out a vision for social justice that is based on two fundamental principles. First, prevention and early intervention throughout a person's life, encouraging carefully designed interventions to stop people falling off track and into difficult circumstances. Secondly, a 'second chance society' ensuring that no one is 'written off' and that anybody who needs another chance gets access to the support and tools they need to transform their lives.

We are committed to offering assistance to all Gloucester homeless households, irrespective of whether there would be a statutory obligation to them as 'vulnerable' if they became roofless (see section below). Every eligible Gloucester household is able to access bespoke assistance to either remain in their own homes if possible or for 'Rent in Advance Payments' against a suitable and affordable new home if threatened with homelessness. All households who cannot remain in their own home can access interviews where detailed written advice on finding alternative accommodation or referral to accommodation with support if they need high level housing related support. Furthermore, if vulnerable households are considered to have caused their own homelessness, the City Council continues to offer rent in advance to assist them into suitable accommodation they source themselves.

Whilst we have achieved many positive outcomes, we are not complacent and will strive to improve our services further. We are committed to delivering against the ten challenges set out in ['Making Every Contact Count'] (CLG, 2012) to benefit our clients.

Homeless Duties in Gloucester:

All Local Authorities have further duties to households who are: homeless or threatened with homelessness, eligible for assistance (UK residents or those who are able to access public services associated with housing), and where a vulnerability exists (such as family with children, pregnancy, old age, or severe physical or mental health problems, or some other exceptional reason). There are two main duties to these households:

Emergency Accommodation

If vulnerable households are roofless or become roofless during homeless enquiries, local authorities have a duty to provide emergency accommodation while homeless enquiries are ongoing. Many local authorities rely heavily on privately owned bed and breakfast accommodation – which is widely recognised to be of variable quality, expensive, and can be damaging to family life as households often don't have the opportunity to kitchen facilities and have access to only one room.

In Gloucester we have worked closely with our partner agencies to ensure that the emergency accommodation we provide to our homeless households is of a high standard. Gloucester City Homes have set aside or developed furnished rooms within a hostel environment and flats exclusively as emergency accommodation for homeless households referred by Gloucester City Council.

As part of our approach to assist homeless households, one RP (GCH) has recently worked with the City Council on the conversion of 3 large properties providing 28 furnished rooms for homeless households including a room suitable for wheelchair using households. Our hostel type provision has 24 hour CCTV security, communal facilities including kitchens and leisure areas, as well as an on-site support worker to assist clients with benefit claims and any other housing related support. Gloucester City Homes and Riverside have additionally set aside further flatted properties across the City to accommodate roofless vulnerable households during homeless enquiries.

We also work closely with Gloucestershire 'Nightstop' who provide accommodation with host families for single young people under 26. This has reduced the use of Bed and Breakfast accommodation for homeless households in the City and the impact of homeless crisis on our homeless. The use of our bespoke emergency accommodation also reduces costs to the City Council.

Our figures indicate that **248** households were placed into emergency accommodation during the financial year 2012-2013 whereas the number fell to **148** 2013-2014. We are committed to continuing to reduce this figure through securing further suitable properties for use in emergency situations

Full Homeless Duty

If, following homeless enquiries, we establish that households are eligible, homeless, vulnerable households, who have not caused their own homelessness, and have a connection to Gloucester; the local authority has a full homeless duty to find them suitable accommodation.

Suitable accommodation offered by the City Council can be in the private rented sector, in supported accommodation, or within social housing. Until recently, the homeless duty to provide suitable accommodation could not be ended unless a household left suitable accommodation provided or by a permanent offer of a tenancy in social housing. This inevitably resulted in homeless households having higher preference for social housing than other applicants with a high degree of housing need which was often considered unfair.

Following the changes introduced by the Homelessness (suitability of Accommodation) England Order 2012 and the Localism Act 2011, however, local authorities now have the power to end the main homelessness duty with a 12 month private rented sector offer. This new power has an additional safeguard for the household through a 're-application duty' if the household becomes homeless again within two years. Within Gloucester, we have recently begun using the new power to end the main homeless duty by working with local private sector landlords in the City and sourcing quality suitable accommodation for our homeless families.

Homeless Decisions

Below is a summary of decisions concerning homelessness in Gloucester.

Top 3 Reasons for presenting as Homeless	2011-12	2012-13	2013-14	2014-15 First 6 months projected outcome
Family/Friends no longer willing to accommodate	31% (34)	36% (70)	28% (52)	22% (20)
Due to form of violence including domestic violence	23% (25)	21% (41)	21% (38)	26% (23)
Loss of private rented accommodation	26% (28)	21% (41)	26% (47)	26% (23)
Total presented	109	193	83	90

Source: P1E Report

	2010/11	2011/12	2012/13	2013/14
Homelessness Decisions	334	362	521	495

Source: P1E Returns

	2010/11	2011/12	2012/13	2013/14
Eligible, unintentionally homeless and in priority need	109	108	191	182
Eligible, homeless and in priority need but intentionally so	29	39	30	47

Eligible, homeless but not in priority need	26	17	30	44
Eligible but not homeless	165	180	248	205
Ineligible homeless	5	18	22	17
Total	334	362	521	495

Source: P1E Return

2013-14	Q3	Q2	Q1	Q4	Average for 12-13
Eligible, Unintentionally Homeless and in Priority Need	39	62	42	39	48
Eligible, Homeless and in Priority Need but Intentionally so	11	17	7	12	7
Eligible, Homeless but not in Priority Need	12	15	8	9	7
Eligible but not Homeless	46	56	62	41	62
Ineligible	1	7	7	2	4
Total	109	157	126	103	128

Source: P1E Report

Homeless Pathway

Linked to changes identified with the Supporting People Strategy (Gloucestershire County Council, 2011) (Gloucestershire County Council, 2011) and revised budget; work has begun to re-model the 'pathway' of 'accommodation based support'. Contracts have recently been awarded to Providers to offer the first stage accommodation and assessment centres, where individuals can begin to engage with support staff and start the process of identifying and addressing any needs, and planning their route back to independence, with support options available to fulfil their plans.

In partnership with Supporting People a review will be undertaken of all the second stage 'accommodation based support' in the City and county in order to shape an effective county network, able to meet need closest to where it originates, whilst also offering the flexibility for individuals to move temporarily to receive support and reconnect back with their home area afterwards.

We will continue to review the implementation of the recently adopted 'Reconnection Policy' in order to ensure it continues to meet our objectives.

For some homeless or vulnerable individuals it may be more appropriate to offer support within an independent environment, whether a new or existing home. In those circumstances 'housing related support' will be shaped to meet their needs.

To ensure we make best use of our 'accommodation based support' and that people ready for independent living aren't remaining due to financial barriers to moving on, we will review with Supporting People our approach to rent deposits.

Whilst budgets are constrained for 'housing related support' for vulnerable people, we are keen to work with Providers to explore other sustainable models of accommodation with lower levels of support that aren't reliant on support funding, particularly for the benefit of younger people, often affected by restricted benefit levels.

No Second Night Out & Transitional Funding to Prevent Homelessness

On an actual rough sleeper count in October 2013 there were 11 people sleeping rough, and estimates for 2014 indicated that this had risen to 17, this compares with the 'rough sleeper count' in 2010 where 14 individuals had been found rough sleeping, beyond those occupying the Night Shelter. We cannot afford to be complacent about levels of rough sleeping, which would see individuals at their most vulnerable and at high risk, living out, which may also expose others to risk. We recognise there may be fluctuations in rough sleeping levels, so we will review the way the service performs and associated services to ensure we have an effective response.

Of those formerly identified as sleeping rough, some were former workers from within the Economic Union and had '**No Recourse to Public**

Funds' (NRPF) and in some cases were thought not to be fulfilling their 'treaty' responsibilities to remain in the UK. We are continuing to engage with statutory and voluntary sector partners so that they may verify eligibility to public funds, or ensure their needs are assessed, and in some cases support their return to their home country.

Transitional Homeless Funding Further to the allocation of £330k for the sub-region of Gloucestershire & South Gloucestershire, an action plan has been prepared at the request of CLG to identify the approach to reducing homelessness.

The main objectives proposed were to: -

- Review of needs and current services across the county and South Gloucs, to confirm our area of focus for the homelessness prevention project.
- To then develop an Outreach project that puts in place a 'No Second Night Out' response and avoids any rough sleeper returning to the street for a second night out. The offer includes a dedicated personalised service, to work with newly homeless and potentially homeless people, as well as entrenched rough sleepers and those returning to the streets after a period of being housed.
- Provide a Personalisation or "self-directed support" service, offering clients greater choice over what services to access and the opportunity to take responsibility for their choices.
- Explore the feasibility of a Local Lettings Agency alongside a single Rent Deposit/Bond scheme
- Make use of National Practitioner Support Service (NPSS) staff development and training to continue and develop good practice across Gloucestershire.

This action plan is still in progress and will be pursued through the early part of the duration of the strategy.

Severe Weather Protocol In order to provide a humanitarian response in times of severe weather Gloucester participates in a protocol with all other districts within the County. The protocol ensures that in periods of severe cold or other extreme weather conditions, that no rough sleeper has to remain on the streets. Dependent on weather conditions, the protocol is implemented, and where necessary we will secure emergency placements.

We will continue to review the protocol and consider the involvement of voluntary sector organisations in responding in such circumstances.

Drug and Alcohol Support

We recognise people in difficult circumstances may turn to drugs or alcohol, or gradually increase their alcohol consumption beyond safe levels, and that this frequently leads to homelessness. We have therefore worked with the County Council to commission a specialist service delivered by 'Turning Point' to support individuals and their families to reduce their consumption of substances to safer levels or to abstain. Successful reductions in substance is expected to lead to improved health improvements, and in some cases reduced levels of crime or antisocial behaviour.

The service specification was designed with the involvement of former and current service users, understanding the most important features of receiving support to fulfil a person's recovery plans. Recovery Workers offer sessions at a series of Hubs or supported housing locations to provide support in a way that works for the individual, linked to support from GPs and specialist nurses.

The service will be monitored to ensure the best possible outcomes and minimise those losing their accommodation as a result.

Community Based Support

For those individuals assessed as needing additional support but without a need for accommodation, this will most often be provided by means of 'community based support', assisting individuals or families to maintain their tenancies wherever they may live. This support is critical in engaging with individuals or families when things start to go wrong and looking for solutions to prevent decline and any loss of their home.

As well as supporting people to prevent crisis, the community based support can help people who have been receiving higher levels of support in the past, and checking that they are able to manage independently in the early stages of resettling into new accommodation. There may be occasional periods where support can be offered for a short term to overcome a temporary crisis before withdrawing once the situation has stabilised.

Young People

Research by Shelter suggests that the causes of homelessness in young people are associated with adverse housing, economic and family trends and that young people are disproportionately affected and often don't know where to go for help.

Local Authorities have duties towards young people and care leavers, under Homelessness legislation and the Childrens Act 1989 and Children (Leaving Care) Act 2002. This means young people may be eligible for assistance from the local housing authority or social services.

Any duty owed to homeless 16 and 17 year olds under the Childrens Act 1989 takes precedence over the duties under homelessness legislation, however as the local housing authority, we are still under a statutory duty to assess and assist all 16 and 17 year olds, in addition to any referral we might make to social services. We do have a 'Southwark' protocol in place that sets out our shared arrangements.

In addition to our responsibilities above, young people often find obtaining accommodation difficult, with landlords often reluctant to let to young people, even those in receipt of benefits. Recent Housing Benefit changes have seen the 'shared accommodation rate' rise from the age of 25 to 35 (with some exceptions) meaning many single people up to the age of 35 only have sufficient benefits to live in shared accommodation, presenting some further challenges in terms of compatibility, and the availability of shared accommodation of a reasonable standard. The benefit from exemptions will only occur once a young person reaches the age of 25.

We are also working in partnership with Supporting People and support providers, to ensure we have a service dedicated to offering advice to young people to assess and offer appropriate support, to ensure they are housed safely. Ensuring young people receive adequate support and encouragement to pursue education or training is critical in terms of their future independence and wellbeing; and avoids a deterioration of circumstances or behaviours.

We wish to encourage Registered Providers or voluntary sector partners to focus on supply of suitable accommodation, including good quality shared provision. We will review existing supported accommodation to ensure there is sufficient capacity for those young people needing to gain the necessary skills before being able to live independently. Increases in the supply of one bedroom accommodation is also necessary to respond to the high demand for Registered Provider stock, having increased partly due to the welfare reform changes and changing household formation.

We are also exploring 'crash pad' facilities for those young people who present at short notice as roofless and need accommodation until enquires can be completed and safe placements made.

We intend to continue to use mediation services and 'Night Stop' arrangements to try and offer other options, sometimes on a short term basis until the full circumstances can be established.

Supporting Individuals through Welfare Benefit Reform.

We are continuing to develop our understanding of the impact on individuals and households affected by Welfare Benefit changes, as policy changes are still being implemented, including those people on benefits under the age of 35; size criteria; and the Benefit Cap applied under current Housing Benefit arrangements and in future via Universal Credit.

Through the Welfare Reform Act the Government has introduced a new '**size criteria**' from 1st April 13, for housing benefit claims in the social rented sector. The criteria applies to working-age households who are considered to be under-occupying their council or housing association homes and as a result lose part of their housing benefit. This decrease in benefit has been set initially at 14% for one extra bedroom and 25% for two or more extra bedrooms (based on rent and service charges).

In Gloucester, records indicate as at January 2015 635 housing benefit claims in the social housing sector, affected by changes associated with the house & household size criteria, approximately 378 of which are in Gloucester City Council's stock.

Much joint work has already been undertaken to identify and offer advice to those affected by the benefit changes to ensure they are aware of all options available to try and manage their rental payments. We will continue to work with our Registered Provider partners, and organisations offering welfare benefit advice to help households affected by benefit changes.

The benefit cap was introduced for out of work households, which restricts the amount of benefit a household can receive to £500 per week for couple and lone parent households and £350 a week for single person households.

The elements which make up the Universal Credit are:

- The standard allowance
- An amount for responsibility for children and young persons
- An amount for **housing**
- An amount for 'other particular needs and circumstances'

The Council work with other agencies, including representatives from CAB, GL Communities, The Law Centre and GARAS as part of the GAP group. The group considers issues arising from the reforms and how these are best resolved. Also any individuals or households who are suffering hardship as a result of welfare reform have the opportunity to apply through a through a new framework to deal with Discretionary Housing Payments.

Discretionary Housing Payment objectives include:

- alleviating poverty;
- encouraging and sustaining people in employment;
- tenancy sustainment and homelessness prevention;
- safeguarding residents in their own homes;
- helping people who have had a room specifically adapted for their needs to remain in the property
- ensuring that people who are able to afford their rent without additional subsidy can do so;
- helping those who are trying to find alternative accommodation to do so;
- keeping families together;
- supporting domestic violence victims who are trying to move to a place of safety;
- supporting the vulnerable or the elderly in the local community;
- helping customers through personal and difficult events ;
- supporting young people in the transition to adult life, or
- Promoting good educational outcomes for children and young people.

Payments of DHP are normally only awarded for a period of up to 13 weeks as the intention is for the recipient to seek a more affordable way of remaining in the property or seeks alternative accommodation.

For the year 2014/15 the Council was award a fund of £252,658 to support households affected by the welfare reforms. As at January 2015 we have awarded £160,000 of this fund to households in need. Approximately £70,000 of this has gone to Gloucester City Homes tenants. The funding for the year 2015/16 is yet to be announced.

Exempt Accommodation

In 2011, changes were made through Circular HB/CBB A14/2011 to the eligibility of housing benefit for shared accommodation. The changes included the age threshold increasing from the age of 25 to 35; however certain exemptions were put in place. The exemptions included certain categories of ex-offenders (where there may be risks to others in shared accommodation), and also some provision for individuals who have formerly resided in specialist accommodation.

We would urge all our partners, when working with clients to find 'move-on' accommodation outside of the social sector, to check whether the client might be exempted from the age restricted benefit, and so opening up further accommodation options.

Mortgage Rescue

Gloucester has benefited from the Government's Mortgage Rescue Scheme (MRS) although this has recently been phased out.

The number of home owners facing a crisis situation with their finances is growing currently. For some within the priority need categories the MRS was the only option. We will however continue to offer Homeowners facing repossession, specialist housing advice and assistance in partnership with the Citizen's Advice Bureau.

Homelessness Resources

Source of Funding	2013-14	2014-15
Homelessness Prevention Grant (City Funding)	£377,329	£358,000
CLG Transitional Funding (Sub Regional Allocation)	£330,000	
Homelessness Transition Fund (County Funding)	£163,000	

What do we want to achieve?

- **Reduced levels of rough sleeping**
- **Continue to improve the proactive homelessness prevention programme.**
- **Alternatives for delivering mortgage rescue following the phasing out of the existing Government scheme.**
- **Increased levels of accommodation in social or through the private sector for those single people under 35 with restricted benefit entitlement.**
- **Sufficient supported accommodation for young people and teenage parents.**
- **An evaluation of housing accommodation based support throughout the county, with accommodation located and matched to areas of need.**
- **An effective 'Reconnection Policy' successfully facilitating moves to receive support and suitable connection to home areas where appropriate.**
- **For Support Providers working with vulnerable or disconnected individuals, to actively encouraging take up of educational, employment or other activities to support independence and create a sense of worth.**
- **Minimise levels of substance misuse, dependency or reduced intake to improve health outcomes.**
- **Joint working with specialist organisations to provide support for clients with complex needs, including mental health issues.**
- **Monitor the position of homeless applicants who are owed a homeless duty, being discharged into the Private Rented Sector and consider any unintended consequences.**
- **Evaluate implications of Welfare Reform changes and establish options to minimise the risk of homelessness.**
- **Review our response when the severe weather protocol is implemented to consider service improvements.**

Key Objective 4

To foster good community health & Wellbeing

Where are we now?

The Council has recently developed 'Ward Profiles' which provide an assessment of each ward's strengths, weaknesses, and opportunities. In turn, these profiles will help provide a platform for neighbourhood planning that seeks to support the Council's broader planning proposals. We wish to transfer power to local communities for them to shape the areas they live in.

The profiles examine the different types and sizes of homes available in our neighbourhoods to enable plans to provide the homes that people want and need. We recognise that our communities will want different types of homes including affordable, privately owned or privately rented to provide options that give choice and are affordable to all.

Localism

The Localism Act has provided flexibilities to local authorities concerning the way affordable housing tenancies are accessed or managed.

The City Council's Tenancy Strategy (Gloucester City Council, 2012) sets out our approach to these flexibilities, and how they support the objectives of this over-arching housing strategy; that is to create an environment where there are a range of tenancies available, that offer sufficient security to tenants; allows flexibility to respond to tenant aspirations, including moves to market housing; are responsive to different neighbourhood environments to ensure well-balanced neighbourhoods; make the best use of existing housing; and increase the number of affordable homes in the City.

In order to ensure healthy lifetime neighbourhoods our strategy requires that where there is any large scale new development or regeneration schemes to be undertaken, we will expect a Registered Provider to work closely with the Council so that we ensure that any new proposals complement the profile of a given area.

An important element of the Tenancy Strategy concerns the introduction of 'flexible tenancies' on larger properties, to ensure that this valuable resource is made best use of, and should a large house no longer be needed by a household due to their family size or changed financial circumstances, opportunities will exist to explore other options, including shared ownership or market purchase, or to bring the tenancy to an end.

The Care Act 2014

2014 saw a radical modernisation of the law so that people's wellbeing is at the heart of the care and support system. The Care Act (Govt, 2014) is concerned with the provision for vulnerable people or those adults considered at risk of, referred to as 'people with care and support needs'. All staff (including housing staff and contractors) that come into contact with people with care and support needs who may be vulnerable to abuse and neglect should understand that safeguarding procedures apply to this group.

The Act has strengthened the linkages between housing and care; with a general duty now placed on a local authority, to promote an individual's well-being and that of any carer, and in doing so, consider
the following—
(a) personal dignity (including treatment of the individual with respect);
(b) physical and mental health and emotional well-being;
(c) protection from abuse and neglect;
(d) control by the individual over day-to-day life (including over care and support, or support, provided to the individual and the way in which it is provided);
(e) participation in work, education, training or recreation;
(f) social and economic well-being;
(g) domestic, family and personal relationships;
(h) suitability of living accommodation;
(i) the individual's contribution to society.
And in so doing, prevent the need for care and support. For the purposes of the legislation, the

provision of housing accommodation is a health-related service. A local authority must co-operate with those it considers appropriate, or who are engaged in activities, in the area relating to adults with needs for care, and support or relating to Carers.

The provision of appropriate housing can be a way to prevent needs for care and support or to delay deterioration over time. Getting housing right and helping people to choose the right housing options for them can help to prevent falls, prevent hospital admissions and re-admissions, reduce the need for care and support, improve wellbeing and help to maintain independence at home.

Safeguarding

The Care Act requires Local Authorities to: -

- consider the physical, mental and emotional wellbeing of individuals
- make or arrange for safeguarding enquiries
- set up Safeguarding Adults Boards
- arrange for independent advocacy when it is needed
- cooperate with each of its relevant partners

We encourage all of Registered Provider Partners to ensure they have appropriate training in place and refreshed to ensure their staff know about and understand the requirements concerning safeguarding.

District Housing Authorities and Registered Providers share in the responsibilities to undertake enquiries where they may have cause, or suspect that an adult in its area has needs for care and support (whether or not the authority is meeting any of those needs), should they be

(i) experiencing, or are at risk of, abuse or neglect, and

(ii) as a result of those needs is unable to protect himself or herself against the abuse or neglect or the risk of it.

"Abuse" includes financial abuse; and for that purpose "financial abuse" includes—

(a) having money or other property stolen,

(b) being defrauded,

(c) being put under pressure in relation to money or other property, and/or

(d) having money or other property misused.

We will work in partnership with Adult and Childrens Services, local Safeguarding Boards, health, the police and other agencies to ensure the effectiveness of our safeguarding arrangements including the creation of a Housing Forum if necessary. As a local authority, we will ensure we are engaged when it is appropriate with public protection forums (MARACs, MAPPAs, Health and Wellbeing Boards and Community Safety partnerships.

In our partnership working we will promote and embed the six Government Safeguarding principles:–

- Empowerment
- Protection
- Prevention
- Proportionate responses
- Partnership
- Accountability

We will also look at commissioning private emergency accommodation that provides exclusive use to the authority. This is so we can undertake the necessary risk assessments to accommodate and safeguard vulnerable people.

Domestic Abuse Services

Through the partnership with Supporting People, a new Domestic Abuse service commenced in 2012 and is intended to provide support in a variety of settings to meet the specific needs of victims and their families. To avoid disruption and instability to families, support arrangements can occur in a victim's existing home, a refuge or by supporting the victim to move permanently, these services are available to any victim regardless of gender. The Service aim is to intervene as early as possible to prevent situations escalating.

Through the Support Provider, we will provide places of safety in a crisis and then support for families to return to their communities, where safe and they wish to do so. Through our successful relationship with Safe Partnership, we will continue to make available additional security measures tailored to meet the needs of the victim and their family, including a 'sanctuary room' in appropriate cases, to protect against any repeat violent incidents.

We will keep our arrangements for the victims of domestic violence under review to ensure we offer a high quality service. We will also look to create a network of places of safety throughout the county, as a resource for placing families or individuals fleeing violence, at crisis stage.

Community Based Support

Part of our approach to supporting vulnerable people bas been to work with Supporting People, part of the County Council, to commission a new generic community based support. This is a more comprehensive service with a greater range of skills can be made available to service users; e.g. individuals do not always neatly match a specific 'label' e.g. homeless, substance misuse, young people, mental health, offenders etc.

Support will be offered where there are levels of risk and safeguarding concerns to individuals, and communities experiencing difficulties e.g. domestic abuse, chaotic drug and alcohol misuse

This service plays a crucial role across many client groups, in fulfilling our 'early intervention' intentions, in order to offer support, before situations, deteriorate and breakdown, sometimes to crisis and 'roofless' situations. We encourage our partners to refer or signpost to those who may need additional support. We believe it will not only be advantageous to individuals and their families, but also be far more cost effective. We will keep under review and evaluate outcomes and if necessary seek modifications throughout the period of the strategy.

Well-Being

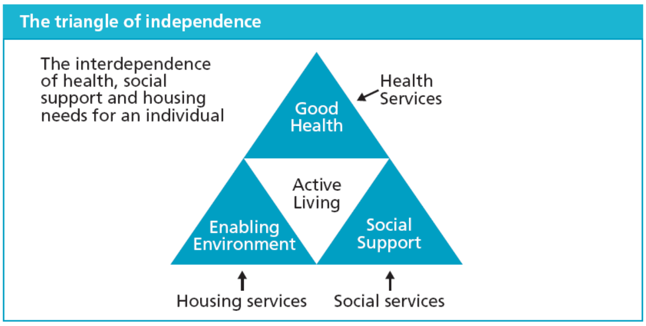
The recently created Gloucestershire Shadow Health and Wellbeing Board (GSHWB) has in partnership with social care colleagues set out its strategy (Gloucestershire County Council, 2012) and vision for health and well-being: **Working Together to Live Well and Stay Well'**

The aim of the vision is 'To improve the health of all Gloucestershire residents and protect the most vulnerable' by 'working with our communities to co-produce health, wellbeing and resilience.'

The strategy is based on four life stages, those are

- Starting well
- Developing well
- Living & working well
- Ageing well

The strategy acknowledges that improved health brings wider social and economic benefits for everyone such as increased productivity and tax revenue and reductions in welfare payments. Below you will see the role housing can play in supporting the life-stages above.



(CLG, 2008)

The Strategy reports that health inequalities arise from differences in the social and economic conditions in which people are born and live and as a result the burden of ill health is disproportionately experienced by individuals, families and communities where there are lower incomes and lower educational levels. Evidence identifies high levels of health inequalities in neighbourhoods mainly located in central Gloucester.

The Strategy also reports hospital admissions due to a hip fracture are higher than the English average within Gloucester City. It also says that the proportion of excess winter deaths in Gloucestershire is 18.5% which is comparable to the England figure of 18.7%. However, within Gloucester City, numbers are recorded as 23.3%.

The Adamson stock condition report of 2011 also reported an increase in the City with the percentage of households with at least one member with long term illness or disability (from 15.5% to 20.6%) and goes on to demonstrate that that there is significant cost to the NHS from people suffering accident and illness due to falls and excess cold in the home.

We will look for opportunities for partnership working with public health through the Health and Well Being Board to develop projects and harness resource to tackle these hazards.

Where extensive adaptations are required to a property, we will consider whether this is the best way of meeting the housing needs of the household, and investigate alternative housing options.

When working with Registered Providers on new or revised service arrangements or developments, we will check that proposals adequately address Health & Wellbeing and meet with our Lifetime Neighbourhood requirements set out below.

Older People and their Well-Being

According to research (Housing Learning & Improvement Network HLIN, 2012) , on average each older person living in specialist housing reduces costs to other publicly funded services by £550 (Capgemini 2009)

By contrast, poor housing is very often a contributory factor to 'winter deaths', a range of health problems in older people, such as heart and respiratory conditions, as well as serious injuries and deaths from falls. To help take the strain off Health & Adult Social Care, we will support the creation of specialist housing; support for people in their own homes, or other environments that are suitable.

Experience shows us that older people thrive where they live in safe environments, that avoid trips and falls, that are warm and well maintained. We wish to explore and encourage other preventative housing measures to support those less mobile, offering older people a better quality of life, and also prevent unnecessary care costs.

We know the projections regarding our ageing population and predicted needs, and we wish to work with Older People to enhance our understanding of their aspirations for accommodation, from independent accommodation to 'care ready' or 'extra care' type arrangements and put in place plans to deliver suitable schemes in line with demographic changes.

Health Issues in Gloucester

Age 75+ Predicted to	2011	2015	2020
Have a long term limiting illness	4,907	5,135	5,799
have dementia	1,146	1,245	1,415
be admitted to hospital due to a fall	328	342	386

Challenges to Independence: Daily Tasks

Aged 75+ unable to manage:	2009	2015	2020
at least one domestic task alone	5,082	5,420	6,093
at least one self-care activity alone	4,127	4,393	4,931
at last one mobile activity alone	2,415	2,591	2,913

Source Projecting Older People Population Information System (POPPI)

A recent report 'Housing for our Ageing Population' (Network, 2012) identified ten key design elements that we will encourage partners or developers to incorporate into their proposals. Design features such as the inclusion of generous space standards, plenty of natural light, avoidance of an institutional environment etc. and also making the accommodation as 'care ready' for older people, to ensure they contribute to the best possible outcomes for older people.

There are different types of accommodation available for older people that typically fall within the following categories.

Mainstream Housing
Adapted Housing
General Needs Housing
Lifetime Homes
Specialised Housing
Sheltered/Retirement Housing
Very sheltered/Assisted Living
Extra Care/Close Care housing
Retirement Village
Residential Care **or Care Homes**
Residential Care
Nursing Home
Specialised Care Homes

Proposed New Health & Wellbeing Hubs

The approach to offering support within Sheltered Housing Schemes is beginning to change. It is recognised that often many people living within such schemes are active and well and require little support, whilst in the wider locality; there may be more frail individuals who are quite isolated and vulnerable. We are beginning to explore Hubs in different localities in the City that can offer services to both residents within Sheltered Housing schemes and also the wider community. Staff in the hubs will play an important role in the early identification of vulnerable people and offer or secure alternative support, as well as stimulate activities within which local people can become involved.

Specialist Provision

It is inevitable, that with the growing ageing population, as outlined above, we will need to cater for people who develop dementia, and encourage options that support their partners. Due to the ageing population in the county we have a higher than average rate of dementia within our population. The number of people aged 65 and over with a form of dementia is currently around 8,500 and is projected to grow by over 70% by 2030.

We therefore will explore the provision of specialist provision for dementia suffers and where appropriate consider the needs of family members, within the City.

Home Improvement Scheme – Safe at Home

Home improvement schemes are available to help homeowners and private sector tenants who are older or disabled to remain in their own home, living independently, in safety and comfort. Home improvement schemes also advise on home improvements and adaptations that their clients may need, and help them to apply for local authority grants or loans to fund the required work.

The City Council and district Partners have worked in partnership with Gloucestershire County Council's Supporting People Team to put in place a contract for three years, commencing June 2011 and are currently within a one year extension. The service is expected to be re-tendered during 2015-16. This service not only provides adaptations to allow people to remain at home, but also enables those leaving hospital, who would otherwise not be able to return home.

Lifetime Neighbourhoods

We wish to create Lifetime neighbourhoods, which offer everyone the best possible chance of health, wellbeing, and social, economic and civic engagement regardless of age. **"**Lifetime neighbourhoods provide the built environment, infrastructure, housing, services and shared social space that allows us to pursue our own ambitions for a high quality of life. They do not exclude people through age, frailty or disability" (CLG, 2007). Lifetime neighbourhoods will however reap an 'age dividend' of improved health, inclusion and participation. As part of this approach and building on our Core Strategy proposals, we will seek 10% of Lifetime Homes on all new residential developments, and a proportion of 'wheelchair user standard' homes in proportion with the evidence available at the time of development.

The Government has recently been consulting on its intended 'Housing Standards', the findings of which we will review and may well adapt our approach further depending on the guidelines published.

We will begin to use an 'asset based' approach to community health and wellbeing, building on the strengths and assets within communities. This type of approach will enable citizens and charities to complement the work of service providers. GCH have been piloting such proposals and will be extending those arrangements during 2014-15.

Community Safety

Through our Safer Gloucester Partnership it is recognised that every agency has a vital role to play in tackling anti-social behaviour (ASB) and the aim is for all organisations and communities to work together to ensure that our communities are safe and tolerant and well maintained.

Secure By Design

We encourage developers to follow Secure by Design (APCO, 2010) principles when building new or regenerating areas of housing. Secure by Design is a Police led initiative that seeks to minimise crime by designing it out of housing layouts or incorporating features including good surveillance that would make it difficult for crimes to be undertaken undetected.

Research has shown that 'secure by design' developments suffer at least 50% less burglary, 25% less vehicle crime and 25% less criminal damage that those not designed accordingly.

We are currently awaiting the results of the Government's Housing Standards consultation, which did take into account crime prevention measures. Whilst in the consultation period of this strategy, it is hoped the new guidelines will be available and we may relate our requirements to any enhanced guidance.

Antisocial Behaviour (ASB) & Hate Crime

A multi-agency team called Project SOLACE was created to bring agencies together to deal with ASB. Project SOLACE is a partnership of Gloucester City Council, GCH, and Gloucestershire Constabulary. Gloucester City Homes manage the team and is supported by a Council Officer.

Whilst Project SOLACE tackles ASB where it exists in private tenancies, owner-occupiers and public places, Registered Providers play an important role in tackling ASB within their own housing stock. The City council welcomes and urges all RPs operating in the City to take advantage of new tools or legislation to tackle any ASB that arises.

In 2014 the government passed the Anti-social behaviour, Crime and Policing Act 2014, The intention was to *"move away from having a tool for every different problem"* to a new approach designed to ensure that local authorities, the police and partners have *"faster more flexible tools"* to respond to problems with *"victims at the heart of the response"*.

The Act encourages collaborative working between agencies and the main elements include:

- New measures for responding to anti-social behaviour
- Dangerous Dogs
- Firearms
- Protection from sexual harm and violence
- Forced marriage

The Act provides for a new community trigger and a 'community remedy' to empower victims and communities, allowing them a greater say in how agencies respond to complaints of ASB and with options in out-of-court sanctions for offenders.

In addition, the legislation has provided for 'Injunctions to prevent nuisance and annoyance' (IPNA's) which are a civil power which may be applied for by a range of agencies to deal with anti-social individuals. It is anticipated that the Council or housing providers, along with the Police, will make use of these tools.

Registered Providers, will need to adapt their practices to reflect the new arrangements.

Hate Crime is one of the priorities for the Gloucester Community Safety Partnership. It involves any criminal offence which is perceived by the victim or any other person, to be motivated by hostility or prejudice based on a personal characteristic. The definition covers age, disability, gender-identity, marriage or civil partnership, pregnancy or maternity matters, race, religion or faith and sexual orientation. We will encourage the 'Challenge It, Report It, Stop It' approach to minimise occurrences of hate crime.

We will promote the government requirements concerning hate crime with our RP partners and encourage an approach where there is ease of reporting.

What do we want to achieve?

- **A clear statement projecting housing requirements in relation to Older People, meeting a broad range of aspirations from independent accommodation through to Extra Care or Care Ready accommodation.**
- **Well designed and high quality services that support older people, not just in our sheltered**

housing schemes, but in our wider communities.

- Safeguard vulnerable individuals
- Expand the number of 'places of safety' for those fleeing domestic abuse
- Reduced deprivation
- Explore provision of specialist accommodation for sufferers of dementia.
- Increased resident engagement by all sections of the community.
- Registered Providers utilising all options including the new legislation to tackle Anti-social Behaviour (ASB).
- The implementation of the new arrangements for ASB and an agreed procedure to support the use of the 'community trigger',
- An effective response and decrease in hate crime.
- Wider dispersal area for accommodation for refugees or asylum seekers in the City and county.
- Improved health and well-being.

Resources

Below are some of the resources that we will seek to secure to invest in improved housing outcomes, and draw on some funds through other sources as opportunities arise.

HCA Funding

Through the Homes & Communities Agency (HCA) £1.7bn is the amount available (outside London) of capital grant funding for affordable housing, over the three year programme period, 2015–18 against which bids are invited.

The arrangements for drawing down grant have significantly changed following the associated introduction of 'affordable rents'. In addition RPs have more flexibilities to dispose of housing stock, or undertake conversions on relet to affordable rent, both with the intention of recycling funds back into new housing provision.

In order to make use of grant funding from the HCA, the City Council has and must continue to identify, prioritise and promote suitable sites for the delivery of affordable housing and work with Registered Provider partners to stimulate investment of grant allocations here in the City.

The City Council's priorities for investment have been set out in the Council's emerging Regeneration and Economic Development strategy, and formerly within a Local Investment Plan formulated with other District authorities within the county. **The key strategic sites within the City are**: - The Kings Quarter, Blackfriars, Greyfriars, The Fleece, Gloucester Quays, and more localised neighbourhood regeneration in Matson and Podsmead.

The HCA also make other funding opportunities available periodically, such as the Local Infrastructure Fund, Care and Support Specialised Housing Fund, Build to Rent. Similarly we will work in partnership with organisations meeting the criteria to bid for such funding to secure investment in the City.

New Homes Bonus

The NHB funding stream match funds the council tax raised on each new home for a period of six years. There is also a premium of £350 paid for each affordable home developed or empty home returned to use.

Our objectives to increase the supply of all homes and affordable homes will see increased funding being made available to the local authority if we are successful.

The New Homes Bonus provisional allocation for 2015-2016 Gloucester City Council will total £3,084,871. This year 5 instalment includes an affordable homes premium of £26,600. The total NHB to date is £9,840,133

Given the current pressures on local authorities and allocations from central government, we will use these funds to support our base budgets; however we will keep under review the future use of NHB in the City.

S106 & Capital Funding

From time to time, commuted sums are taken in lieu of affordable housing on site for newly consented schemes. Taking a commuted sum is typically considered where a site would seem unsuitable for affordable housing e.g. where there is already sufficient in the locality or some other exceptional case as may considered assuming it complies with the legislation. Such funds represent the value of land that would have been made available for affordable housing.

Since we produced our draft strategy for consultation, the figure of £661,258 has reduced to £8,758 following expenditure on schemes within the City.

The priorities we propose for the continued use of these funds are: -

- To support new build delivery on suitable sites.
- To support sites where scheme viability is borderline.
- To provide specialist accommodation not provided as standard on new build developments.

Right to Buy Receipts

in March 2012 the government changed the rules (CLG, 2012) concerning RTB receipts used for replacement homes, and any new development where these funds are used, must form no more than 30% of the total expenditure on the replacement stock. It is intended that the remainder beyond the 30% comes from other resources including loans financed from 'affordable' rents (up to 80% of market rents), the council's own resources or funding from partners including housing associations or developers,

The City Council has signed an agreement with DCLG to keep the receipts to assist with the provision of new affordable housing in the city. The value of receipts currently is £1,303,261.78 and based on the rules above must generate £4,344,205 worth of new development of affordable housing. Given the forthcoming stock transfer, no further receipts are now to be received by the Council. As part of the stock transfer arrangement £600k of these receipts will be used to provide new dwellings through Gloucester City Homes and the Council will seek to use the remaining funds to deliver affordable housing to support the objectives of this strategy.

Other Capital Funding

Gloucester Housing Market Partnership

The development of the urban extension at Kingsway of around 3300 homes has in the last decade provided a sizeable proportion of affordable homes within the City. Capital funding was formerly designated to deliver homes at Kingsway and £85,283 remains to support future phases. As a consequence of the planning condition in place relating to Kingsway, units delivered are required to be 'social rented' tenure or shared ownership, therefore the inability to attract HCA subsidy, available to support 'affordable rent' means supporting delivery with City Council funds remains critical.

Funding Source	2014-15
Capital funding	£85,283
Disabled Facilities Grant	£500000
GCC Top Up for Disabled Facilities Grant	Budget proposal to increase from £300-£400k
Right to buy receipts	**£1,303,261.78** Formula permits £4.34M of deveopment
Commuted Sums from s106 contributions	£8,758

Key Objectives – Delivery Plan

Key Objective 1	**Action**	**Measure or Target**	**Target Date**	***H relates to homeless***	**Responsible Officer or Resources**
Action 1.1	Identified five year land supply	Strategic Assessment of Land Availability & Joint Core Strategy Housing Background Paper (Nov 2014)	2014-15		Planning Policy
Action 1.2	Providing the stimulus for investment in housing in the City	Investment in affordable housing in the City Grant Total Investment	Annual review		Planning Policy & Housing Strategy & Enabling
Action 1.3	Improved planning policy for housing	Production of Supplementary Planning Document	2014-15		Planning Policy & Enabling
Action 1.4	Maximising Affordable Housing provision through S106 agreements	Monitoring % negotiated & actual levels of affordable housing delivered, against economic circumstances, Greenfield/Brownfield land.	Annual review		Development Management & Housing Strategy & Enabling Service
Action 1.5	Consider partnerships with larger investment organisations (e.g. Real Estate Investment Trusts, Pensions Companies)	Evidence of options	2015-16		Housing Strategy & Enabling Service
Action 1.6	Release under occupied homes	Social Sector Private Sector	Annual review		Housing Strategy & Enabling Service
Action 1.7	Explore opportunities to develop homes above shops or in former retail areas	Units delivered above shops or in retail areas.	2016-17		Housing Strategy & Enabling Service
Action 1.8	Explore opportunities for conversions from commercial to residential	Assessment of options and any conversions made.	2015-17		Housing Strategy & Enabling Service – Private Sector Housing Service
Action 1.9	Engage with Private Landlords to secure properties to provide options for those threatened with homelessness	Evidence of properties nominated to or leased.	Annual review		Housing Strategy & Enabling Service

Key Objective 1	Action	Measure or Target	Target Date	*H relates to homeless*	Responsible Officer or Resources
Action 1.10	Use existing Empty Homes funding Allocation to return empty homes back to use and bid for any future funding opportunities	Evidence of specific properties returned to use.	2015		Housing Strategy & Enabling Service – Private Sector Housing Service
Action 1.11	Undertake enforcement action on longer term empty properties or those creating a nuisance, and ensure that no more than 3% of homes are empty in the City	Measure total number of empty properties brought back into use	Quarterly Review		Environmental Health & Enabling
Action 1.12	Provide private tenants with the information to enable them to assess the condition of their accommodation	Evidence of material used to support action.	Annual review		Private Sector Housing Service
Action 1.13	Carry out enforcement action to improve the condition of privately rented properties and target enforcement action in the areas identified as having the worst conditions.	Reduced the number of Category 1 hazards	Annual review		Private Sector Housing Service
Action 1.14	Work in partnership with advice agencies to deliver energy saving improvements to residential accommodation.	Numbers of referrals made, and the number of measures installed.	2015-onward		Private Sector Housing Service
Action 1.15	Use the existing Fit To Rent Accreditation scheme to ensure continuous improvement in the private rented sector.	Numbers joining the scheme.	Annual review		Private Sector Housing Service
Action 1.16	Promote electrical safety awareness to encourage owners to replace old electrical wiring.	Evidence of publicity material or re-wiring undertaken via Building Control	Annual review		Private Sector Housing Service

Key Objective 1	Action	Measure or Target	Target Date	*H relates to homeless*	Responsible Officer or Resources
Action 1.17	Monitor migration patterns to understand the need for provision or understand any local neighbourhood effects.	Evidence concerning migration.	Quarterly throughout life of strategy		Housing Strategy & Enabling Service

Key Objective 2	Action	Measure	Target Date	Responsible Officer or Resources
Action 2.1	Update Strategic Housing Market Assessment to inform the requirement for different size, types and mix of homes	Completed SHMA	Summer 2016	Housing Strategy & Enabling Service
Action2.2	To set out requirements in City Plan documents for those people with specific needs or disabilities including the provision of life time homes and wheelchair user accommodation.	Reduction of waiting time for specialist accommodation	2015-16	Housing Strategy & Enabling Service
Action 2.3	Ensure all HMO's subject to mandatory licensing are properly licensed.	Increasing numbers of new licenses.	Annual review	Private Sector Housing Service
Action 2.4	Conduct a more detailed evaluation of housing requirements and options for older people.	Detailed approach on Older Person accommodation requirements within City Plan to aide discussions with existing and new providers.	2015	Housing Strategy & Enabling Service

Key Objective 2	Action	Measure or Target	Target Date	*H relates to homeless*	Responsible Officer or Resources
Action 2.5	Develop homes for older people; or disabled people within communities to take advantage of community support or to be able to use personalised budgets locally on care or support.	Increased options provided through Neighbourhood Hubs. Asset Based Community Activities being undertaken within communities.	Annual review		Housing Strategy & Enabling Service
Action 2.6	Respond to requests for adaptations as quickly as possible, and develop options for additional advice and support, where a move might be more appropriate than an adaptation.	Numbers of individual s who moved to more suitable accommodation increasing.	Annual review		Private Sector Housing Service
Action 2.7	Ensure sufficient levels of temporary accommodation to avoid the use of unsuitable bed and breakfast accommodation other than on an exceptional basis.	More suitable temporary accommodation for homeless clients. Less expenditure on B&B	2015-16	H	Housing Strategy & Enabling Service
Action 2.8	Explore shared accommodation and other HMO type arrangements to support increasing numbers under 35 ineligible for more than a single room rent.	Choice based lettings (Homeseeker) will be analysed to determine the trend in the number of applications for housing.	2015-16	H	Housing Strategy & Enabling Service
Action 2.9	Develop specialist accommodation for people with complex needs	Increased bed spaces available to those complex needs within the City.	2015	H	Housing Strategy & Enabling Service

Key Objective 2	Action	Measure or Target	Target Date	*H relates to homeless*	Responsible Officer or Resources
Action 2.10	Work with RPs to identify tenants under-occupying and those overcrowded to encourage moves to more suitable accommodation	Easy access system to match eligible people to the correct properties	2016-17		Homelessness & Housing Advice Service
Action 2.11	Encourage the involvement of Older People, disabled or minority groups, in shaping plans for their area or homes.	Better outcomes for individuals in their own homes and neighbourhoods.	Annual review		Housing Strategy & Enabling Service with Registered Providers
Action 2.12	Promote our urban and neighbourhood regeneration priorities with key funding organisations, including HCA and GFirst.	Number of key regeneration starts on site Amount of subsidy attracted to regeneration sites.	Annual review		Housing Strategy & Enabling Service
Action 2.13	Introduce a regular mechanism for consultation with the Travelling Showpeople Community and any other Traveller communities.	Continued engagement with Travelling Show People community or other communities if need identified Identify opportunities for pitches if need identified	2015 & ongoing		Housing Strategy & Enabling Service & Planning Policy

Key Objective 2	Action	Measure or Target	Target Date	*H relates to homeless*	Responsible Officer or Resources
Action 2.14	We will agree short, medium and longer term priorities for investment into the City Council's housing stock to support regeneration and more effective use of our land assets and agree the most effective way of resourcing those improvements.	Phased plans for neighbourhood regeneration. Funding arrangements identified for neighbourhood regeneration.	2015-16		Housing Strategy & Enabling Service

Key Objective 3	Action	Measure	Target Date	Responsible Officer or Resources
Action 3.1	We will explore new arrangements with organisations able to offer independent legal or financial advice to prevent homelessness.	Numbers being offered advice to minimise repossessions for those unintentionally homeless.	2015	Homelessness & Housing Advice Service
Action 3.2	Identify individuals or households affected by Welfare Benefit changes and offer advice and assistance to secure affordable accommodation.	Data identifying clients affected by changes and evidence of advice or support offered.	6 monthly throughout YR 1-2 of strategy & review	Homelessness & Housing Advice Service & Civica
Action 3.3	Monitor the framework concerning the use of discretionary housing funds.	Numbers of households prevented from becoming homeless through the use of Discretionary Housing funds.	6 monthly throughout YR 1-2 of strategy & review	Homelessness & Housing Advice Service & Civica
Action 3.4	We will develop more interim or hostel type accommodation in the medium term to respond to certain household presenting as homeless.	Numbers of interim accommodation.	Continuous	Homelessness & Housing Advice Service
Action 3.5	Support the transition of a new service to meet the needs of rough sleepers.	Improved service outcomes for rough sleepers with complex needs.	2015	Housing Strategy & Housing Strategy & Enabling Service

Key Objective 3	Action	Measure or Target	Target Date	*H relates to homeless*	Responsible Officer or Resources
Action 3.6	Ensure there is effective outreach to engage with rough sleepers and those with chaotic needs or complex behaviours to ensure support is available.	Less rough sleeping	2015		Housing Strategy & Enabling Service
Action 3.7	We will work in partnership with local agencies to support vulnerable former EU Workers or other migrants to return to their country of origin and receive appropriate support, or other enforcement action if necessary.	The development of an agreement between partner agencies concerning migrants with no recourse to public funds.	2015		Housing Strategy & Enabling Service
Action 3.8	In conjunction with Supporting People we will review all accommodation made available to homeless or vulnerable individuals that provide support.	A revised network of homeless accommodation identified, with clear guidelines around support available.	Quarterly		Housing Strategy & Enabling Service with Supporting People
Action 3.9	Build on the quality of frontline services to meet the 10 Challenges of the Gold Standard set via CLG	Assessment against Gold Standard criteria. Evidence of improvement plan.	2015		Homelessness & Housing Advice Service & Customer Services
Action 3.10	Keep under review homeless applicants who are owed a homeless duty, being discharged into the Private Rented Sector and consider any unintended consequences associated with new legislation.	Cases being re-opened under 're-application duty'.	2015 & determine further frequency of review		Homelessness & Housing Advice Service

Key Objective 3	Action	Measure or Target	Target Date	*H relates to homeless*	Responsible Officer or Resources
Action 3.11	Evaluate implications of Welfare Reform changes and establish options to minimise the risk of homelessness.	Routinely review data associated with Benefits and the affordability of accommodation and risk to homelessness.	6 monthly through & determine frequency thereafter		Homelessness & Housing Advice Service & Housing Strategy & Enabling Service and Civica Client Officer
Action 3.12	Review our response when the severe weather protocol is implemented to consider service improvements.	Any revised arrangements to support the severe weather protocol.	2015 & annually		Housing Strategy & Enabling Service

Key Objective 4	Action	Measure	Target Date	Responsible Officer or Resources
Action 4.1	Better working relationship with Gloucester residents	Resident survey will show increased % of involvement	2016-17	Housing Strategy & Enabling Service Private Sector Housing Service Housing Options & Advice Service
Action 4.2	Close links with Home Office or contracted housing organisations	Evidence of accommodation in the City and a move toward more balanced arrangements in the county	6 monthly	Housing Strategy & Enabling Service
Action 4.3	Increased number of homes/support for people with special needs	Evidence from SP contracts & KPI's Evidence of specialist dwellings	6 monthly	Housing Strategy & Enabling Service

Key Objective 4	Action	Measure	Target Date	Responsible Officer or Resources
Action 4.4	Consider whether a specialist Register can be derived from the existing Choice Based lettings system for those who require specialist accommodation, to be matched with Providers offering specialist provision.	A more specialist register and effective letting of adapted or specialist provision.	2016	Housing Strategy & Enabling Service
Action 4.5	Working in partnership with other agencies (SP, districts, health, County Council etc)	Indices of deprivation will go down including crime & ASB	Review every 2 years	Housing Strategy & Enabling Service
Action 4.6	Review Tenancy Strategy Objectives Tenancy Strategy – less no. of tenants under occupying	Reduction in churn within communities.	2015	Housing Strategy & Enabling Service
Action 4.7	Encourage Registered Providers utilising all options, including any new legislation at their disposal to tackle ASB.	Annual RP interviews – assessment of measures to tackle ASB in the City.	Annually assessments with RPs 2015 review arrangements with Police	Housing Strategy & Enabling Service
Action 4.8	Encourage Registered Providers to promote initiatives that seek to prevent hate crime.	Annual & periodic RP interviews/meetings – assessment of measures to tackle hate crime in the City.	Annual Review	Housing Strategy & Enabling Service

Key Objective 4	Action	Measure	Target Date	Responsible Officer or Resources
Action 4.9	We will look for opportunities for partnership working with public health through the Health and Well Being Board to develop projects and harness resource to tackle these hazards.	Funding secured or joint projects and outcomes.	2015	Environmental Health & Housing Strategy & Enabling Service
Action 4.10	Look for alternative cost-effective solutions to properties requiring extensive adaptations.	Recorded diversions from DFG to move to suitable alternative accommodation.	2015	Environmental Health & Housing Strategy & Enabling Service
Action 4.11	Engage with County Council concerning the implementation of new arrangements associated with Care Provision	New initiatives commenced	2015	Environmental Health & Housing Strategy & Enabling Service & Housing Services
Action 4.12	Explore an increase to create a network of 'places of safety' for those fleeing domestic abuse.	Number of properties acquired	2015	Housing Strategy & Enabling Service

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Glossary	
Affordable Housing	There are a number of different types of products which come under the Government's definition of 'affordable housing': Affordable housing includes social rented, affordable rented and intermediate housing (both for rent and sale e.g. shared ownership, where a part share of the property is bought and rent payable on the un-owned share, enabling full occupation by purchaser/household), provided to eligible households whose needs are not met by the open market. Eligibility is determined with regard to local incomes and local house prices.
Arms Length Management Organisation (ALMO)	Gloucester City Homes (ALMO) is a not-for-profit company that is contracted to provide housing services on behalf of Gloucester City Council.
Asset Based Community Development (ABCD)	Recognising and identifying the strengths that exist in communities (the assets). Working together with communities, practice has shown that it improves a community's effectiveness.
Capital Funding	This is funding incurred for acquiring new or second hand homes or to make improvements in dwellings and in housing terms can be thought of as anything that increases the quantity or quality of the stock. It can include payments to lawyers, surveyors etc in connection with the purchase of land or buildings.
City Vision	A shared document detailing shared priorities for the City developed with partners and residents.
Commissioning	Commissioning is essentially a structured way of deciding how and on whom public money should be spent. Commissioning is a cycle that involves: • Assessment (or reassessment) of need Identifying resources • Planning how to use the resources • Arranging service delivery through a procurement process • Monitoring and reviewing service delivery
Communities and Local Government (CLG)	Is the UK Government Department for Communities and Local Government
Commuted Sums	A capital payment made by a developer to the council usually in lieu of the provision of an item that would otherwise have been provided through a planning obligation, in the case of housing, a cash sum provided rather than the provision of provision.
Council Plan	The Council Plan sets out the council's approach to meeting its corporate objectives that is the desired outcomes we wish to achieve relating to the council's services or activities.

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Decent Homes	All social housing must meet the Decent Homes standard, be warm, weatherproof and have reasonably modern facilities.
Deprivation Index	A collection of statistical indicators for income, employment, health, education, housing, quality of living environment, access to open space and crime comprise the deprivation index. This tool helps us understand how areas within the city are performing in comparison with other geographical areas in the City and beyond.
Demography	Characteristics and statistics of human population: the characteristics of a human population or part of it, especially its size, growth, density, distribution, and statistics regarding birth, marriage, disease, and death .
Discretionary Housing Payments (DHP)	It is a way of helping you if the housing benefit you get is not enough to pay your rent. There are criteria against which claims for DHP are assessed that vary between local authorities. DHPs are not the same as Housing Benefit. They are special payments which come from a separate cash limited fund. Once the fund has been spent in any financial year no more Discretionary Housing Payments can be made.
Equalities	Equalities are about 'creating a fairer society', where everyone can participate and has the opportunity to fulfil their potential'
Extra Care	The term 'extra care' housing is used to describe developments that comprise self-contained homes with design features and support services available to enable self- care and independent living. Extra care housing is popular with people whose disabilities, frailty or health needs make ordinary housing unsuitable but who do not need or want to move to long term care (residential or nursing homes).
Gloucestershire Shadow Health and Wellbeing Board (GSHWB)	The Health and Social Care Act (2012) introduced wide ranging reforms across health and social care services. As part of these reforms every upper tier local authority has to set up a Health and Wellbeing Board.
Homelessness (suitability of Accommodation) England Order 2012 (SI 2012/2588)	Local Housing Authorities have the power to meet their main homelessness duty with offers of accommodation in the Private Rented Sector, without requiring the Applicant's agreement.
Homes and Communities Agency (HCA)	The national housing and regeneration delivery agency for England, enabling local authorities and communities to meet the ambitions they have for their areas; and administers government funding to support housing and infrastructure provision.
Houses in Multiple Occupation (HMO's)	A house is in Multiple Occupation (HMO) if: at least 3 tenants live there, forming more than 1 household, you share toilet, bathroom or kitchen facilities with other tenants.

HAPPI (Housing our Ageing Population Panel)	Ten key design elements that are concerned with meeting the needs and aspirations of our ageing population.
Housing Related Support	Housing Related Support is a service which assists previously homeless and /or vulnerable people to live independently in their own accommodation. The aim of this service is to support people in managing their own home to retain independence and enhance their quality of life.
Housing Strategy	A document that sets out the type of housing outcomes that people which to see in the area. A strategy will normally set out the priorities and means by which improvements will be made to secure the best outcomes.
Housing, Health and Safety Rating System	The housing health and safety rating system (HHSRS) is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings.
Interim Accommodation	Temporary accommodation (usually on an emergency basis typically whilst an application for housing is being assessed)
Intermediate Housing	Is affordable housing with rent set at between social housing and market housing levels
Joint Core Strategy	The plan that identifies locations and levels of residential development throughout Gloucester/Cheltenham/Tewkesbury. See http://www.gct-jcs.org/
Local Enterprise Partnerships (LEP)	Gloucestershire is one of just 39 local enterprise partnerships in England, created by Government to promote a healthy economy. Driven by GFirst, LEP key themes are promotion, skills, connection and investment with the overarching aim of realising Gloucestershire's economic and commercial potential. See LEP website - www.gloslep.co.uk
Local Investment plan	Local Investment Plans reflect local priorities for action and investment and are shared by local authorities and the Homes and Communities Agency. Plans will reflect local circumstances and priorities and so vary significantly in content, focus and length, with an emphasis on priority projects and the support needed over the short and long term to deliver them.
Local Plan	A Local Plan considers how it will meet housing need and show how it will meet that objectively assessed needs, both for market and affordable housing. See http://www.planningportal.gov.uk/planning/planningsystem/localplans for this & other planning terms.
Localism Act 2011	The Act devolves greater powers to councils and neighbourhoods and gives local communities more control over housing and planning decisions.
Mortgage Rescue Scheme	The mortgage rescue scheme is a Government initiative that aims to help homeowners in danger of losing their homes. See mortgagehelp.direct.gov.uk

National Planning Policy Framework	The National Planning Policy Framework sets out government's planning policies for England and how these are expected to be applied.
Neighbourhood Plans	Neighbourhood planning empowers communities to shape the development and growth of a local area through the production of a neighbourhood development plan, a neighbourhood development order or a Community Right to Build Order.
No Recourse to Public Funds	A non UK resident who is ineligible for the following benefits in the UK: - 'Public funds' include a range of income related benefits, together with housing and homelessness support. The full list is as follows: • income-based jobseeker's allowance; • income support; • child tax credit; • working tax credit; • a social fund; • child benefit; • housing benefit; • council tax benefit; • state pension credit; • attendance allowance; • severe disablement allowance; • carer's allowance; • disability living allowance; • an allocation of local authority housing • local authority homelessness assistance
Objectively assessed need.	A phrase derived from the National Planning Policy Framework to describe the basis by which the total demand for housing, from all types of household and for both affordable and market housing; as indicated the evaluation of need should be robust and withstand scrutiny as to the way in which it was formulated.
Personalisation	Is the process of enabling people to be more in control of the services they receive. Every person who receives support, whether funded by Social Services or by themselves, will have choice and control over the shape of that support.
Project SOLACE	A multi-agency team introduced to bring agencies together to deal with Anti Social Behaviour.
Reconnection	For individuals accessing housing on a temporary basis to receive support or in an emergency to prevent rough sleeping, a reconnection policy exists that seeks to ensure individuals are supported to ensure the best possible chance of connecting back to support networks in areas they have previously lived, unless there are exceptional reasons that they are unable to do so.
Registered Providers	Registered Providers (formerly known as Housing Associations), are private non profit making, organisations that provide low-cost social housing for people in need of a home. Any trading surplus is used to maintain existing housing and to help finance new homes. Although independent they are regulated by the state and commonly receive public funding.
Revenue Funding	Expenditure on day-to-day items to run services.
Right to Buy	A right secured through the Part V of the Housing Act 1985 where a tenant holds a secure tenancy has the right to buy the property if they have lived there for more than 5 years and it is not an Elderly Person or Disabled accommodation,.
S106 Agreements	Councils may require developers to make some reasonable financial or practical contribution to the community to address housing or social issues.

Safer Gloucester Partnership	The Safer Gloucester Partnership is the re-branded name of the former Gloucester Crime and Disorder Reduction Partnership, which was formed in 1999 following the Crime and Disorder Act 1998. The Partnership is a multi agency group, comprising representatives from organisations across Gloucester
SALA	Strategic Assessment of Land Availability
Stock Transfer	Where the local authority transfers its housing stock to a new, not-for-profit social housing organisation.
Strategic Housing Market Assessment (SHMA)	An assessment of the housing market area, and the drivers for population change and housing need that informs the requirement of objectively assessed need, and sets out the basis for an appropriate mix of properties including the size, types and mix.
Supporting People	The supporting people programme commissions housing related support services through a working partnership of local government, health, probation, support providers and customers that use support services. The support available can help vulnerable people to live more independently. Examples of the kind of services commissioned and funded through the supporting people programme include domestic violence refuges, homeless hostels, sheltered housing and floating support services.
Sustained Attachments	Longer term attachments to an area or community such as; friends, family, work where positive support networks exist.
Tenancy Strategy	Sets out the matters to which the registered providers of social housing in the local authority are to have regard in developing their tenancy policies and content of tenancies.
The Health & Wellbeing Strategy (Gloucs CCl)	This strategy focuses on strengthening health and wellbeing and preventing ill health in Gloucestershire.

Appendix 2 - Housing Strategy Consultation Response

Between June and September the housing strategy was made available for consultation. The consultation was made available through the City Council's web site and a newspaper advert was placed in attempt to draw attention to it. In addition, the strategy was circulated to Gloucestershire Associations for Voluntary and Community Action (GAVCA) with a request for it to be shared amongst all of its members. A stall was set up on two afternoons in the City Centre, and a further three stakeholder events were held, where it was anticipated we would be able to engage with a broad cross section of the community. The Strategy was circulated to all Members of the Council also.

One stakeholder event was conducted at 'Gloucester City Homes' property Nova House and was directed at individuals who had experienced homelessness or were waiting to be housed. An event at St Oswalds was held to try and engage with some of our older residents.

The most successful of all the events was the 'professional stakeholder' group, where around 120 relevant professionals or organisations were invited along, and around 50 or so attended. Invitations went to statutory partners, elected members, Council Officers involved with the built environment, Developers, letting agents, Registered Providers involved with development, housing management and support.

Despite the publicity around the public events and web consultation we were disappointed with only three web responses. The stakeholder events were poorly attended, with the exception of the professional event, so as a result, the feedback will just be shown as key themes identified below; there was insufficient feedback received to adapt action plan priorities/timescales with confidence. Officers have therefore considered the feedback and have proposed timescales based on knowledge/experience. Key elements of feedback have been used to inform changes to the final draft where they were necessary.

Key aspects reported to us: -

Some concern around the density of flatted developments and the availability of parking.

Influencing who buys and lets homes in certain areas.

That homes should be spacious, accessible and create a sense of community.

Areas too densely populated aren't desirable.

Families need to have functional space to avoid social issues or disputes.

Concern that road widths are adequate, and if not can be exacerbated if insufficient parking.

Adequate areas for storage of recycling facilities.

Query whether there is sufficient infrastructure for increasing population growth.

Are we building homes of sufficient size that people wish to live in them.

Homes should have good sound insulation
You should focus on healthy individuals and developing communities.

10% to Wheelchair standard may be better without mention to Lifetime Homes

The loss of mortgage rescue will leave owners in difficulty with no help from what I can see. As it is no more is there much point it being in a strategy going forward?

Under ‘Resources’ rather than only referring to commuted sums being possible where it is an unsuitable site for affordable could it be added that it would be considered where greater community benefits can be achieved through contributions?

A good point raised was whether there could there be a central register in Gloucester or across the JCS area of people seeking adapted property and a central area where adapted properties can be advertised/made available?

There is agreement that we need to do something to encourage older people to downsize. In the social sector we need an attractive product and we need to communicate and market the offer.

Gloucester City Council

Meeting:	**Overview and Scrutiny Committee** **Cabinet**	**Date:**	**23 February 2015** **25 February 2015**
Subject:	**Review of Cultural Services**		
Report Of:	**Cabinet Member for Regeneration & Culture**		
Wards Affected:	**N/A**		
Key Decision:	**No**	**Budget/Policy Framework:**	**No**
Contact Officer:	**Martin Shields, Director of Services & Neighbourhoods** **Email: martin.shields@gloucester.gov.uk**		**Tel: 396745**
Appendices:	**1. Report recommendations & Implementation Plan from Michael + Partners**		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To provide Members with the details of the work undertaken by Michael + Partners in relation to the City and Folk Museums and the Guildhall and to recommend to Members elements of the report to be taken forward.

2.0 Recommendations

2.1 Overview and Scrutiny Committee is asked to **RESOLVE** that the report be noted, subject to any recommendations the Committee wishes to make to Cabinet.

2.2 Cabinet is asked to **RESOLVE** that

(1) The contents of the Michael + Partners report be noted;

(2) The elements of the review referred to in paragraphs 3.7, 3.9 and 3.11 be approved for implementation with the exception of the first bullet point in paragraph 3.7 which reads: “Creation of a new frontage with box office and café bar”;

(3) A Project Manager be appointed to oversee the implementation of the recommendations in paragraph (2) above;

(4) Councillors Chatterton and McLellan are thanked for their contributions to the cross-party working group.

3.0 Background and Key Issues

3.1 Members will aware that as part of an ongoing priority of the Council to reduce costs and improve service standards a decision was taken to appoint a suitably qualified consultant to advice a cross party working group of Members and officers on options for the future delivery of services at the Guildhall and both Museums.

3.2 Following a tendering and evaluation process Michael + Partners were appointed and the work on the project commenced in June 2014.

3.3 The approach taken for the review, as determined by the Project Group was broken down into five phases;

- Phase 1 – Project Initiation; agreeing scope and objectives
- Phase 2 – Business Review; of all 3 venues, including the offer, audience demand, competition, property limitations and opportunities, marketing, staffing structures and skills profiles
- Phase 3 – Initial Proposals
- Phase 4 – Consultation; with relevant stakeholders
- Phase 5 – Final Proposals; costed recommendations

3.4 The full report, including the detailed analysis of each venue, the final recommendations and proposed implementation plan are attached at Appendix 1 of this report. As Members will see, the report is detailed, comprehensive and offers some radical options for the future running of the services, especially in relation to the Guildhall.

3.5 In order to summarise the reports findings and recommendations it is worth dividing it into the 3 major components i.e. Guildhall, City Museum and Folk Museum.

3.6 **Key Issues – Guildhall**

- The financial position remains a concern. However, the level of subsidy to the service is forecast to reduce in the short term but remain a concern over the longer term period
- Ticket sales continue to improve but venue hire has been disappointing
- Employee costs need reassessing as they include a wide range of Council initiatives not directly linked to core Guildhall business
- The building will require significant investment over the next 10 years

3.7 **Key Recommendations & Opportunities – Guildhall**

- Creation of a new frontage with box office and café bar
- Re-launch the food and drink offer
- Expand meeting and venue hire facilities
- Refurbish the cinema and expand the content to include live cinema relays
- Expand capacity of the main hall and widen the events programme
- Review staffing structures and skills to improve performance in marketing and sales (this also applies to both museums)
- Improve the appearance of the roof top entrance
- Consider outsourcing specific aspects of the service or in its entirety if the right opportunity comes along

3.8 **Key Issues – City Museum**

- As with the Guildhall the financial position remains a concern both in terms of revenue generated through visitors to the museum and the significant building maintenance costs over the next 10 years
- At the time of the review work was ongoing to submit a Heritage Lottery Fund (HLF) bid to support the refurbishment of the upper floor of the museum but this has subsequently been unsuccessful at this stage. However, it is intended to re-submit the bid after further consultation with the HLF
- The catering offer has not achieved anticipated levels of income or customer numbers and needs to be reviewed alongside other catering functions provided by the Council.

3.9 **Key Recommendations & Opportunities – City Museum**

- Implement a new charging model that is simpler to understand and links promotional offers across both museums
- Review the opening hours as per page 62 of the appended report
- The museum offers great value for money and needs to be exploited by improving marketing to target tourists and residents alike both through hard advertising and online promotions
- Reinvigorate the hospitality side of the business by opening up an access way between the City Museum and the library to draw in library users into the café
- Maximise commercial performance in areas such as venue hires, exhibitions and events

3.10 **Key Issues – Folk Museum**

- The museum suffers from low footfall due to its location
- It is a Grade ll* listed building
- The exterior is in poor condition
- Ongoing maintenance costs will be significant over coming years

3.11 **Key Recommendations & Opportunities – Folk Museum**

- The building is quaint and full of character which can be exploited
- The museum would benefit from a re-branding as the consultation indicated that the name was off putting to many visitors. This could raise the profile of the museum if handled well and involved a public competition
- Review the opening hours as per page 62 of the appended report
- Following the recent ‘revamp’ space is available to improve the offer
- The garden is a real selling point and should be promoted alongside a re-launch of the café
- The Ed Shed offers excellent meeting space and should be promoted alongside the garden and café facilities

4.0 Alternative Options Considered

4.1 The review report provides a wide range of options and the consultant achieved, and in some areas exceeded, the original brief. Extensive consultation was undertaken and the final report was acknowledged by the working group to be an excellent piece of work that covered all available options.

5.0 Reasons for Recommendations

5.1 It is recommended that all of the recommendations listed in paragraphs 3.7, 3.9 and 3.11 be approved with the exception of the first bullet point in paragraph 3.7 which reads: “Creation of a new frontage with box office and café bar”.

5.2 After long and careful discussion with Stephen Michael, involving Members and officers this option is deemed to be unaffordable. The building is not for sale and could only be purchased at a premium which would be unlikely to be signed off as ‘best value’ by the Council’s external property advisers.

5.3 It should also be noted that the development of Kings Quarter may bring other opportunities linked to entertainment and as Members will be aware the City Council has already invested substantially in the development of this area.

6.0 Future Work and Conclusions

6.1 Many of the smaller scale recommendations that have little financial value have been, or are being, implemented by the staff at the three locations. However, the intention is to appoint a project manager to oversee the implementation of the major changes that are recommended to ensure the recommendations are delivered without any delay to maximise revenue opportunities.

7.0 Financial Implications

7.1 The recommendations at paragraphs 3.7, 3.9 and 3.11 in some instances will require some financial investment by the Council. These recommendations are however expected to deliver income improvements and costs savings in excess of the investment. This will contribute to delivering the required 2015/16 budget savings.

(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

8.1 Section 144 of the Local Government Act 1972 empowers the Council to provide facilities for conferences and exhibitions and Section 145 of the Act empowers the Council to provide premises for entertainment, including ancillary facilities such as refreshments. The power to provide museums is contained in Section 12 of the Public Libraries and Museums Act 1964.

8.2 The Council’s procurement rules will need to be followed, where relevant, in the engagement of the Project Manager and in procuring any of the works or services identified for implementation in the recommendations.

8.3 The proposal to open up an accessway between the City Museum and the library may also require appropriate legal agreements between the City Council and the County Council.

(Legal Services have been consulted in the preparation this report.)

9.0 Risk & Opportunity Management Implications

9.1 The opportunities arising from this review are clearly spelt out in paragraphs 3.7, 3.9 and 3.11 of this report. Risks relate to underachievement of income targets and ongoing maintenance costs for the buildings however these are well known and manageable within current budgets.

10.0 People Impact Assessment (PIA):

10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, there a full PIA was not required.

11.0 Other Corporate Implications

Community Safety

11.1 Having a vibrant city centre entertainment venue will bring life into the city centre of an evening which creates a feeling of activity and safety.

Sustainability

11.2 There are no sustainability issues linked to this project.

Staffing & Trade Union

11.3 There are no immediate staffing and trade union implications arising from this report. However, it may be necessary to review staffing structures and staff skills as the implementation progresses. These will be conducted in accordance with the Council's restructuring policies.

Background Documents: None

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APPENDIX 1

michael+partners

commercial innovation for culture | media | sport | hospitality

Commercial Review of Cultural Services

Final Recommendations & Implementation Plan

Stephen Michael

21st November 2014

Contents

Introduction

These Final Recommendations should be read in conjunction with the Project Initiation Document (dated 12th June 2014) and the Current State Analysis report (dated 26th September 2014).

The Final Recommendations consist of a range of proposed initiatives with a summary of the rationale in each case together with identified risks, issues, dependencies and an associated business case analysis. Where relevant, an implementation plan for each initiative is included.

The recommendations are divided into five categories:

- **Part 1 - City** – covering city and corporate level initiatives that are relevant to all three institutions
- **Part 2 - Guildhall** – detailing initiatives specific to the Guildhall
- **Part 3 - Museums** – detailing initiatives that are relevant to both museums
- **Part 4 - Folk Museum** – detailing initiatives that are specific to the Folk Museum
- **Part 5 - City Museum** – detailing initiatives that are specific to the City Museum

With respect to some of the City recommendations, the implementation detail and costing associated with the recommendation is outside of the scope of this project. This is noted where applicable.

This document is intended to provide a basis for Go / No-Go decision making on the part of Gloucester City Council ('GCC' hereafter) and, in the event of a Go decision, to provide a roadmap that will enable a successful implementation of any given initiative.

The package of recommendations are presented 'as a whole' and consolidated financial forecasts assume that all recommendations are implemented. That said, the financial value of each individual initiative is identified where it is possible to do so, thus enabling an assessment of the financial value of implementing a sub-set of initiatives, should this become pertinent.

Project Methodology

The following summarises the approach taken for the Commercial Review Of Cultural Services project:

	Objective / Activity	Deliverable(s)
Phase 1 – Project Initiation	Defined, documented and agreed detailed scope and objectives. Documented risks and issues. Agreed detailed project plan and deliverables with GCC.	Project Initiation Document (dated 12th June 2014)
Phase 2 – Business Review	- Comprehensive business review of Gloucester Guildhall, City Museum and Folk Museum, incorporating: ○ Review of current offer and visitor proposition; including the cultural content and ancillary services such as hospitality provision and venue hire ○ Primary research to establish extent of current fit with audience demand as well as competitive landscape ○ Survey of current property issues, limitations and opportunities. ○ Assessment of current marketing and promotional approach ○ Assessment of current organisation structures and in-house skills profile	Current State Analysis (dated 26th September 2014) highlighting results of initial review and first research exercise.
Phase 3 – Initial Proposals	Developed draft proposals for future of GCC cultural venues based on findings of the review .	Initial Proposals (dated 20th October 2014)
Phase 4 – Consultation	Consultation with GCC and other relevant stakeholders	Consultation Summary (dated 12th November 2014)
Phase 5 – Final Proposals	Final costed recommendations, inclusive of development roadmap, updated visitor proposition, property development proposals, indicative P&L forecasts, revised organisation structures and enhanced marketing and promotional strategy.	Final Recommendations & Implementation Plan (this document, dated 21st November 2014)

Executive Summary

- The previously published Project Initiation Document used the graph shown on the right to define possible project outcomes in order of preference.

- Based on the initiatives contained herein, the project outcome is represented by position X – that is to say the combination of initiatives will have the effect of improving cultural provision, and will bring about a significant reduction in the required subsidy, but the financial uplift will fall short of delivering a break-even financial outcome.

- Once implemented, the fiscal benefit of these proposals is an EBITDA improvement of £467k per year on a like-for-like basis. On a 10 year outlook basis, the required subsidy from GCC in support of Cultural Services reduces from £9.5M under the current operating model to £5.2M under these proposals, a saving of £4.3M.

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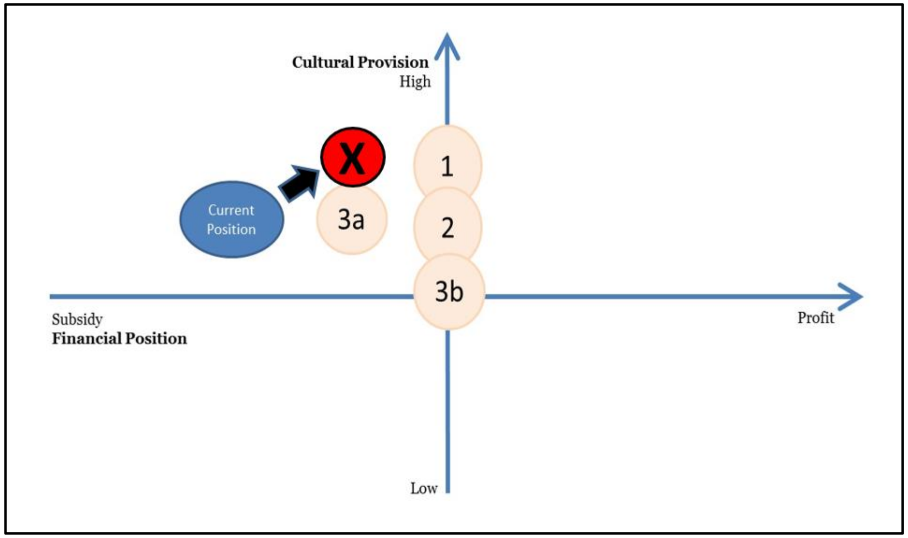

Fig 1. Possible project outcomes and projected outcome (signified by X) based on Final Recommendations

- The proposals that follow represent a wide ranging set of initiatives that will:

  - transform the Guildhall into a properly functioning multi-arts venue that is able to operate with a much reduced subsidy, sitting at the heart of a revitalised city centre and acting as the catalyst for a new day/night economy.

  - Enable the completion of the reinvention of the City and Folk Museums, augmented by much improved commercial activity that helps to fund their ongoing operation and the upkeep of the buildings in which they reside.

Part 1:
City

City: Context

Gloucester is, in many ways, a vibrant progressive city that is forging ahead with an exciting redevelopment and regeneration program.

The Gloucester Docks development has been largely successful and further regeneration projects are in train, with the Kings Quarter project due to revitalise another important part of the city centre in coming years.

However, with respect to arts and cultural provision, the city lags behind cities of similar size and status, nor does it compare especially well with regional neighbours.

A theme that emerged in discussions with arts organisations and funding bodies was of a sense of uncertainty as to the priority afforded to cultural provision by GCC and the level of commitment and support that therefore exists to enable such activity to grow and flourish in Gloucester. Gloucester may be unique for a city of its size in not having any organisation or performing company that is permanently funded by Arts Council England. This is a perhaps a reflection of the historically uneasy relationship that has existed between the City and the arts world. Adopting the recommendations from this project could form part of a clear message as to the importance of cultural provision in the city and act as a catalyst for further inward investment.

Meanwhile, there is some evidence of a lack of coordination between various GCC departments in respect of tourism and cultural strategy and this in turn is reducing the effectiveness of some efforts to promote Gloucester's existing cultural offer. For example, the 2014 Visitor Growth Strategy made no mention of the Folk Museum. Refocussing around an agreed series of initiatives has the potential to provide a means of galvanising effort and communication between key council departments.

The backdrop to these important issues is one of continuing funding pressures with council budgets under significant strain. In this context, the business case for major interventions, especially those requiring capital investments on the part of GCC, must be particularly robust.

City Proposals: Executive Summary

The proposals that follow:

- Highlight weaknesses in the current approach to visitor orientation and suggest a new system based around revised tourist trails.
- Point to opportunities for greater mutual support and cooperation between Marketing Gloucester and Cultural Services
- Examine the business case for moving Cultural Services into a Charitable Status structure.
- Suggest improvements to the Cultural Services organisation structure including:
  - creation of a Shared Services function
  - creation of a dedicated Venue Hire sales and account management team
  - a full outsourcing of the catering function
- Propose the procurement of a new website / box office / CRM system to support Cultural Services revenue growth.
- Suggest a new approach to the way in which Cultural Services accesses key support services such as marketing and design.

City Proposals: Tourist Trail

Establish a New Tourist Trail (Proposal C1) - Summary	
Context / Issue	Research indicates that current marketing, signage and orientation aids have resulted in most non-resident visitors to the city (i.e. tourists and day trippers) typically moving in a narrow channel between Gloucester Docks and Gloucester Cathedral (see Fig. 2 overleaf). The city's signage and mapping (and much of its marketing) omits the City Museum and Folk Museum and this is one of the reasons that tourist visitor numbers to the Museums are currently low.
Proposal	Replace the current tourist trail (linear channel connecting Docks and Cathedral) with a loop that connects Docks to the Folk Museum to the Cathedral to the Guildhall to the City Museum and back to the Docks.
Rationale & Benefits	Revised marketing materials and reconfigured tourist trail will help ensure that more non-residents discover and experience the City Museum and Folk Museum (and to a lesser extent the Guildhall).
Details	The full detail of this proposal is outside of the scope of this project and would need to be the subject of further planning work by GCC, as part of wider city redevelopment activity. However the key elements will include (i) confirming new route(s); (ii) replace existing mapping and signage; (iii) consider additional features such as marked routes.
Capex Requirement	Not assessed as not within project scope
P&L Impact	Not assessed in detail, but clearly the potential impact on Museum footfall is significant, thus benefitting all related revenue streams.
Dependencies (D), Risks (R) & Issues (I)	Not assessed as not within project scope

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Fig 2. Existing signage promotes movement along a route that excludes the museums and Guildhall (none of which feature on the map below).

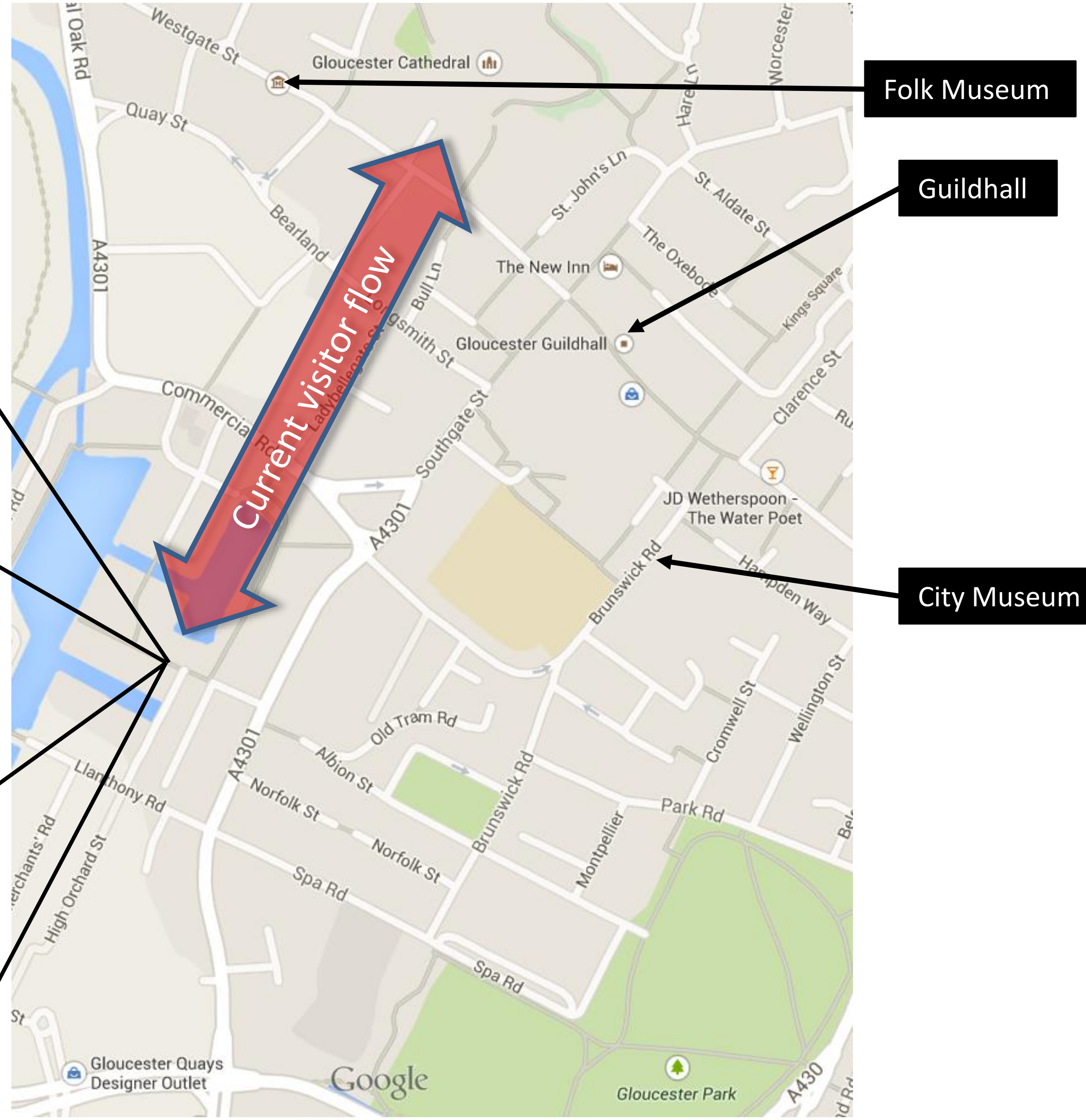


Fig 3. Proposal C1

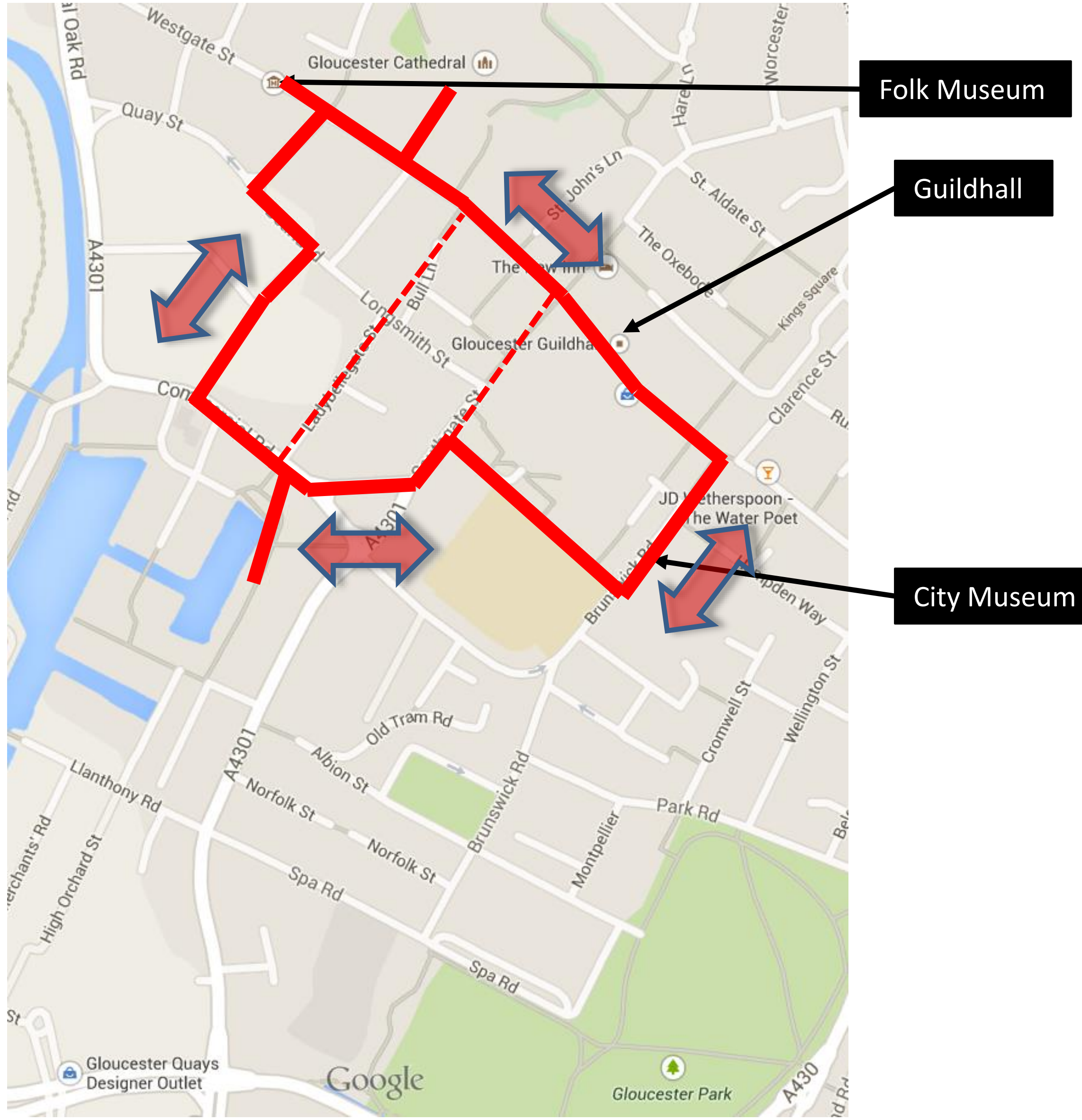
Redesign Tourist Trail

Reconfigure tourist trail as a circular route with the potential to take in Docks, City Museum, (Guildhall), Cathedral, Folk Museum and return to Docks.

Connects to current Southgate Street Townscape Heritage Initiative as well as other existing city centre redevelopment objectives. Supports the objective to reconnect Docks and city centre and to regenerate the city centre economy.

Would require revisions to signage and other environmental interventions.

NOTE: Some modest progress towards this objective has already been made with the recent launch by GCC/Marketing Gloucester of *gloucestertours.co.uk*: a mobile friendly website that guides visitors around one of three tour routes. However, these new routes are not currently backed up by physical signage and, notably, none of the current routes take in the Folk Museum.



City Proposals: Marketing Gloucester

Enable Marketing Gloucester To Promote Cultural Services (Proposal C2) - Summary	
Context / Issue	Whilst it is understood that Marketing Gloucester has a range of objectives it is seeking to deliver, it appears that driving awareness and visits to the Guildhall and Museums is a relatively low priority. This is reflected both in day to day promotional prioritisation decisions and in the strategic work that is taking place. The recent 'Strategic Plan For Growth, Visitor Economy' consultation documents makes only the briefest of mentions of the City and Folk Museums, despite a strong heritage focus, and makes no mention at all of the Guildhall. If these institutions are not at the heart of GCC's own strategic planning then it will be very difficult to deliver the improvements sought.
Proposal	(i) Ensure that, following the improvements to the proposition and creation of new marketing assets, Marketing Gloucester are equipped by the Guildhall and Museums (through the provision of messaging and assets etc.) to effectively promote the Guildhall and Museums. (ii) GCC to consider elevating the relative priority of this promotional work in terms of its brief to Marketing Gloucester.
Rationale & Benefits	It is important to ensure that the improvements to Cultural Services (proposed herein) are matched by an increase in marketing and promotional activity or the changes may go unnoticed by residents and visitors. The Guildhall and Museums must do their part but they will never have the budget or reach of Marketing Gloucester, and thus it is important that Marketing Gloucester are able to support this effort within their channels.

City Proposals: Marketing Gloucester

Enable Marketing Gloucester To Promote Cultural Services (Proposal C2) – Summary cont'd	
Details	- Specific consideration of Museums and Guildhall as part of strategic planning processes - Greater mention of Cultural Services within existing media / promotions - Some dedicated campaigns in support of key events in Cultural Services calendar - Support and promotion of new tourist trail (see Proposal C1)
Capex Requirement	None
P&L Impact	A significant amount of additional Cultural Services promotion may be able to be delivered within existing budgets through the inclusion of Cultural Services messaging within existing channels and media. The option of extra budget allocation should also be considered in light of the revised Cultural Services financial outlook, assuming successful implementation of the initiatives set out herein.
Dependencies (D), Risks (R) & Issues (I)	- Competition from other promotional imperatives (I)

City Proposals: Corporate Structure

Moving To Trust Status

This project has considered the strength of the case for devolving the Guildhall, City Museum and Folk Museum (or alternatively just the two museums) to Trust status.

Where other local authorities have made such a change, it has ordinarily been to obtain some or all of the following benefits:

i. a sense of direction, freed from the wider corporate issues of local authorities and the ability to focus on core business;
ii. flexibility and freedom to establish plans and policies appropriate to the needs of current and potential audiences, freed to some degree from short term public scrutiny;
iii. management structures that enable timely decisions at the most appropriate operational level, supported by expert Trustees;
iv. a sustainable framework, based on funding arrangements that create a stable basis for business planning and development;
v. the opportunity for cultural change in the museum/arts organisation;
vi. opportunities to benefit from the fiscal advantages of charitable status and to increase income through commercial activity and sponsorship;
vii. opportunities to make new connections and develop new partnerships (both in the museum/arts sector and outside) relevant to the institutions core purpose; and
viii. a greater attractiveness to donors or persons considering long-term loans of collections.

It should be noted that, setting aside the fiscal advantages, many of the benefits set out above are not in fact dependent on charitable status, though the change of status has been the catalyst. They can equally be delivered by an effective organisation structure and by local authority leadership giving the museum/arts organisation a clear mission, appropriate budget frameworks and a level of autonomy to deliver against the agreed mission.

City Proposals: Corporate Structure

<u>Moving To Trust Status (cont'd)</u>

Business Case

Given many of the organisational benefits could be delivered in other ways, and without the level of legal and administrative cost that would be associated with Trust establishment, the business case for the Guildhall, City and Folk Museums moving to trust status turns upon the fiscal benefits that would be unlocked.

The fiscal benefits fall into three areas: (i) reduction in building business rates; (ii) ability to claim Gift Aid on entrance fees (Museums only); and (iii) encouraging philanthropy by improving the tax efficiency for donors. The table overleaf seeks to assess the benefits of (i) and (ii), both now (based on 14/15 forecast figures) and in the future (assuming the initiatives set out herein are implemented, thus increasing Museum attendance figures.).

The potential value of (iii), greater philanthropic contributions, is much harder to assess. The museums benefit from donations and gifts to some degree now, even whilst not set up in a way that is financially optimal for donors, Recently, the City Museum received a large bequest following the death of a local resident. There is not any evidence currently that a move to Trust status would unlock a large body of philanthropic support. For that reason, no values have been attributed to this category at this point.

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City Proposals: Corporate Structure

Moving To Trust Status (cont'd)

Business Case (cont'd) – Fiscal Benefits Of Trust Status

Annual Benefit	Based On Current Revenues	Based on Future Revenues
Business Rates	Guildhall - £20k (based on 80% reduction from current rates of £25k) Folk Museum - £24k (based on 80% reduction from current rates of £30k) City Museum – no benefit since 80% reduction already in place (on basis of building apparently being held by a trust already).	No change from Current, therefore total benefit of £44k.
Gift Aid On Musuem Entry Fees	£5k based on £29k of admissions revenue and 70% take-up of Gift Aid by museum attendees	£23k based on £130k of admissions revenue and 70% take-up of Gift Aid by museum attendees
Increased Philanthropy	No value attributed	No value attributed
TOTAL	**£49k**	**£67k**

The annual savings set out above must be set against the initial set-up costs (estimated to involve professional fees of £20 – 40k) and the ongoing incremental administrative cost of maintaining a separate organisation (annual report and accounts, trustees expenses etc. – estimated at £15 - 25k per year, assuming other basic support services continue to be acquired from GCC). When viewed in this light, it is clear that the net fiscal benefits are not dramatic in the short term.

City Proposals: Corporate Structure

<u>Moving To Trust Status (cont'd)</u>

Recommendation

On balance, it is recommended that GCC does not seek to devolve Cultural Services at this time, but instead aims to deliver the organisational change that is required from within the local authority framework (see further proposals overleaf). This is partly because the financial benefits are marginal in the short term but also because, if embarking on a period of significant change, the wider support network offered by GCC will be important in the successful deliver of the change programme.

However, GCC should not rule out Trust status in the medium to long term and should revisit the question if the required changes are not successfully prosecuted through the adoption of the organisational and other changes set out herein.

As already noted, from a fiscal viewpoint, the benefits of trust status are not sufficiently clear to warrant proceeding at this time. However, some or all of the following triggers could change that position:

- The City Museum's current business rate reduction is challenged or revoked.
- Business rates associated with the Guildhall and Folk Museum increase significantly following review.
- Museum admission revenues increase to the point where the Gift Aid benefit becomes more significant.
- Evidence emerges of latent philanthropic support that would be unlocked by a move to charitable status.

It is suggested that the question of charitable status is revisited in 2-3 years, following implementation of the other recommendations of this report, and based on a new study of the business case at that time.

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City Proposals: Organisation Structure

Revise the Cultural Services Organisation Structure (Proposal C3a) - Summary	
Context / Issue	The current organisation structure, with largely separate teams managing the Museums and Guildhall, suffers from: - the lack of a clear mission, and thus a basis for senior management to prioritise activity - missed opportunities for coordination and efficiency in a number of shared/similar areas including Venue Hire, Marketing and IT/Technical/Maintenance. - in the case of the Guildhall, a responsibility for supporting other GCC services (without an associated contribution to costs) - a legacy structure and long serving members of staff who are in some cases inflexible in the face of changing business needs
Proposal	(i) Redesign the organisation structure to include a Guildhall function (managed by Sarah Gilbert), a Shared Services function (jointly managed), and a Museums function (managed by Angela Smith), each designed to be 'fit for purpose' in light of the remainder of this project's proposals, including: - Removal of catering staff (given outsource proposals) - Removal of some front-of-house staff associated with changes to Opening Hours (Museums) - Reconstitution of venue hire function - Changes to Guildhall Support function, reconstituted as 'Box Office' - Creation of a Shared Services function in which sits Venue Hire, IT/Tech/Maintenance, Marketing (ii) Agree new 'Mission' statements for the Guildhall and Museums to enable the respective teams to prioritise effectively and such that success is clearly defined. (iii) Guildhall to levy a cross charge for resource allocated to supporting other services (e.g. Shopmobility) – estimated at circa £30k a year of resource.

City Proposals: Organisation Structure

Revise the Cultural Services Organisation Structure (Proposal C3) – Summary cont'd…	
Rationale & Benefits	- Allocate dedicated resource to Venue Hire sales to maximise performance, led by new position (Venue Hire & Catering Manager) - Harness synergies across Shared Services
Details	See org chart overleaf
Capex Requirement	None
P&L Impact	Net benefit of circa £30k across Cultural Services as a whole
Dependencies (D), Risks (R) & Issues (I)	- Will require consultation with affected staff (D) - Proposal is based on the assumption most of this report's recommendations are adopted (D).
Implementation Approach	- Modify existing Museums staff consultation exercise to take into account these additional changes - Commence a Guildhall staff consultation exercise - Assess cost of change associated with any redundancies, reflect in 15/16 budgets - Aim to put new structures in place by Apr 15

City Proposals: Organisation Structure

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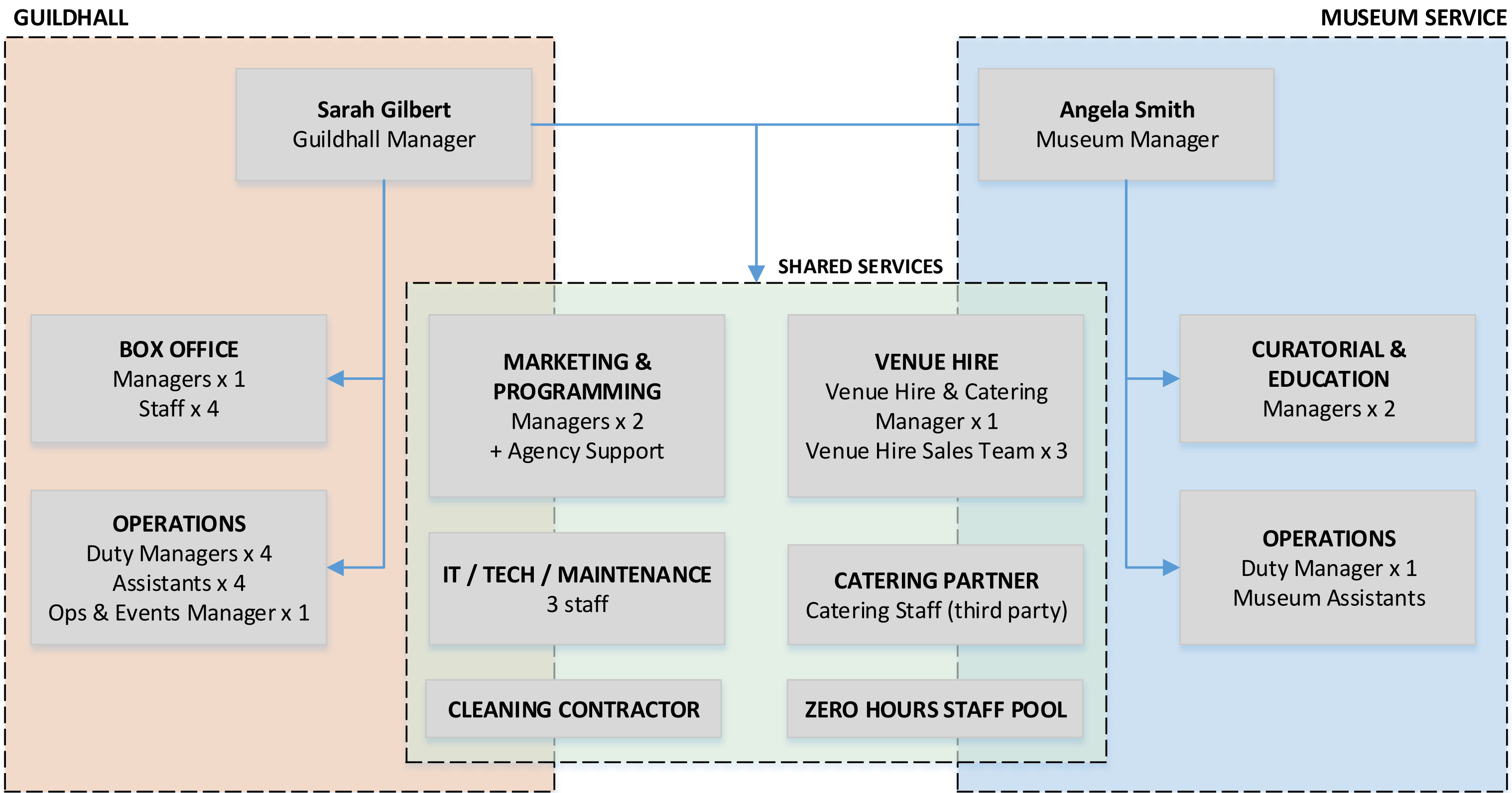
Proposed Cultural Services Organisation Structure



City Proposals: Organisation Structure

Implementation of Report Proposals – Organisational Impact

The organisation structure proposed herein is designed to be optimum for a 'business as usual' situation. However, some additional considerations are due if Cultural Services is to go through a period of significant change – as it will if a significant number of the proposals within this report are implemented.

Under those circumstances, it is likely to be necessary for the senior Cultural Services management team to be augmented with some additional short term project management resource. This fixed term positon could be used to fulfil two specific functions:

1. Project manage elements of the change programme where the existing team do not have the relevant expertise. This might include tender process management (catering tender), contractor management (building refurb / fit-out), catering service design (in partnership with chosen partner) and other disciplines where the existing team require support.

2. Cover for the senior management in day-to-day areas where the existing team are involved in managing the change programme.

Proposal C3(b)
If a significant portion of this report is to be implemented, appoint a fixed term Project Manager to support the senior team with the implementation process.

City Proposals: Venue Hire Approach

Venue Hire Approach (Proposal C4) - Summary	
Context / Issue	There appears to be significant untapped potential with respect to Venue Hire activity across all three locations. Hire revenue is reasonable even without a concerted sales and marketing effort.
Proposal	Create a dedicated Venue Hire sales team to work across Guildhall, Blackfriars and the two Museums. Recruit sales focussed staff and offer performance related remuneration.
Rationale & Benefits	Dedicated team drives revenue and allows efficient use of available spaces across all venues (cross sell, reallocation etc.) Frees existing ‘multi-tasking’ staff to focus on their own roles.
Details	- Light touch refurbishment on existing Guildhall facilities - Creation of further Guildhall meeting rooms at 25 Eastgate Street (see subsequent detailed proposals) - Recruit dedicated team - Allocation of marketing investment to re-launch Venue Hire offer
Capex Requirement	- 25 Eastgate Street (meeting room element), £80k - Guildhall meeting room refresh, £15k = £95k Total
P&L Impact	Combined sales increase from £94k in 13/14 to £215k once new facilities established and sales effort running at full productivity. Venue Hire profit in region of £100k after people costs.
Dependencies (D), Risks (R) & Issues (I)	- Revenue growth of this scale dependent on 25 Eastgate St development (D)
Implementation Approach	- Prioritise recruitment of Venue Hire Manager once staff consultation complete. Task this new manager with recruiting rets of team and revising the proposition and marketing approach. Seek to relaunch offer Apr 15.

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City Proposals: Support Services

Support Services Approach (Proposal C5) - Summary	
Context / Issue	Current policy requires Cultural Services to utilise GCC (or County) support services in various key areas despite these not being fit for purpose (in terms of support hours, speed of turnaround etc.)
Proposal	Allow Cultural Services to use third party suppliers in commercially significant areas such as Box Office / Transactional Systems, Design, Marketing etc.
Rationale & Benefits	- Fit for purpose services will maximise commercial performance - Necessary to support revenue growth across a range of fronts
Details	Most acute problems are in the areas of design and box office / transactional services
Capex Requirement	None
P&L Impact	Represents an increased cost (use of marketing agencies etc.) but this is factored into new P&L calculations and is more than offset by revenue growth.
Dependencies (D), Risks (R) & Issues (I)	

City Proposals: Website, Box Office &Transactional Systems

Implement Improved Website, Box Office & Transactional Systems (Proposal C6) – Summary	
Context / Issue	Cultural Services commercial performance is significantly hindered by (a) poor websites (b) unreliable till/transactional systems; and (c) an inflexible box office system.
Proposal	Replace the website, box office and transactional systems on a platform to be shared across Cultural Services.
Rationale & Benefits	- Increased online ticket purchase - Improved marketing and promotional presence - Enhanced transaction system resilience - Improved reporting and analysis capability - Staff reductions through greater automation
Details	A number of suitable systems are available on the market. However, system selection is out of scope of the current project.
Capex Requirement	No capex as license model assumed. Provision made within P&L for ongoing license cost (calculated at 4% of ticket revenue).
P&L Impact	Accounted for as part of Cinema, Live Event ticketing (approx. 35% sales growth combined) and Entry Fee revenue growth assumptions.
Dependencies, Risks & Issues	
Implementation Approach	- Draft detailed requirements statement and shortlist potential suppliers, to whom ITT is sent - Aim to select partner by Spring 15 with implementation complete by Autumn 15

City Proposals: Catering

Outsource Catering To Third Party (Proposal C7) - Summary	
Context / Issue	Catering offer is extremely poorly run across all venues – limited offer, poor quality, does not constitute a reason to visit or return – and does not make the profit contribution that it should.
Proposal	Outsource the catering operation to a third party operator. As well as the catering outlets within Cultural Services, there may be other GCC catering outlets that could be included in this contract award.
Rationale & Benefits	- Delivers a guaranteed income stream (concession model) with no costs or management overhead - A larger operator will bring purchasing efficiency, staffing efficiency and menu management - Partner may contribute a level of capital investment at start-up
Details	- The existing business may not be especially attractive to a third party operator but once the developments set out herein are in place, the range of outlets becomes much more marketable. - It would be important to select the right operator who could operate the outlets in line with the vision set out later in these proposals.
Capex Requirement	No capex associated with the outsourcing approach per se, but each of the outlets requires investment as set out elsewhere (totalling £445k across all three locations).
P&L Impact	Forecast revenues for the new-look catering outlets total just over £2M (see Appendix 1 for detail) with concession income forecast at circa £300k (based on 15% concession rate). This contrasts with current performance which is at around break-even.
Dependencies (D), Risks (R) & Issues (I)	Significant dependency on 25 Eastgate Street development (see below) since this provides the scale and will drive optimal commercial terms (D). As an absolute minimum, Library Café development would need to proceed as otherwise may not be sufficiently attractive to third party caterers.

City Proposals: Catering

Outsource Catering To Third Party (Proposal C7) – Summary (cont'd)	
Implementation Approach	- Appoint Fixed Term Project Manager with catering tender experience or retain catering consultant to assist with tender management. - Identify any additional GCC sites which might fall within tender (e.g. Crematorium, Herbert Warehouse). - Draft Pre-Qualification Questionnaire and send to potential tenderers. - Produce tender documentation incorporating full list of requirements, tender process details and contract award criteria. - Run competitive tender process – aim to appoint by Spring 15. - Work with new catering partner to develop outlet concepts and plan phased refurbishments and re-launch programme.

Part 2:
Guildhall

Guildhall: Current Financial Position

Overview

- Loss in 13/14 of 503k, improving to £399k in 14/15.
- Ticket sales improving (cinema led), but venue hire is forecast to decline this year.
- EBIT improvements due to cost savings rather than improved trading.
- Employee costs are high but a portion of the 'Guildhall Support' team's time is deployed in support of wider Council initiatives (ShopMobility etc.) for which no income is recognised.
- Significant buildings maintenance expenditure is required (totalling £930k over next 10 years).
- Factoring in forecast annual additional building maintenance costs (£96k per year), the loss will return to circa £500k in future years without further action.

	13/14 Actual	14/15 Forecast
Income		
Gross Revenue		
Entry Fees	0	0
Ticket Sales (Live Events)	173,667	317,760
Ticket Sales (Cinema)	51,495	
Workshops	23,448	
Exhibitions	0	0
Other Event Income	421	433
Venue Hire	73,060	39,446
Restaurants & Bars	139,503	140,000
Merchandise	0	0
Other	14,097	2,631
TOTAL	**475,691**	**500,270**
Costs		
Expenditure		
Employees	521,544	530,000
Premises Related Expenditure	45,174	46,931
Utilities	29,686	25,000
Transport Costs	1,542	1,487
Supplies and Services	366,271	295,847
Other Charges	247	0
Loan Interest	0	0
TOTAL	**964,464**	**899,265**
EBITDA	-502,793	-398,995

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Guildhall: SWOT Analysis

Strengths	Weaknesses
• Unique, interesting, atmospheric building with great heritage. • Significant goodwill from existing users • Committed and enthusiastic staff team • Good daytime location (though current entrance setup undermines this)	• Low awareness, 45% of survey 'non-user' respondents don't know where the Guildhall is. • Brand is confused and cultural offer not clearly communicated. • Café/bar offer is poor and loss making • Evening ambience outside building is poor due to absence of other evening / A1 venues.

Opportunities	Threats
• Re-launch Guildhall with major new elements to the offer and more effectual marketing and communications. • Create new street level café/bar destination to drive significant increased revenues. • Refurbish auditorium balcony to increase capacity and profitability of live events. • Fully commit to cinema business with clear differentiation from multiplex. • Drive venue hire business with more aggressive commercial sales effort.	• Inaction – or failure to be sufficiently radical - which will see continuing declines in trading performance. • Building maintenance costs • Failure to effectively deploy and secure the financial benefits of capital investments.

Guildhall: Building Evaluation

Location
- Excellent daytime location with extensive footfall
- However, Eastgate Street becomes deserted and can feel unsafe in the evening (since no A1 activity) when the bulk of the Guildhall's events are taking place.

Condition
- Grade II listed building
- Atmospheric but generally tired interior. Some major works due in next 10 years. GCC Asset Management report suggest expenditure of £960k over next 10 years.

Visibility / Access
- Street frontage given over to tenant (currently TSB occupy) on long lease.
- Resulting visibility is very poor, affecting awareness and daytime footfall into the building in particular.
- Entrance area is dark and uninviting, box office area is cramped.
- Roof parking (free in evening) is useful but awareness is still low and the roof entrance is extremely uninviting.

Facilities
- Main Hall fit for purpose though would benefit from additional seated capacity.
- Café in need of total redevelopment and improved visibility/access from street.
- Cinema is a unique room but would benefit from improved seating.
- Meeting rooms are tired and would benefit from a minor refurbishment.

Guildhall: High Level Options

Prior to developing specific proposals for the development of the Guildhall, three high level options were considered, with Option 1 being selected as the most appropriate in all the circumstances.

	Option 1 Invest In Existing Location	Option 2 Invest In New Location	Option 3 Closure
Summary	**Invest in improving provision in current location to improve commercial return.**	**Move provision to a new location, perhaps with a larger main auditorium capacity.**	**Close down Guildhall in order to reduce annual losses.**
Advantages	- Lower investment requirement than Option 2. - Provides opportunity to kick-start city centre night time economy. - Can be delivered in short term with a level of certainty.	- Opportunity for a purpose built theatre / arts centre in a new location.	- Immediate reduction in subsidy (although not eradicated given building costs).
Disadvantages	- Some commercial opportunities limited by layout and condition of building.	- No obvious alternative use for existing building, meaning GCC continues to incur maintenance costs. - Larger capacity venue not necessarily appropriate in the context of wider regional provision. - Long lead time to delivery, with continued losses in short term from existing operation. - Very large capital investment required for new-build. - New location outside of city centre could further erode city centre economy.	- No obvious alternative use for existing building, meaning GCC continues to incur maintenance costs. - Entails significant reduction in cultural provision for Gloucester residents. - Further erodes city centre night time economy.

Guildhall: High Level Options

Assessing the Guildhall's Regional Positioning

An important consideration in deciding to invest in improving the Guildhall on the current site (i.e. Option 1, above) is the appropriateness of the main auditorium, and its capacity, in the context of wider regional provision.

Fig 4, overleaf, shows the Guildhall in relation to other venues in the region (focussing on those with a strong live music offer).

From this analysis, a number of observations can be made:

1. There is no shortage of larger capacity venues in the region, and establishing the Guildhall in a new location with a bigger auditorium (were that possible), will not obviously enable the Guildhall to capture an under served market segment.
2. In fact, with a capacity of 400, the Guildhall occupies a clear market tier alongside The Fleece in Bristol, Komedia in Bath and Clwb Ifor Bach in Cardiff, all of which are busy and popular destinations on the touring circuit and the Guildhall often features alongside them on scheduled tours due to the similar capacity.
3. However, the fact that Gloucester is not seen as a 'top tier' location for agents, management and labels often sees the Guildhall overlooked when some tours are routed. This is particularly the case when new bands have very early success and their management choose to target London, Manchester, Birmingham, Bristol, Cardiff and Glasgow almost exclusively. This decision rarely hinges on capacity, and more so on where the most impact can be made on the act's fan base.
4. That said, the Guildhall has historically punched above its weight and continues to do so. The venue has developed an excellent reputation in music circles adored by bands and audience alike, and there are many agents across the biggest agencies in the country who do have the Guildhall in mind when their artists tour. This has seen the likes of Robert Plant, Lily Allen, Primal Scream, Foals and The Maccabees play the Guildhall, when they would ordinarily be expected to play much bigger venues.

It follows that the Guildhall should play to its already-established strengths and seek to make further inroads within its current market segment, by improving the existing building and facilities rather than seeking to move to a new location with the associated risks and loss of heritage and goodwill that has been built up over many years.

Guildhall: High Level Options

Assessing the Guildhall's Regional Positioning (cont'd)

Cheltenham
Town Hall – 1,000
The 2 Pigs – 200
Frog & Fiddle - 200

Gloucester
Guildhall – 400
Olympus Theatre - 250

Bristol
Colston Hall – 2,075
The Bierkeller – 700
02 Academy – 1,600
The Fleece – 450
The Trinity – 600
Exchange – 500

Cardiff
Club ifor Bach – 380
CIA – 7,500
Great Hall – 1,500
Solus – 1,000

Bath
Komedia – 400
The Pavillion – 1,400

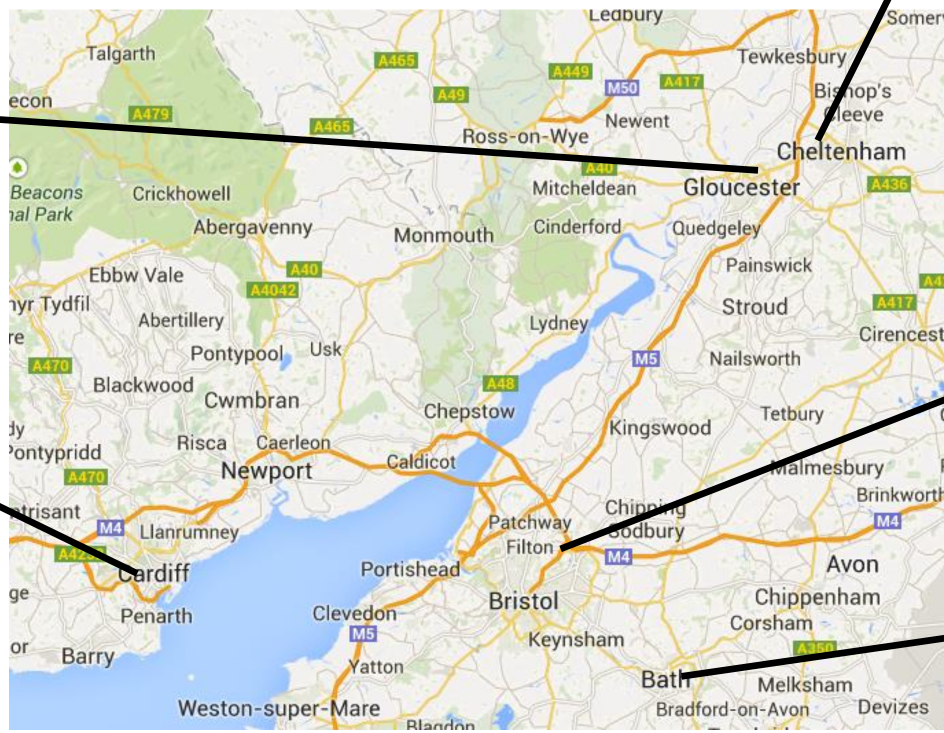

Fig 4. Gloucester venues in context of regional provision (venue name and capacity shown)

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Guildhall Proposals: Executive Summary

- The proposals set out overleaf, if implemented, are capable of transforming the Guildhall into a vibrant cultural hub.
- They require GCC to back the Guildhall with a bold series of capital investments that will transform the venue into a properly functional multi-arts venue that is able to operate with a much reduced subsidy.
- The reinvigorated Guildhall can be at the heart of a revitalised city centre and can be the catalyst for a new day/night economy in the heart of the city.
- The proposals that follow cover all of the commercially significant aspects of the Guildhall's activities and aim to create:
  - A new frontage with street level box office and café bar
  - Re-launched food and drink offer designed to attract customers from breakfast through to late evening
  - Expanded meeting and venue hire facilities
  - A refurbished and dedicated cinema space with improved seating and expanded content, including live cinema relays.
  - An expanded capacity main hall capable of hosting a wider range of events
  - A fit for purpose staff team and back-office that is capable of marketing, selling and executing the various elements of the revised vision for the Guildhall.

Guildhall Proposals: Proposition

Refine The Visitor Proposition (Proposal G1) - Summary	
Context / Issue	Research indicated that the proposition presented by the Guildhall is not well understood by Gloucester residents. In particular, residents tend to think of the Guildhall as a concert venue only, or where they are aware of other activity, it tends to be just that activity that they are aware of. There is therefore a need to better communicate the breadth of offer. This will involve moving away from the current strapline: "The county's liveliest venue"
Proposal	(i) In partnership with a marketing agency (to be appointed), develop a better explanation of the Guildhall's proposition – initially a statement for internal use/agreement, and thereafter a version suitable for use in marketing materials. (ii) Seed this new proposition through marketing and other communications in order to gradually broaden perceptions of the Guildhall's wide offer.

Possible direction for Guildhall proposition:

Gloucester Guildhall

Vibrant music, film and culture

Guildhall Proposals: Marketing & CRM

Context / Issue	Proposal(s) G2 – Summary
Planning. No formal marketing plan is in place.	Document a marketing plan (including PR and social).
Brand visibility. There is little 'above the line' activity to improve awareness and available budget is not being deployed as smartly as it needs to be.	Look to improve brand visibility in key market segments (linked to revision in proposition).
Communications segmentation. 'One size fits all' approach does not take into account different market segments.	Better segment customer communications, ensure messages are relevant and delivered appropriately.
Direct marketing. Underutilised at present, though some progress has been made in capturing email addresses and building a database of customers.	Increase use of direct channels and build richer customer database to power future campaigns.
Customer reward / membership. Very little activity in this area currently other than a film goer stamp card.	Introduce membership system with cross sell benefits to promote engagement.
Creative. Materials are functional but lack cut-through.	Appoint agency to elevate creative and support wider thinking on proposition and approach.

Budget Implications

To enable the above, it is proposed that the Guildhall marketing budget is increased from £25k to £50k per year, and this has been reflected in the P&L forecasts found below. The additional marketing budget required is reduced because of the 25 Eastgate Street development (see below) which provides a large amount of 'free' advertising to high street users.

Guildhall Proposals: New Frontage, Café Bar, Box Office

Acquire 25 Eastgate Street – New Frontage, Café Bar, Box Office (Proposal G3) - Summary	
Context / Issue	The lack of a High Street frontage is a key reason for the low awareness of the Guildhall amongst residents. The lack of a street level box office and café/bar is a significant missed revenue opportunity.
Proposal(s)	Acquire or lease 25 Eastgate Street (next door property, currently owned by Aviva and leased by Arcadia) in order to create new street level café bar and box office on ground floor. Utilise 1st and 2nd floors as new venue/meeting hire and studio spaces. New facilities to be connected to existing Guildhall building so as to function as one integrated complex. An initial approach has been made to Aviva (by Philip Ardley, GCC) and, whilst the building is not on Aviva's disposal list, they have indicated a willingness to sell if an acceptable offer is made.
Rationale & Benefits	The existing lease with C&G/TSB on the ground floor of the Guildhall building makes it very unlikely that this part of the building could be reclaimed and, in any event, the building is structurally restrictive. Acquisition of 25 Eastgate Street enables: - the creation of a significantly revenue generating café bar (Ground Floor) - a street level box office that will generate greater awareness and ticket sales (Ground Floor) - an increase in venue hire facilities (and an ability to relocate activity from cinema, enabling its conversion to a dedicated cinema / auditorium) (First Floor) - the creation of new studio facilities that may enable housing a theatre/dance company (e.g. Strike A Light or Dust), which may in turn unlock Arts Council funding (Second Floor).

Guildhall Proposals: New Frontage, Café Bar, Box Office

Acquire 25 Eastgate Street – New Frontage, Café Bar, Box Office (Proposal G3) – Summary cont'd	
Details	Further details about this scheme, including the Café Bar concept, are set out overleaf.
Capex Requirement	The capital requirements to purchase and fit out are currently estimated as follows. Purchase: £4M (worst case, would hope to acquire for less), inclusive of professional fees Ground floor fit out (café/bar, box office): £300k First floor fit out (meeting rooms x 2): £40k Second floor fit out (studio / meeting room): £40k Structural changes to connect to Guildhall: £80k Total investment required: £4.46M
P&L Impact	Direct: - Café bar sales of £1.3M per year, generating concession income of £190k. - Venue hire income of £50k per year - Rental income from performing company - £20k per year - Income of £260k versus depreciation (excl. building purchase) and other costs of £75k Indirect: - Visibility / awareness improvements - Box office / tickets sales benefits
Dependencies (D), Risks (R) & Issues (I)	- Whilst in principle willing to sell, Aviva are likely to negotiate hard on the sale price which could delay or adversely affect the viability of the scheme (R) - Dorothy Perkins are a sitting tenant with, we understand, 2 years remaining on their lease (I)

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Proposal G3. *Building adjacent to Guildhall, 25 Eastgate Street, is owned by Aviva and there is the opportunity to acquire. Would provide prime high street location and can be connected to Guildhall. Unit much more suitable for conversion than TSB site as no listing and architecturally more straightforward to adapt.*

Proposal G3. *Impression of how a new entrance / café bar / box office at street level might look.*

Gundry & Ducker

Guildhall Proposals: New Frontage, Café Bar, Box Office

Acquire 25 Eastgate Street – New Frontage, Café Bar, Box Office (Proposal G3) – Summary cont'd	
Implementation Approach	If/when investment approved in principle by GCC, the following process would follow: - Obtain building plans (current requested but not received at the date of writing) and verify suitability of building with architects. Gundry & Ducker have made a preliminary assessment on the basis of a visual inspection of the building and are reasonably satisfied but a more detailed review is nonetheless needed. - Obtain full details of current lease holder terms, with a view to informing strategy to delay purchase, buy-out tenancy or offer no penalty early termination (which may tie in with Arcadia plans for site in any event). - Philip Ardley, GCC, to lead purchase negotiation in concert with other Aviva discussions.

Guildhall Proposals: New Frontage, Café Bar, Box Office (cont'd)

Café Bar Concept - Environment

Guildhall
Bar &
Kitchen

Informal, convivial, independent - a place to meet, work, relax, eat.

Breakfast, lunch, afternoon, dinner, evening bar.

More than a café, less than a restaurant – small menu, perfectly delivered.

Guildhall Proposals: New Frontage, Café Bar, Box Office (cont'd)

Café Bar Concept – Food & Drink

Guildhall
Bar &
Kitchen

Breakfast: Granola, Croissant, Eggs Benedict

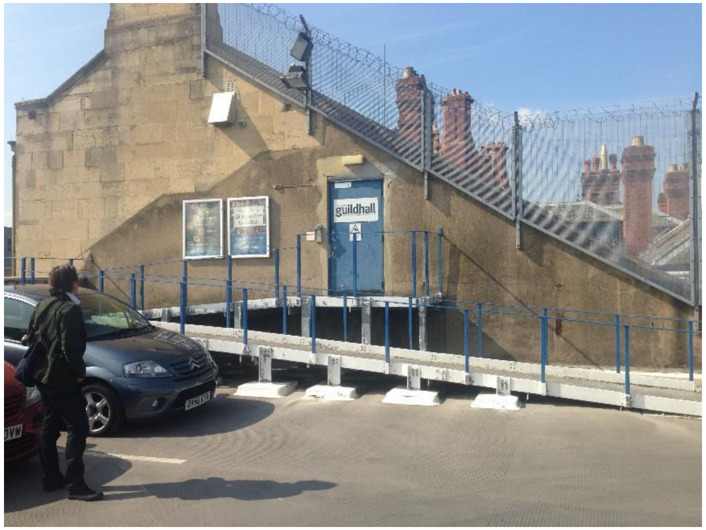
Lunch: Sandwiches, Salads, Soups, Stews, Pizzetta, Pies, Tarts, Cold Plates

Morning/Afternoon – Tea, Coffee, Cakes, Snacks

Evening – Pasta, Goulash, Sharing Platters, Desserts, Craft Beers, Spirits, Prosecco

Guildhall Proposals: Roof Entrance Improvements

Improve Roof Entrance (Proposal G4) - Summary	
Context / Issue	Free evening parking and direct access from car park is an attractive feature of the Guildhall's offer but this is undermined by the uninviting roof entrance.
Proposal(s)	Make a small capital investment to refresh the roof entrance and then make a more concerted effort to drive awareness of this access route.
Rationale & Benefits	- Leverages a point of difference over other leisure destinations - Constitutes free marketing to car park users
Details	- See plans overleaf
Capex Requirement	- Estimated at circa £7k
P&L Impact	- Not specifically assessed, but factored into overall revenue growth assumptions
Dependencies (D), Risks (R) & Issues (I)	- There is some ambiguity about ownership of the 25 Eastgate Street roof area, but this would be resolved if 25 Eastgate Street was acquired by GCC. (I)
Implementation Approach	Straightforward design and installation task. Include in 2015 capital plans and install in Apr 15.



Gundry & Ducker

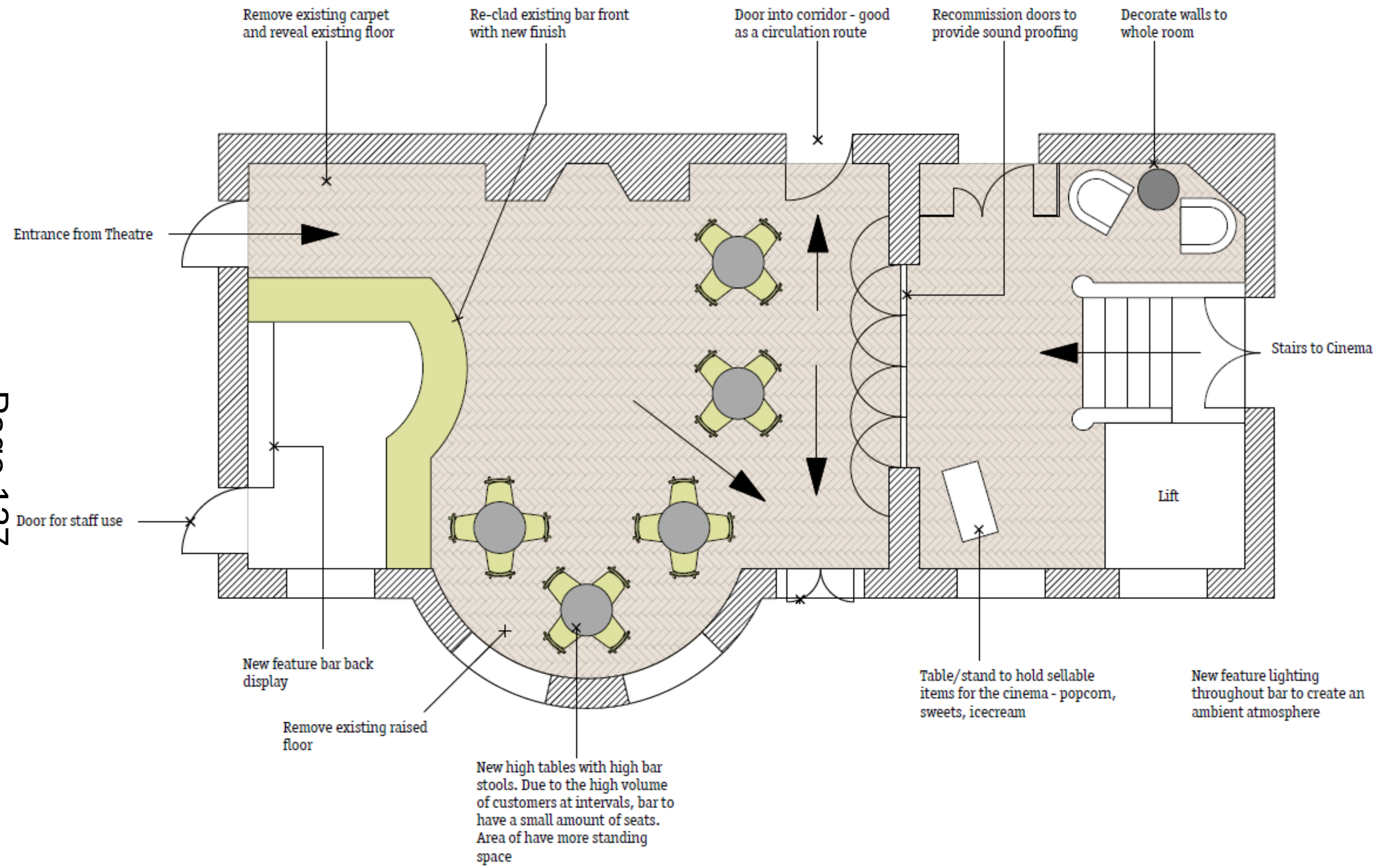
Proposal G4. *Simple design changes to the roof entrance will make it much more appealing and accessible..*

Guildhall Proposals: Upper Level Bar Refurbishment

Upper Level Bar Refurbishment (Proposal G5) - Summary	
Context / Issue	The existing Guildhall bar is extremely tired and in need of a refresh and layout improvements to improve standing capacity on busy evenings.
Proposal(s)	- Given the 25 Eastgate Street development, under these proposals the Upper Level bar would become an evening only bar serving attendees at concerts, cinema performances and workshops. - That being the case, a light touch refurbishment is proposed to refresh the bar environment and increase the standing capacity so as to maximise evening sales.
Rationale & Benefits	- Notwithstanding the creation of Guildhall Bar & Kitchen, the Upper Level Bar still has an important role to play in delivering drinks-led sales pre-show, interval, and post-show. - The proposed refurbishment will ensure the bar is fit for this task
Details	- See plan overleaf
Capex Requirement	- Estimated at £45k
P&L Impact	Forecasting annual sales of £197k, concession income of £30k. Sales increase linked to higher cinema audiences and capacity increases (as well as improved average attendances) in Main Hall.
Dependencies (D), Risks (R) & Issues (I)	
Implementation Approach	Delay planning until new catering partner appointed. Thereafter, redesign in partnership with caterer. Can proceed largely independently of 25 Eastgate St project, therefore from Spring 15 subject to caterer appointment.

Proposal G5. *Plan and summary of proposed changes to existing Guildhall bar (now referred to as Upper Level Bar)*

Gundry & Ducker



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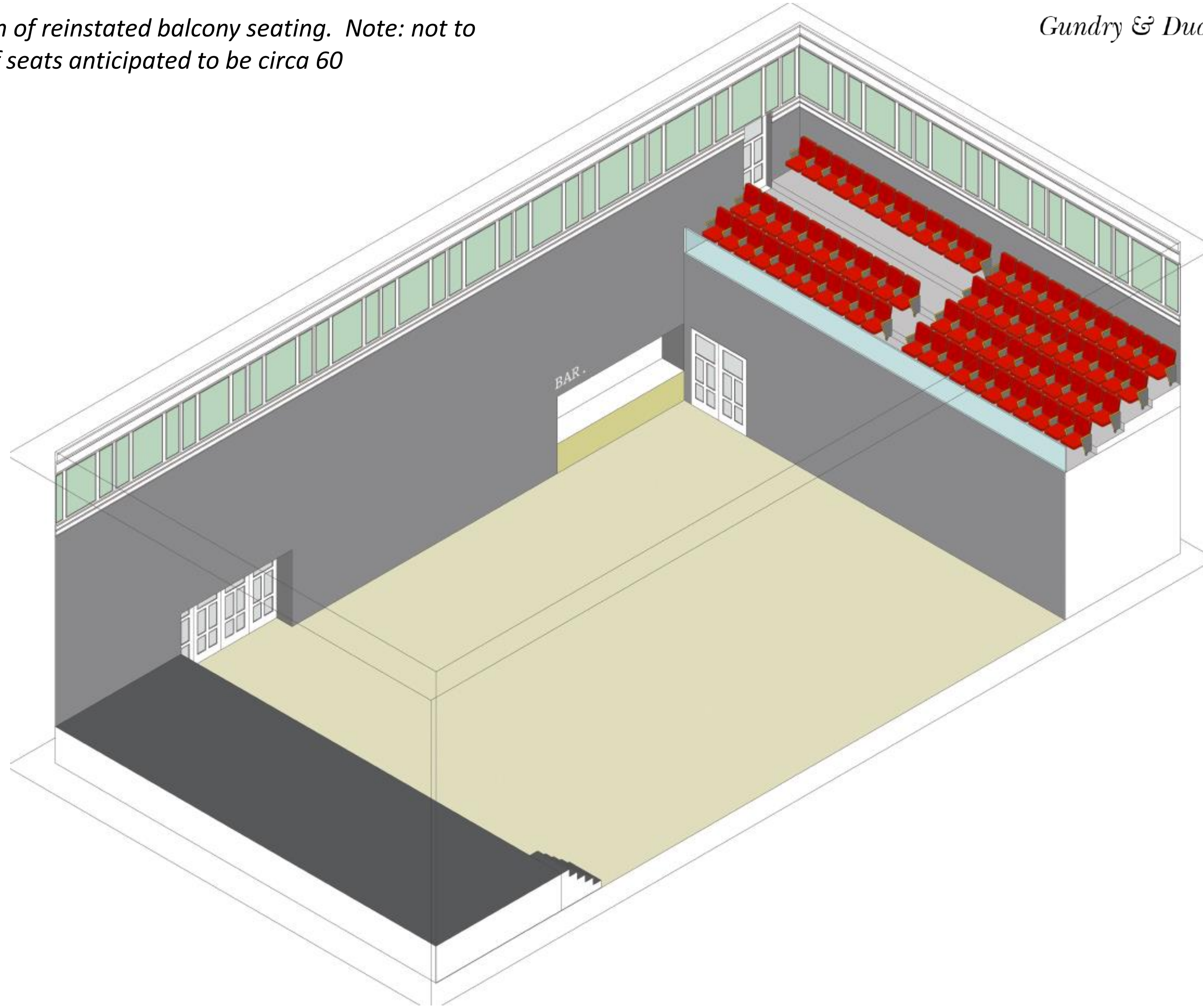
Guildhall Proposals: Main Hall Balcony Reinstatement

Main Hall Balcony Reinstatement (Proposal G6) - Summary	
Context / Issue	The current Main Hall Balcony is filled with obsolete tech boxes. Meanwhile, many customers who would prefer to sit are unable to attend standing only concerts. Additionally, many seated events sell out.
Proposal(s)	Reinstate seating on the Balcony to create seated capacity at standing events and to expand capacity at seated events. Plan to implement for Spring 15.
Rationale & Benefits	- Generates incremental ticketing revenue with very little additional cost (outside of initial capex) - Provides a seating solution at standing only gigs - Provides the opportunity (thought by no means applicable to every event) to create a premium tier (with waitress served drinks for example).
Details	Remove tech boxes, install circa 60 seats. See illustration overleaf.
Capex Requirement	Estimated at £50k
P&L Impact	Generates additional annual sales revenue of circa £60k, much of which falls to the bottom line as event costs already covered. Roughly doubles Guildhall profit per event – from circa £500 per event currently, to circa £1,000 per event, whilst also allowing for slightly higher payment to artists.
Dependencies (D), Risks (R) & Issues (I)	The main issue is that is not likely to be cost effective to provide lift access to the balcony (this is not included in the costing here) and this will mean that those with mobility problems will not be able to access this tier. This is something GCC will need to be comfortable with before proceeding with this initiative. (I)

Proposal G6. *Impression of reinstated balcony seating. Note: not to scale – actual number of seats anticipated to be circa 60*

Gundry & Ducker



Guildhall Proposals: Cinema Enhancements

Enhance Guildhall Cinema, Including Improved Seating (Proposal G7) - Summary	
Context / Issue	The cinema business is being held back by a poor customer experience that falls short of the expectations for an indie cinema offer, particularly in the areas of live content and seating comfort.
Proposal(s)	- Introduce live content into schedule from Jan 15 - Refurbish cinema (Spring 15) and reposition as dedicated cinema with high quality fixed, raked seating - Introduce cinema snacks retailing - Enhance venue hire business through inclusion of high quality auditorium option
Rationale & Benefits	- Support increased revenues through (a) higher attendance (new audience and increased repeat attendance); (b) higher ticket prices; and (c) increased food and drink spend. - Provision of improved experience to cinema customers
Details	- Live content introduced into programming from Jan 15 - New fixed, raked seating installed (see illustrations overleaf) - All workshops, private hires etc. that are incompatible with auditorium seating are moved to other locations.
Capex Requirement	- Live content investment already made. - Additional Capex of £45k for raised seating and general refurbishment of room,
P&L Impact	- Annual sales increase from £51k to £111k (inclusive of price increases) – see Appendix 2 for detail - Profit contribution (after all costs and staffing) increased from £10k to £45k

Guildhall Proposals: Cinema Enhancements

Enhance Guildhall Cinema, Including Improved Seating (Proposal G7) – Summary (cont'd)	
Dependencies (D), Risks (R) & Issues (I)	D: Ideally synchronised with creation of alternative event/venue space (as per Proposal G3) to enable existing venue hire business to move – but business case would support going ahead anyway even if proposal G3 is delayed or not progressed, since forecast earnings from cinema exceed venue hire earnings for this space. D: Relies on improved marketing approach and website/box office enhancements. R: Improvements in quality of offer do not translate into sufficient increase in revenues to offset amortisation of capital investment. R: Further independent cinema competition associated with Kings Place development. This is a possibility under current plans from Stanhope/Curzon. GCC should consider carefully whether to encourage the private sector to develop provision in this area or to leave the path open to leverage a return on its own investment. This is an area of Guildhall activity that has the clear potential to be significantly profitable and there may therefore be a case for GCC policy to seek to avoid encouraging additional town centre cinema developments.
Implementation Approach	- A decision must first be taken regarding the Stanhope/Curzon proposals as, if they are to proceed, it would be unwise to make further investments in the Guildhall cinema offer. - If the Stanhope/Curzon plan is rejected, then the proposed investments and cinema offer improvements should progress apace as there is a clear and immediate revenue growth opportunity. - This could potentially see the proposed changes made during Spring 2015.

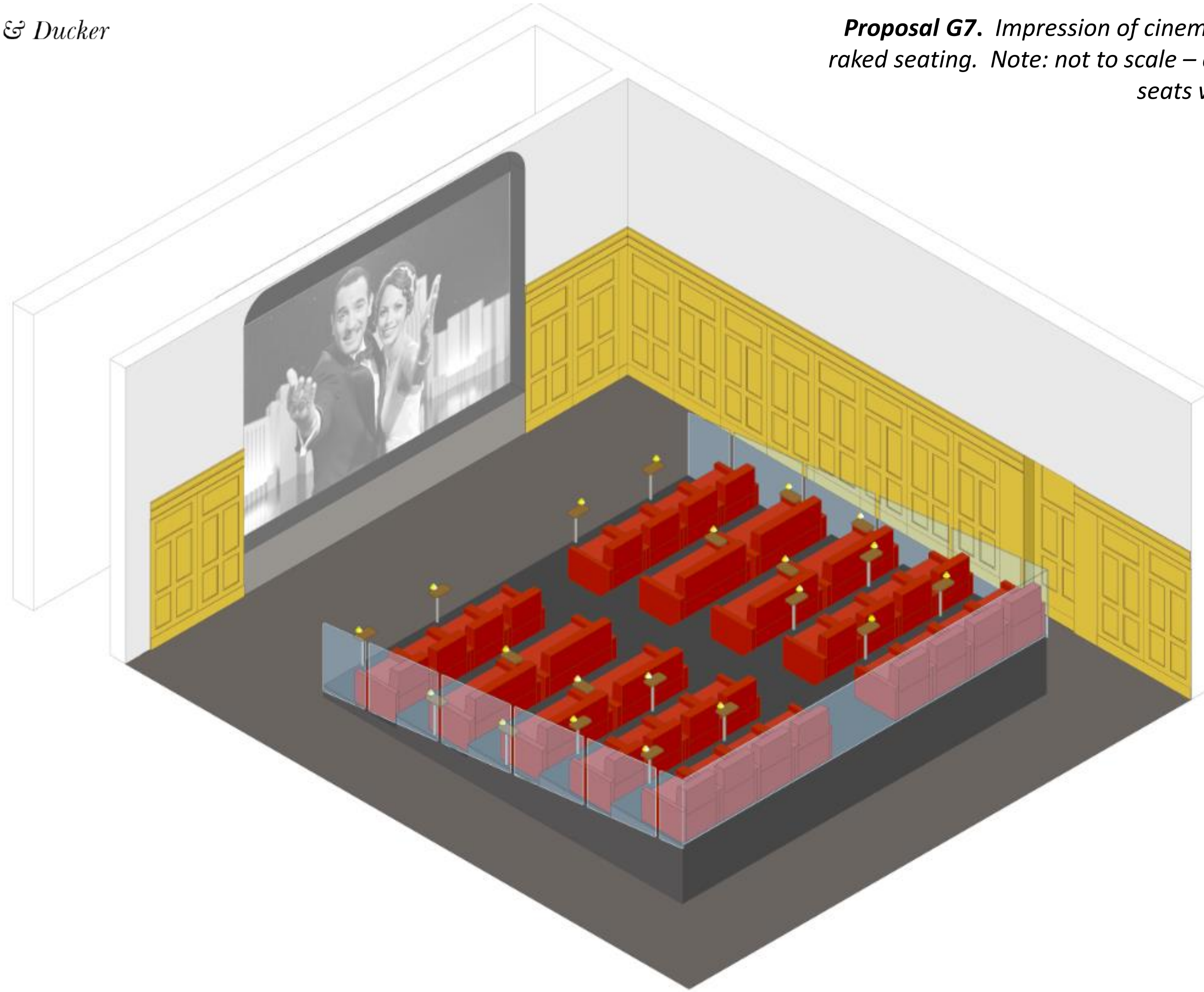
Proposal G7. *Cinema seating design inspiration*

Everyman

Everyman - Leeds

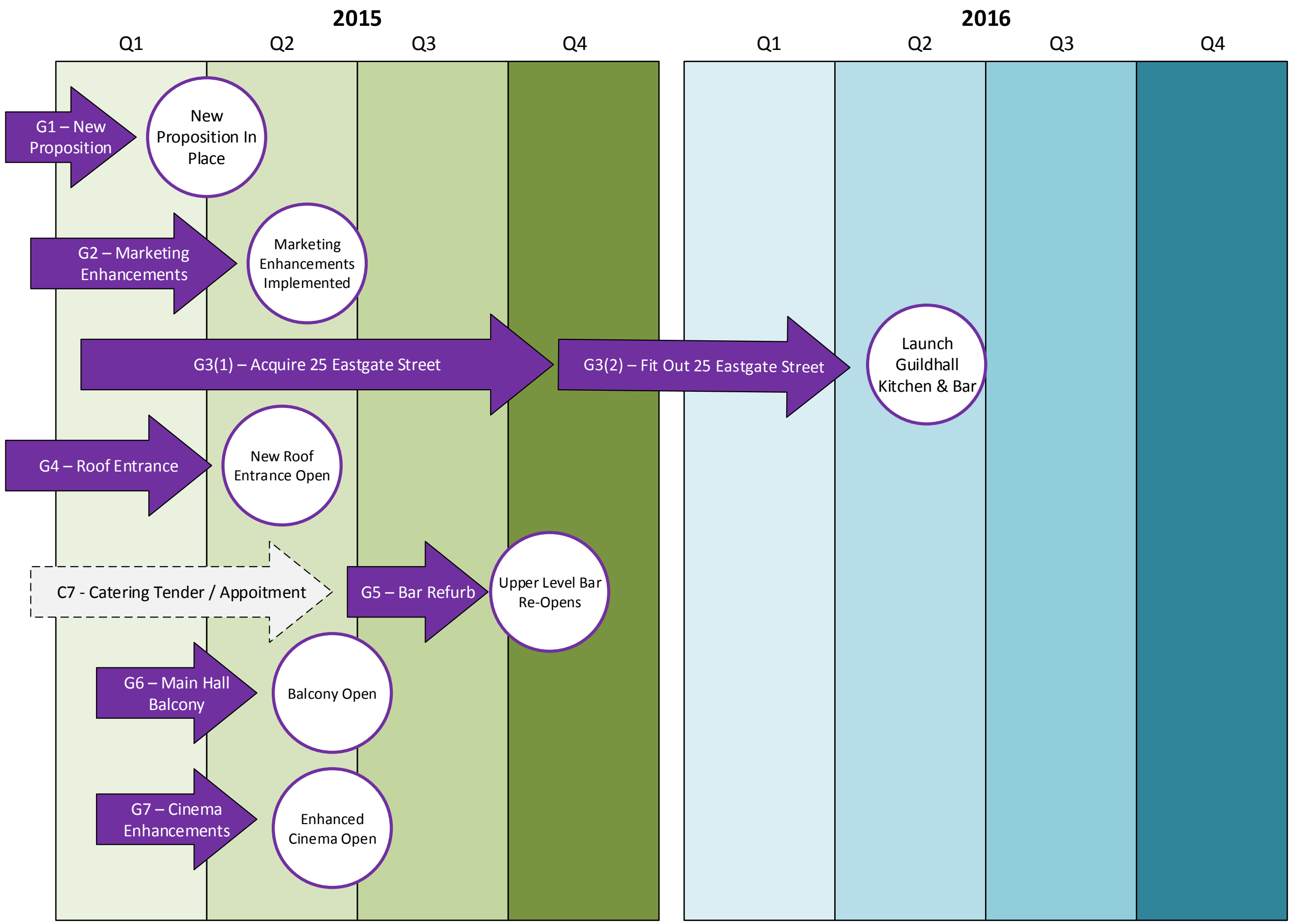
The Electric Notting Hill

Proposal G7. *Impression of cinema with dedicated raked seating. Note: not to scale – actual number of seats would be circa 65*



Guildhall Proposals: Implementation Timetable

The timeline below sets out a possible implementation timetable for the Guildhall proposals, taking into account key dependencies and lead times.



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Guildhall: Financial Impact Analysis

Impact of Proposals

- The P&L summary shown here models the effect of the proposals set out herein, once fully implemented, and after any cost of change.
- Once implemented, it is estimated that the Guildhall EBITDA loss would reduce from the circa £400k forecast for the current year to a figure nearer to £175k.
- The improvement would be greater (a further £96k) were it not for the very significant property maintenance costs forecast for 15/16 onwards.
- Opportunities for yet further financial improvement include:
  - Securing capital contributions from incoming catering partner, which may be possible depending on the length of contract awarded.
  - Securing additional support from ACE or other bodies associated with the an artistic company residency (which may be possible with 25 Eastgate Street facilities)

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	13/14 Actual	14/15 Forecast	Full Year New Model	Notes
Income				
Gross Revenue				
Entry Fees	0	0	0	
Ticket Sales (Live Events)	173,667		295,000	£62k of uplift from new balcony capacity. Further uplift from revised programme, street level box office, improved marketing and new website
Ticket Sales (Cinema)	51,495	317,760	111,354	Impact of dedicated seating, addition of live content, street level box office etc.
Workshops	23,448		30,000	Additional space at 25 Eastgate gives scope for modest further growth in this area
Exhibitions	0	0	0	
Other Event Income	421	433	500	
Venue Hire	73,060	39,446	175,000	Room hires to £125k from existing building, with improved refurbished rooms, dedicated team, improved sales and marketing effort. Further £75k per year associated with new 25 Eastgate St facilities.
Restaurants & Bars	139,503	140,000	219,518	Forecast concession income from catering partner (street level café bar plus upper level events bar)
Merchandise	0	0	0	
Other	14,097	2,631	50,000	£30k cross charge for support provided to other GCC functions. £20k per year from 'anchor tenant' arts group (based in 25 Eastgate St).
TOTAL	**475,691**	**500,270**	**881,372**	
Costs				
Expenditure				
Employees	521,544	530,000	480,999	Reduction in Catering and Guildhall Support teams. Offset by investment in duty mangement and new Venue Hires Team. Includes 65% share of Shared Services team.
Premises Related Expenditure	45,174	46,931	110,000	Based on GCC Asset Management forecast plus allowance for 25 Eastgate Street
Utilities	29,686	25,000	40,000	Increase based on addition of 25 Eastgate Street
Transport Costs	1,542	1,487	1,500	
Supplies and Services	366,271	295,847	288,056	Now excludes any food and drink stock (new model). Also includes extra £25k per year marketing budget. Provison for new website/box office system @ 4% of sales.
Other Charges	247	0	0	
Loan Interest	0	0	138,600	Assumes £4.62M borrowed at 3%, interest only
TOTAL	**964,464**	**899,265**	**1,059,155**	
EBITDA	-502,793	-398,995	-177,783	
Depreciation (Capital Works)	0	0	65,525	Combined depreciation charge (excludling property purchase)
Minimum Revenue Provision (25 Eastgate St)	0	0	80,000	Accounting requirement but no cash impact and asset retains value. Assumes purchase price of £4M, amortised over 50 yrs.
EBIT	**-502,793**	**-398,995**	**-323,308**	

Part 3:
Museums

Museums: Current Financial Position

Overview

- Combined loss across both museums in 13/14 of 371k, improving to £283k in 14/15.
- Income down on all trading lines in 14/15, EBIT improvements due to cost savings.
- Significant drop in catering income following closure of Folk Museum café.
- Significant buildings maintenance expenditure is required (totalling £1,827k over next 10 years).

	13/14 Actual	14/15 Forecast
Income		
Gross Revenue		
Entry Fees	39500	28354
Ticket Sales (Live Events)	0	
Ticket Sales (Cinema)	0	0
Workshops	0	
Exhibitions	0	0
Other Event Income	9,500	15,157
Venue Hire	21,000	10,495
Restaurants & Bars	47,500	25,428
Merchandise	23,500	19,730
Other	2,395	15,299
TOTAL	**143,395**	**114,463**
Costs		
Expenditure		
Employees	328,081	258,821
Premises Related Expenditure	54,478	51,885
Utilities	39,324	39,000
Transport Costs	383	550
Supplies and Services	92,741	47,299
Other Charges	0	0
Loan Interest	0	0
TOTAL	**515,007**	**397,555**
EBIT	-371,612	-283,092
Depreciation (Capital Works)	0	0
EBITDA	**-371,612**	**-283,092**

Museums: SWOT Analysis

Strengths

- Folk Museum Garden
- Ed Shed – good venue hire space
- HLF bid already in progress to refit City museum 2nd Floor.

Weaknesses

- Museum propositions are not well explained or communicated.
- Significant missed opportunity to attract tourists
- Catering offer does not provide a reason to visit

Opportunities

City Museum

- Address marketing and city signage failings to attract more tourists (as well as locals).
- Remodel café and connect through to Library, thereby increasing potential audience. Configure as value-led local café serving users and neighbours (new housing).

Folk Museum

- Rename
- Revise offer around ‘experiential environments’ (e.g. the Victorian classroom) with costume and enactments.
- Focus on driving venue hire business
- Reinstate café as a ‘secret garden’ and rebuild custom, independently of museum operation.

Threats

- Inaction – or failure to be sufficiently radical - which will see continuing declines in trading performance.
- Building maintenance costs
- Failure to secure HLF bid
- Failure to effectively deploy and secure the financial benefits of capital investments.

Museums Proposals: Executive Summary

- The proposals set out overleaf recognise that much of value is already planned in terms of improvements to the quality of the offer at the City and Folk Museums. The City Museum HLF bid is underway and represents the right direction for the museum to be taking. Plans for the Folk Museum's development are at an earlier stage but, equally, are moving the institution in the right direction.

- Given the above, the focus of this project been on the sales and marketing approach and on the commercial activity that sits around these visitor experiences, and particularly the hospitality elements, given the ability of good hospitality to generate repeat visits and to drive significant revenues.

- Hence the proposals that follow are principally concerned with:
    - simplifying pricing and the value proposition
    - bringing about significant enhancements to all aspects of the museum marketing effort, resulting in a greater effectiveness and higher number of visitors;
    - reinvigorating the hospitality operation so it can better play its vital role;
    - maximising commercial performance in other supporting areas such as venue hire, such that museum subsidies can be reduced as much as possible.

Museums Proposal: Charging

Implement New Charging Model (Proposal M1) - Summary	
Context / Issue	The current charging model used by the museums is insufficiently clear, is not generally perceived to be good value and does not distinguish effectively between local residents and visitors/tourists who have differing attitudes to value and repeat visits.
Proposal(s)	Implement a new super-simple charging structure based on a single charge that gives 12 months general admission access to both museums. Capture personal details at point of purchase – ostensibly to enable replacement tickets to be issued, but also allows customer database to be built.
Rationale & Benefits	- Simple to market and explain - Provides greater benefit/value to locals who are able to make repeat visits during the year - Represents improved value versus current arrangements - Provides context for driving greater visitor numbers and growing entry fee revenues
Details	Adults - £5 Children (16 or under) and OAPs - £3 Family Ticket (2 adults and 2 children) - £12
Capex Requirement	None
P&L Impact	Suggested initial target is to get to 30,000 paying visitors per year across both museums combined (equates to average of 2,500 per month / 577 a week / 82 per day). This would generate revenues of £130,000 per year, up from current levels of circa £30k.
Dependencies (D), Risks (R) & Issues (I)	- This increase is likely to require the HLF funded improvement to the City Museum to be in place before it can be fully achieved (D).

Museums Proposals: Charging (cont'd)

Example Pricing Presentation

<u>Museum Entry Fees</u>

All tickets provide 12 months unlimited general admission to
The City Museum & Art Gallery, *and*
The Folk Museum

Adults - £5
Children (16 or under) and OAPs - £3
Family Ticket (2 adults and 2 children) - £12

Please consider providing us with your details when you buy a ticket and then, if you lose it during your 12 month period, we can reissue it free of charge.

Museums Proposals: Opening Hours

Reduce Opening Hours (Proposal M2) - Summary	
Context / Issue	The Museums are open for more hours than necessary to meet current demand and, whilst the intention is to increase attendance in the medium term, there is nonetheless an opportunity to reduce opening hours, at least in the short term.
Proposal(s)	Reduce opening hours for both City and Folk Museums, as per details below, from Jan 15.
Rationale & Benefits	- Staff savings from FOH hours reduction - Revised Folk Museum proposition benefits from visitors being focussed into narrower time slots
Details	The City Museum will open to the public Tuesday to Saturday every week, except the Christmas holidays, 10 am – 4 pm (April to September) and 10 am – 3 pm (October to March). The Folk Museum will be open to the public Tuesday to Saturday every week, 10 am – 4 pm (April to September). During the winter months (October to March) they will only be open at the following times: - October half term, Monday to Saturday, 10 am – 3pm - February half term, Monday to Saturday, 10 am – 3 pm - Every Saturday during October to March, 10 am – 3 pm, except when Christmas Day, Boxing Day or New Years Day falls on a Saturday. During the winter months when closed, the museum will still be available for school bookings and room hires. Sunday opening trials will also be conducted to extended if successful.

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Museums Proposals: Opening Hours (cont'd)

Reduce Opening Hours (Proposal M2) – Summary cont'd	
Capex Requirement	None
P&L Impact	- Estimated savings of circa £19k per year. - Note that it is assumed that cafes are accessible outside of museum opening hours (straightforward in the case of the City Museum, some details still to be worked through as to how this works for the Folk Museum).
Dependencies (D), Risks (R) & Issues (I)	- Staff consultation (D)

Museums Proposals: Marketing and CRM

Context / Issue	Proposal(s) M3 – Summary
Planning. The museums have a difficult task in reaching two distinct markets (tourists and residents) but no formal marketing plan is in place	Document a marketing plan (including PR and social)
Branding. Museums offer two distinct experiences in two separate locations, under two identities yet a joint approach is usually taken to visitor communications. This creates real confusion. Research revealed negative connotations around 'Folk'.	Change the name of Folk Museum (see below). Continue to promote in partnership but ensure there is a clearer distinction in brand and proposition.
Visitor Proposition. Requires much greater focus and explanation within promotional material.	Identify the offer, identify what the customer can expect and articulate it in an engaging and informative way.
Value. The Museums offer great value for money but this is not explained or promoted effectively.	Improve value promotion at point of sale.
Education Market. There is further potential to service this group and to use it as a way to promote more commercially lucrative follow-up visits from families.	Expand this area and send visiting children home with membership offers and visitor promotions – give mum and dad a reason to return.

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Museums Proposals: Marketing and CRM (cont'd)

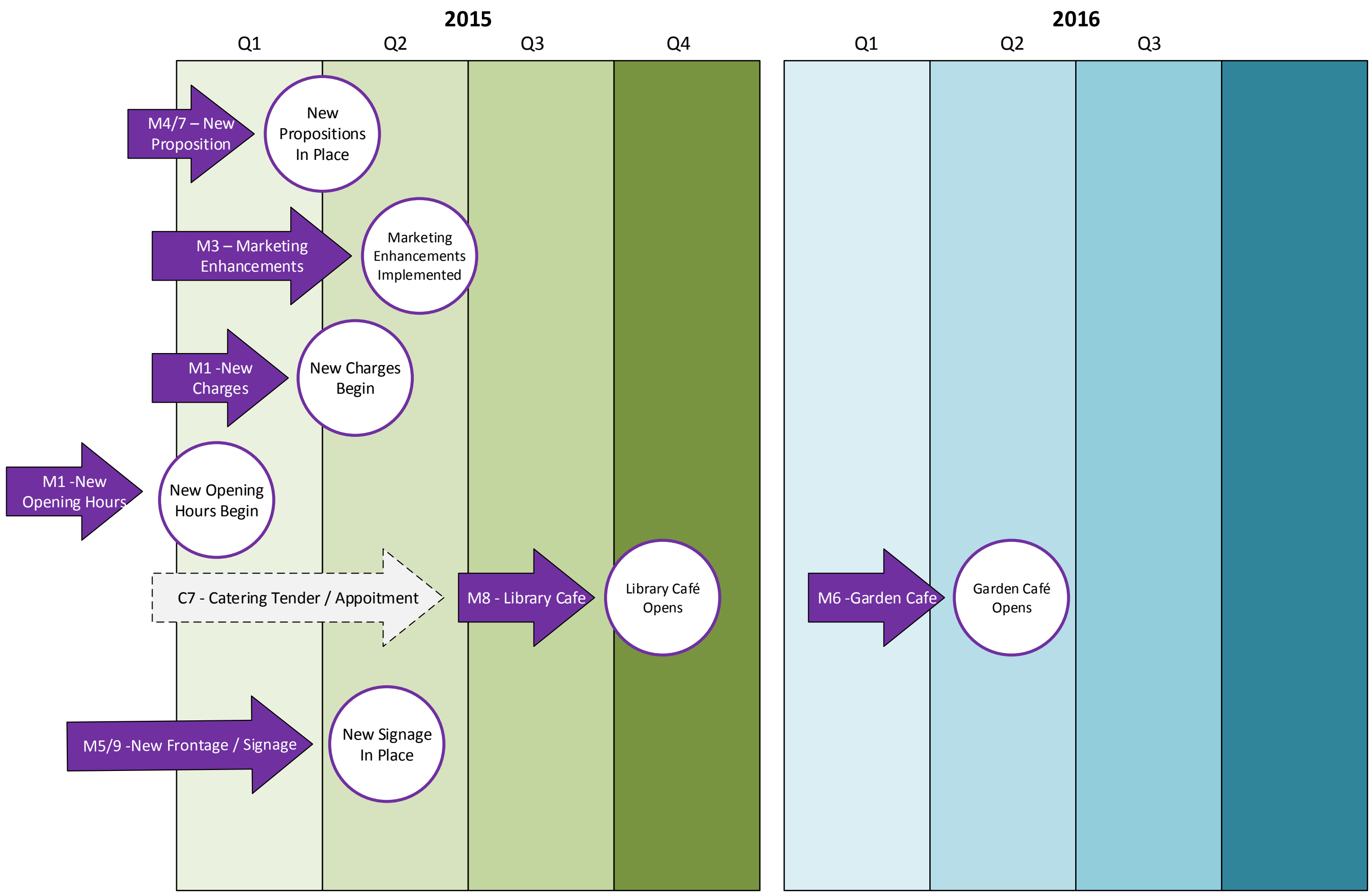
Context / Issue	Proposal(s) M3– Summary cont'd
Tourism Market. The Museums are not currently marketed as a tourist visitor attraction. The 'What's On' guide is the primary means of communication but this does not typically find its way to tourists. No peak season tourist campaign is in place.	Refocus efforts to reach tourist market. Assess viability of tourism campaign in peak season.
Partnerships. Joint tickets or cross promotional offers with other attractions are an opportunity to counteract the 'out of the way' location of both Museums. Very little activity in place currently.	Look to establish joint ticketing and other cross promotional partnerships with other attractions.
Creative. Lacks cut-through and engagement. Fails to communicate a clear proposition or experience.	Creative needs to be elevated as part of a re-launch and rebrand of the Museums' offer, in partnership with a Marketing Agency (to be appointed).
Online. The online presence is inadequate and strategically underutilised.	Action quick wins on improving web content. Transfer newly created messaging and creative approach online.

Budget Implications

To enable the above, it is proposed that the Museums marketing budget is increased from £25k to £50k per year, and this has been reflected in the P&L forecasts found below.

Museums Proposals: Implementation Timetable

The timeline below sets out a possible implementation timetable for the Museum proposals, including those set out in Parts 4 and 5 below, taking into account key dependencies and lead times.



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Museums: Financial Overview

Impact of Proposals

- The P&L summary shown here models the effect of the proposals set out herein (including those set out below in Parts 4 and 5), once fully implemented, and after any cost of change.
- Once implemented, it is estimated that the Museums loss would reduce from the circa £283k forecast for the current year to a figure nearer to £199k.
- The improvement would be greater were it not for the very significant property maintenance costs forecast for 15/16 onwards across both sites.

	13/14 Actual	14/15 Forecast	Full Year New Model	Notes
Income				
Gross Revenue				
Entry Fees	39500	28354	130,000	Increased take-up, combined effect of tourist trail, marketing enhancements, new website, new charging, improved proposition, HLF improvements. Requires 20,000 full fee adults + 10,000 full fee children/concessions per year.
Ticket Sales (Live Events)	0		0	
Ticket Sales (Cinema)	0	0	0	
Workshops	0		0	
Exhibitions	0	0	0	
Other Event Income	9,500	15,157	22,000	Result of improved marketing and increaed take-up
Venue Hire	21,000	10,495	48,000	Significant growth following creation of dedicated Venue Hire team
Restaurants & Bars	47,500	25,428	76,159	Concession income from Garden Café and Library Café
Merchandise	23,500	19,730	48,000	Increase linked to visitor numbr growth
Other	2,395	15,299	5,000	
TOTAL	**143,395**	**114,463**	**329,159**	
Costs				
Expenditure				
Employees	328,081	258,821	278,190	FOH savings due to revised operating hours. 35% share of Shared Services staff.
Premises Related Expenditure	54,478	51,885	125,000	Based on GCC Asset Management forecasts, less HLF contribution
Utilities	39,324	39,000	39,000	
Transport Costs	383	550	500	
Supplies and Services	92,741	47,299	70,200	Now excludes any food and drink stock (new model). Also includes extra £25k per year marketing budget. Additional stock costs associated with Merchandise sales. Provison for new website / box office system @ 4% of admission charges.
Other Charges	0	0	0	
Loan Interest	0	0	3,600	£120k borrowed at 3%, interest only
TOTAL	**515,007**	**397,555**	**516,490**	
EBIT	-371,612	-283,092	-187,331	
Depreciation (Capital Works)	0	0	12,000	
EBITDA	**-371,612**	**-283,092**	**-199,331**	

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Part 4:
Folk Museum

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Folk Museum: Building Evaluation

Location
- Relatively poor location with no natural footfall, although close enough to the Cathedral to benefit with improved signage.

Condition
- Grade II Star listed building
- Exterior in very poor condition with major works required. GCC Asset Management report suggests expenditure of £657k over 10 years.

Visibility / Access
- Visibility from street is very poor (both from immediately outside and, more importantly, from Westgate Street).
- There is an opportunity to redirect tourists exiting the Cathedral but there is currently no attempt to do this.

Facilities
- Museum building itself is quaint and atmospheric, with significant personality.
- The site as a whole is only partially utilised, with large areas given over to storage and other back-of-house functions.
- The garden area is an excellent asset and has potential to be redeveloped as a key selling point (in concert with a re-opened café).
- The EdShed is a very good space with further venue hire potential.

Folk Museum: High Level Options

Prior to developing specific proposals for the development of the Folk Museum, three high level options were considered, with Option 1 being selected as the most appropriate in all the circumstances.

	Option 1 **Maintain as a separate museum and invest In existing location**	**Option 2** **Combine with City Museum in one location.**	**Option 3** **Closure**
Summary	**Improve current offer in current location to drive better commercial performance.**	**Close current location and move 'best of' Folk Museum to City Museum, either on City Museum site on new site.**	**Close Folk Museum**
Advantages	- Can be implemented on a short time frame, thus reducing losses quickly. - Maintains a well loved and unique cultural attraction. - Offers maximal revenue generation with two sites to exploit.	- Would create a more marketable combined offer, if a suitable site could be found.	- Some reduction in current subsidy, but not financially preferable to Option 1 since cost savings are minimal and building maintenance costs would remain.
Disadvantages	- Requires investment and acceptance of some risk in implementing turnaround plan.	- No space within existing City Museum site, especially given current HLF plans that are well advanced. - Costs of moving to a completely new site are enormous and are highly unlikely to be fundable. - HLF bid would be de-railed - Implementation timetable would be many years, with losses continuing on the meantime.	- Would rob Gloucester of a significant cultural attraction. - No possible other uses for building, thus significant building maintenance costs would remain without being offset by associated income.

Folk Museum Proposals: Proposition & Name

Refine The Visitor Proposition (Proposal M4) – Summary	
Context / Issue	Research indicated that the proposition presented by the Folk Museum is very poorly understood by Gloucester residents. In addition, the name itself is felt to convey negative associations.
Proposal	(i) In partnership with a marketing agency, develop a better explanation of the Folk Museum proposition – initially a statement for internal use/agreement, and thereafter a version suitable for use in marketing materials. This needs to capture the direction of travel towards a more immersive, more experiential, more theatrical experience focussed around 'set piece' environments and characters. (ii) Choose a new name for the museum that better reflects this proposition. (iii) Seed this new proposition through marketing and other communications

Possible directions for Folk Museum name and proposition:

Museum Of Gloucester Life
Journey through the lives and history of Gloucester's people,
set within a beautiful Tudor house in the heart of the City.

Bishop Hooper's House
Experience Gloucester life through the ages

Folk Museum Proposals: Frontage & Signage

Implement New Model (Proposal M5) - Summary	
Context / Issue	Folk Museum visibility is extremely poor both from directly in front of the building itself and from Westgate Street, from where many potential visitors approach.
Proposal(s)	(i) Introduce new signage device outside building to improve visibility (ii) Introduce new sign/object on Westgate Street (near Cathedral) to capture attention of tourists and visitors in this location.
Rationale & Benefits	Research demonstrated that many people cannot/do not find the Folk Museum This provides a means of addressing that and also placing a much stronger invitation in front of the high numbers of tourists who visit the Cathedral each year, or are in the Westgate Street vicinity for other reasons.
Details	See visualisations overleaf
Capex Requirement	Estimated at £15k
P&L Impact	Not specifically assessed, but supports growth in visitor number assumptions
Dependencies (D), Risks (R) & Issues (I)	Will require approval of town planning (D)

***Proposal M5**. Impression of Westgate Street signage 'object' and improved external signage outside Folk Museum. Note: this illustrates the positioning but not the design of the sign itself, which would be the subject of further design work.*

Gundry & Ducker

Folk Museum Proposals: Garden Café

Reinstate of Folk Museum Café – Garden Café (Proposal M6) - Summary	
Context / Issue	The Folk Museum café was closed in 12/13 following a cost reduction review. This has contributed to a further decline in visitor numbers and has degraded the Folk Museum visitor experience.
Proposal(s)	Expand (outside), refurbish and re-launch as the Garden Café with an identity and access that is independent of the Folk Museum. Close in winter months in concert with Folk Museum seasonal closure.
Rationale & Benefits	- Leverages a unique garden location that is unique in the city - Has the potential to contribute a significant revenue stream if well run - Constitutes a reason to visit in addition to museum proposition itself
Details	- See plans overleaf - Create significant outdoor seating capacity and position as indoor/outdoor café - Create dedicated area for use by venue hire clients (in front of Ed Shed) - Reinstate rear entrance so as to enable office workers to access lunchtime offer - Reinstate discount offers to County / Shire Hall staff and other local offices
Capex Requirement	Estimated at £45k
P&L Impact	Generates annual concession income of £35k, or £30k after the associated depreciation.
Dependencies (D), Risks (R) & Issues (I)	

Folk Museum Proposals: Garden Café

Environment

Garden Café

The best indoor/outdoor café in Gloucester, set within a beautiful secret garden.

A place to escape from the office for a lunch in the sunshine, a place to meet friends, a place to relax whilst the children play.

A calm oasis away from the bustle of the city centre.

Folk Museum Proposals: Garden Café

Food & Drink

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Garden Café

Teas, coffees, delicious cakes

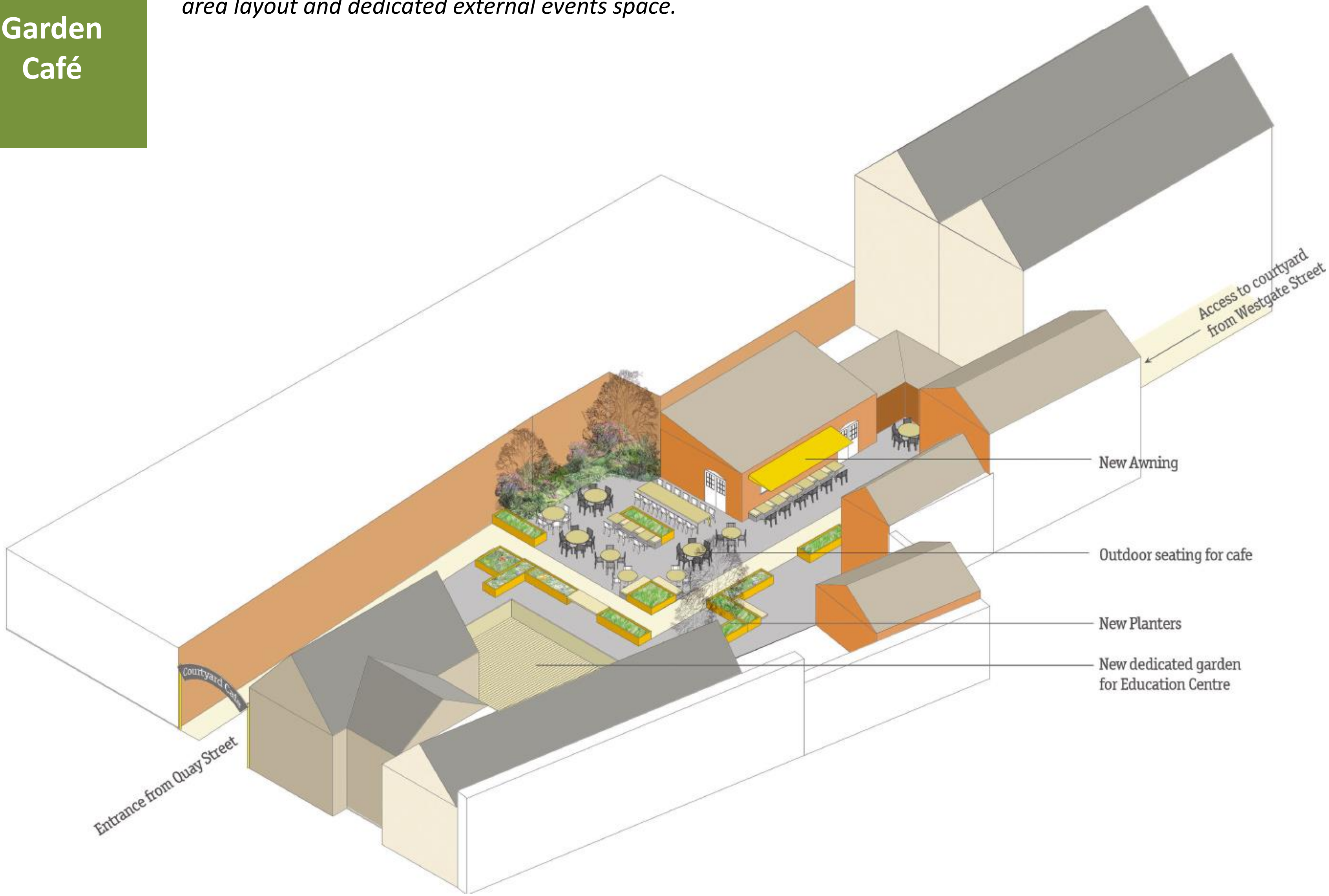
Chunky sandwiches, garden-inspired salads, baked potatoes, soups and stews.

Giant cookies, ice cream, kids treats

Garden Café

***Proposal M6.** Impression of Garden Café outside area layout and dedicated external events space.*

Gundry & Ducker



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Part 5:
City Museum

City Museum: Building Evaluation

Location

- Situated close to city centre but off main thoroughfare.
- Access route from Quays is poor.
- New housing development will improve immediate environment in time.
- Proximity to library should appeal to residents.

Condition

- Grade II listed building
- Major maintenance works due in next 10 years. GCC Asset Management report suggests expenditure of £1.17M over next 10 years (but HLF grant, if successful, would deal with £400k of that).

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Visibility / Access

- Visibility relatively good with prominent banners. Further improvements needed to side and rear elevations.
- Entrance area design can be improved to make it clear café is accessible separately from museum.

Facilities

- Ground floor is fit for purpose, though a few repairs and exhibition refreshes are needed.
- Second floor and temporary exhibition space are tired but HLF grant will address this.
- Café in need of improvement, including enhancing visibility/access from street.

City Museum: High Level Options

Prior to developing specific proposals for the development of the City Museum, three high level options were considered, with Option 1 being selected as the most appropriate in all the circumstances.

	Option 1 Maintain as a separate museum and invest In existing location	Option 2 Combine with Folk Museum in one location.	Option 3 Closure
Summary	**Improve current offer in current location to drive better commercial performance.**	**Close current location and move to a new location, combined with the 'best of' the Folk Museum offer.**	**Close City Musuem**
Advantages	- Can be implemented on a short time frame, thus reducing losses quickly. - Maintains a well loved and unique cultural attraction. - Offers maximal revenue generation with two sites to exploit.	- Would create a more marketable combined offer, if a suitable site could be found.	- Significant cost savings, though not reduced to zero as long as building continued to be owned by GCC. - Building may be able to sold to developers – subject to moving Library – but listed status may mean it cannot be sold.
Disadvantages	- Requires investment and acceptance of some risk in implementing turnaround plan.	- Costs of moving to a completely new site are enormous and are highly unlikely to be fundable. - HLF bid would be de-railed - Implementation timetable would be many years, with losses continuing on the meantime. - Would also require Library to move to a new site.	- Would rob Gloucester of a significant cultural attraction.

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City Museum Proposals: Proposition

Better Communicate The Visitor Proposition (Proposal M7) - Summary	
Context / Issue	The visitor proposition of the City Museum & Art Gallery is increasingly clear – and certainly once the HLF funded improvements have taken place, the proposition centred around Gloucester's history is easily understood. There is however a need to communicate this proposition in a more compelling manner.
Proposal	(i) In partnership with a marketing agency, develop a better explanation of the City Museum proposition – initially a statement for internal use/agreement, and thereafter a version suitable for use in marketing materials. (ii) Seed this new proposition through marketing and other communications

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Possible direction for the City Museum proposition:

City Museum & Art Gallery

Gloucester's dramatic story told through history, art and the natural world

City Museum Proposals: Library Café

Expansion and Re-Launch Of Café Nerva as Library Café (Proposal M8) - Summary	
Context / Issue	The current City Museum café (Café Nerva) is poorly attended and generates very little income. The museum has insufficient footfall to enable the café to run profitably and there is currently nothing to set it apart from the competition in terms of attracting local residents.
Proposal(s)	(i) Expand the café and connect it to the City Library, thus providing access to an additional 1,000 visitors per day on average. (ii) Refresh and rebrand the café as the Library Café – more marketable and prioritises the new primary audience (because they will always be more numerous).
Rationale & Benefits	- Café requires significantly more customers to be profitable – thus needs to access Library users and local residents (an increasing community given the surrounding housing developments). - Knocking through to the Library provides two entrance routes to the café
Details	- See plan overleaf. - Includes repositioning Library entrance so that it is adjacent to café entrance – this is key to delivering the required custom.
Capex Requirement	Estimated at £55k
P&L Impact	Annual sales of £276k. Generates annual concession income of £41k, or £36k after associated depreciation
Dependencies (D), Risks (R) & Issues (I)	- Requires County Council support (D). Mark Parker has confirmed they are currently supportive given this compliments other plans County have for their section of the building.

City Museum Proposals: Library Café

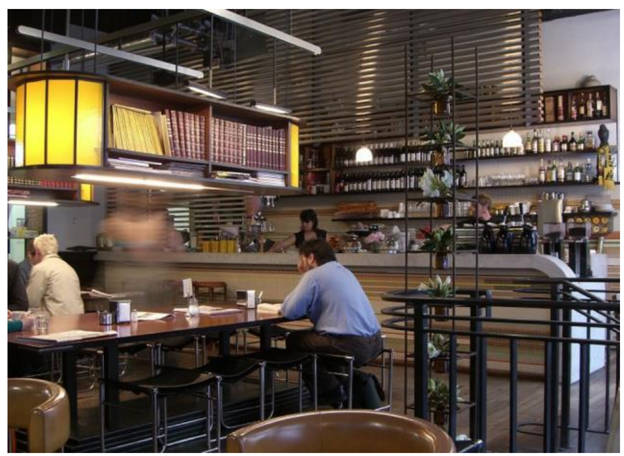
Environment

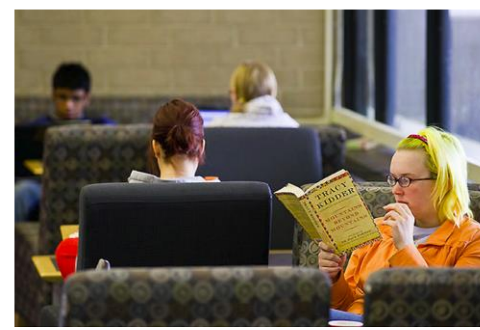
Library Café

A place to relax with a book or reflect on an intriguing museum visit.

Great quality coffee and simple, good value food – a place for local residents to meet and hang out during the daytime.

Free Wi-Fi and newspapers, plenty of space - a destination to work and think.





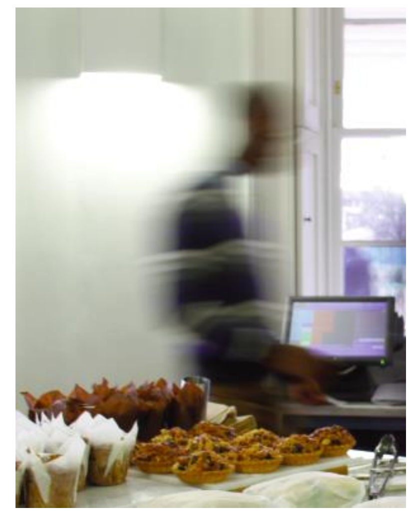
City Museum Proposals: Library Café

Food & Drink

Library Café

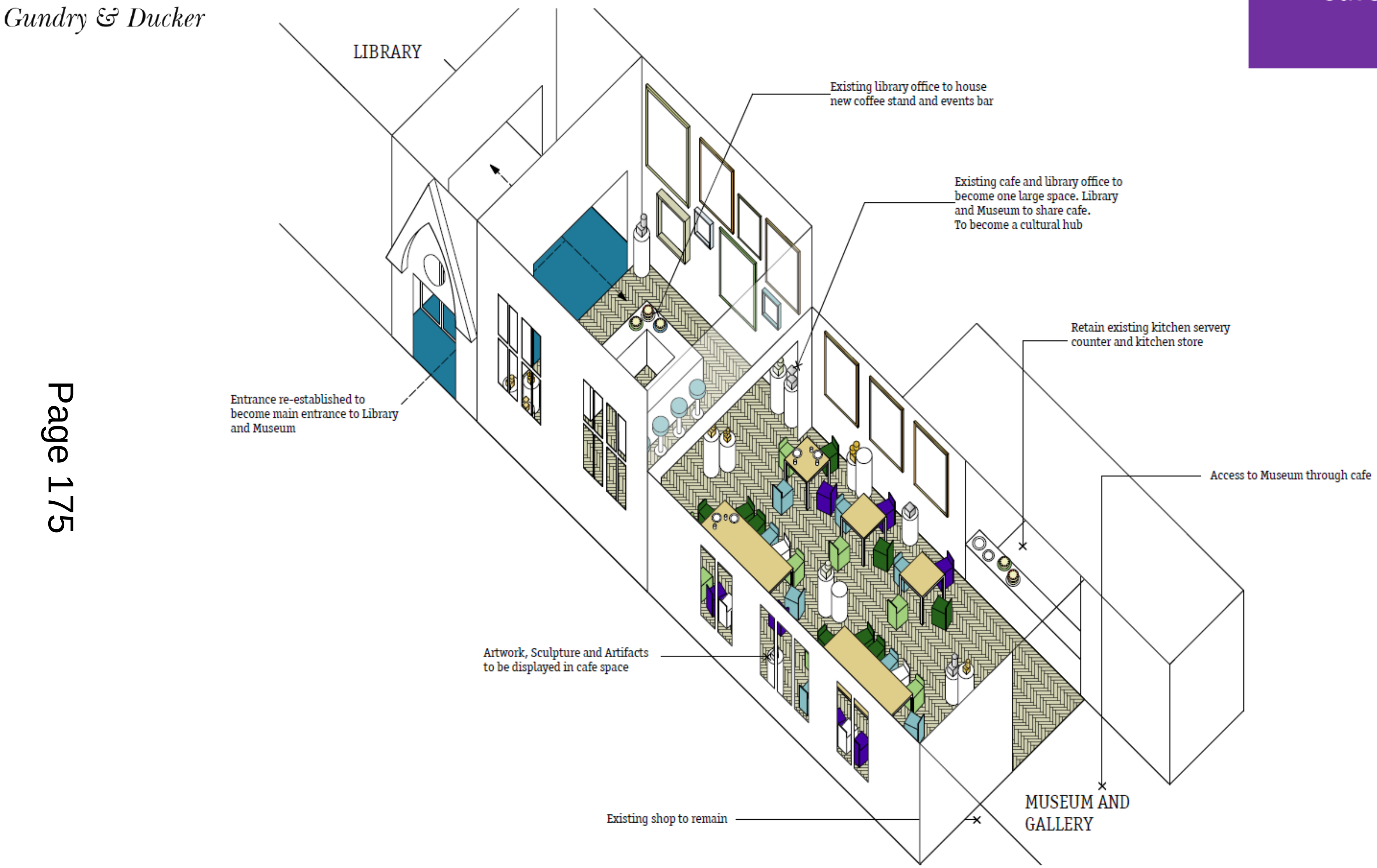
High quality coffee (espresso bar), tea, soft drinks, snacks and cakes

Chunky sandwiches, salad specials, baked potatoes, soups and stews.



Proposal M8. *Impression of new Library Café, showing connection to new Library entrance.*

Library Cafe



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City Museum Proposals: Signage

Implement New Model (Proposal M9) - Summary	
Context / Issue	City Museum visibility is reasonable from the front of the building but poor from the Eastgate St end (i.e. from the town centre)
Proposal(s)	(i) Introduce new digital sign on side of building to improve visibility and publicise a range of marketing messages.
Rationale & Benefits	Research demonstrated that some people cannot/do not find the City Museum This provides a means of addressing that and also placing a much stronger invitation in front of the high numbers of people who move up and down Eastgate St.
Details	Digital sign affixed to north facing building façade
Capex Requirement	Estimated at £5k
P&L Impact	Not specifically assessed, but supports growth in visitor number assumptions
Dependencies (D), Risks (R) & Issues (I)	Will require approval of town planning (D)

Part 6:
Consolidated Financial Impact

Cultural Services: Consolidated Financial Overview

Summary Of Capital Expenditure Proposals (including purchase of 25 Eastgate Street)

The total capital requirement for the initiatives set out herein is £4.74M, inclusive of the purchase of 25 Eastgate Street.

The table to the right shows the breakdown of capital expenditure assumptions and the period of time over which they are depreciated for the purposes of the P&L statements that follow.

It is assumed that all capital requirements are funded by borrowing, at an annual interest rate of 3%.

Area	**Project**	**Investment (£)**	**Depreciation Period (Yrs)**
Property Purchase			
	25 Eastgate Street Purchase (Minimum Revenue Provision)	4,000,000	50
Guildhall			
	25 Eastgate Street Fit Out	460,000	10
	Main Hall Balony	50,000	10
	Cinema	45,000	10
	Upper Level Bar	45,000	10
	Meeting Room Refurb (Existing Building)	15,000	5
	Roof Entrance	7,000	5
	Guldhall Total	622,000	
Musuems			
	Garden Café (Folk Musuem)	45,000	10
	Library Café (City Musuem)	55,000	10
	Signage Improvements (Folk Frontage, City Side, Westage Object)	20,000	10
	Museums Total	120,000	
GRAND TOTAL		**4,742,000**	

Cultural Services: Consolidated Financial Overview

Consolidated P&L For Cultural Services

- The P&L summary shown here models the effect of the proposals set out herein, once fully implemented, and after any cost of change.
- Once implemented, it is estimated that the Cultural Services EBITDA loss would reduce from the circa £682k forecast for the current year to £365k, an improvement of £317k.
- On a like-for-like basis the improvement is greater still (£467k) because of the very significant incremental property maintenance costs forecast for 15/16 onwards, across all three sites. These total £150k and are accounted for in the 'New Model' figures but not at 14/15 forecast levels.
- The year-on-year EBIT improvement is more modest at £159k (or £309k on a like-for-like property cost basis) as a result of the £158k depreciation charge applied. That said, £80k of this is the Minimum Revenue Provision for the purchase of 25 Eastgate Street. Whilst necessary from a GCC accounting point of view, it remains the case that the property asset will not in fact depreciate. With the MRP excluded, the improvement in EBIT is £240k year-on-year (or £390k on a like-for-like property basis).

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	13/14 Actual	14/15 Forecast	Full Year New Model
Income			
Gross Revenue			
Entry Fees	39,500	28,354	130,000
Ticket Sales (Live Events)	173,667		295,000
Ticket Sales (Cinema)	51,495	317,760	111,354
Workshops	23,448		30,000
Other Event Income	9,921	15,590	22,500
Venue Hire	94,060	49,941	223,000
Restaurants & Bars	187,003	165,428	295,677
Merchandise	23,500	19,730	48,000
Other	16,492	17,930	55,000
TOTAL	**619,086**	**614,733**	**1,210,531**
Costs			
Expenditure			
Employees	849,625	788,821	759,189
Premises Related Expenditure	99,652	98,816	235,000
Utilities	69,010	64,000	79,000
Transport Costs	1,925	2,037	2,000
Supplies and Services	459,012	343,146	358,256
Other Charges	247	0	0
Loan Interest	0	0	142,200
TOTAL	**1,479,471**	**1,296,820**	**1,575,645**
EBITDA	-874,405	-682,087	-365,114
YoY Improvement		**192,318**	**316,973**
Depreciation (Capital Works)	0	0	77,525
Mimum Revenue Provision (25 Eastgate St)	0	0	80,000
EBIT	**-874,405**	**-682,087**	**-522,639**
YoY Improvement		**192,318**	**159,448**

Gloucester City Council

michael+partners

In Conclusion

10 Year Context

- The previously published Current State Analysis identified that the cost of the 'do nothing scenario' was set to be in the region of £9.5M over 10 years.
- These proposals improve that position to a forecast subsidy of just over £5.2M over 10 years, including depreciation of capital investments. This represents a saving for GCC of £4.3M.
- At the same time, the net effect of these proposals is a significant enhancement in the provision of cultural services to the people of Gloucester.
- The Guildhall redevelopment also has the potential to be the catalyst for a new day/night economy in the city centre, something that aligns with wider City Council objectives.
- However, the purchase of 25 Eastgate Street is a critical part of the plan for the Guildhall (which delivers the biggest financial turnaround) and this does require a very significant capital investment. An alternative would be to lease rather than buy this property, but that is unlikely to be more financially beneficial in the long term.
- Although the scheme as set out does requires a major capital investment, the return on the capital (£467k like-for-like annual EBIT improvement equates to a 9.9% yield on £4.7M invested, after interest liability) constitutes a very reasonable business case.

Appendix 1 – Catering Financial Model

GCC Cultural Venues, Food & Drink Sales Forecast																
	Daily Av	Weekly Av						Monthly							Full Year	
	Trading Hours	Trading Days	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
			4	4	5	4	4	5	4	4	5	4	4	5		
Guildhall Main Café Bar *(Open 8am - 11pm Mon-Sat, 10am - 11pm Sun)*																
Breakfast: Granola, Croissant, Breakfast Sandwiches, Eggs Benedict																
Lunch: Sandwiches, Salads, Soups, Stews, Pasta, Pizzettas, Cold Plates																
Morning / Afternoon: Tea, Coffee, Cakes, Snacks																
Evening: Goulash, Sharing Platters, Pasta, Pizettas, Craft Beers, Wine, Spirits, Prosecco																
	15	6.8	80%	80%	80%	90%	100%	110%	120%	120%	110%	100%	90%	110%		Seasonal Adjustment
Transactions	250	1,700	5,440	5,440	6,800	6,120	6,800	9,350	8,160	8,160	9,350	6,800	6,120	9,350	87,890	
Transactions Per Hour	17	17	13	13	13	15	17	18	20	20	18	17	15	18		
Customers	550	3,740	11,968	11,968	14,960	13,464	14,960	20,570	17,952	17,952	20,570	14,960	13,464	20,570	193,358	
Customer Per Hour	37	32	26	26	26	29	32	35	38	38	35	32	29	35		
ATV (ex VAT)	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00		
Retail Sales	3,500	23,800	76,160	76,160	95,200	85,680	95,200	130,900	114,240	114,240	130,900	95,200	85,680	130,900	1,230,460	
Events Sales			3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000	
Total Sales			79,160	79,160	98,200	88,680	98,200	133,900	117,240	117,240	133,900	98,200	88,680	133,900	1,266,460	
Concession @ 15%			11,874	11,874	14,730	13,302	14,730	20,085	17,586	17,586	20,085	14,730	13,302	20,085	**189,969**	
Guildhall 1st Floor Event Bar *(Open variable evening hours, always 5pm - 9pm, sometimes 5pm - Midnight if there is a gig)*																
Evening: Beers, Wine, Spirits, Prosecco, Snacks, Ice Cream																
	5	6	80%	90%	100%	100%	100%	100%	90%	90%	100%	110%	110%	110%		Seasonal Adjustment
Transactions	80	480	1,536	1,728	2,400	1,920	1,920	2,400	1,728	1,728	2,400	2,112	2,112	2,640	24,624	
Transactions Per Hour	16	16	13	14	16	16	16	16	14	14	16	18	18	18		
Customers	144	864	2,765	3,110	4,320	3,456	3,456	4,320	3,110	3,110	4,320	3,802	3,802	4,752	44,323	
Customer Per Hour	29	32	26	0	26	26	26	29	29	32	38	42	39	35		
ATV (ex VAT)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00		
Retail Sales	640	3,840	12,288	13,824	19,200	15,360	15,360	19,200	13,824	13,824	19,200	16,896	16,896	21,120	196,992	
Concession @ 15%			1,843	2,074	2,880	2,304	2,304	2,880	2,074	2,074	2,880	2,534	2,534	3,168	**29,549**	
Folk Museum Garden Café (open 7 days, 10am - 5pm, closed in winter months)																
Morning: Teas, Coffees, Cakes																
Lunch: Sandwiches, Soups, Salads, Baked Potatoes																
Afternoon: Afternoon Tea																
	7	7	0%	30%	60%	100%	100%	90%	130%	130%	110%	70%	0%	0%		Seasonal Adjustment
Transactions	100	700	0	840	1,680	2,800	2,800	2,520	3,640	3,640	3,080	1,960	0	0	22,960	
Transactions Per Hour	14	14	0	4	9	14	14	13	19	19	16	10	0	0		
Customers	200	1,400	0	1,680	3,360	5,600	5,600	5,040	7,280	7,280	6,160	3,920	0	0	45,920	
Customer Per Hour	29	29	0	0	15	26	26	26	42	46	42	27	0	0		
ATV (ex VAT)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00		
Retail Sales	800	5,600	0	6,720	13,440	22,400	22,400	20,160	29,120	29,120	24,640	15,680	0	0	183,680	
Event Sales			4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000	
Total Sales			4,000	10,720	17,440	26,400	26,400	24,160	33,120	33,120	28,640	19,680	4,000	4,000	231,680	
Concession @ 15%			600	1,608	2,616	3,960	3,960	3,624	4,968	4,968	4,296	2,952	600	600	**34,752**	
City Museum: Library Café (open 6 days a week, 10am - 5pm)																
Morning: Teas, Coffees, Cakes																
Lunch: Sandwiches, Soups, Salads, Baked Potatoes																
Afternoon: Afternoon Tea																
	7	6	100%	100%	100%	100%	100%	110%	130%	130%	110%	100%	100%	100%		Seasonal Adjustment
Transactions	120	720	2,880	2,880	2,880	2,880	2,880	3,168	3,744	3,744	3,168	2,880	2,880	2,880	36,864	
Transactions Per Hour	17	17	17	17	17	17	17	19	22	22	19	17	17	17		
Customers	180	1,080	4,320	4,320	4,320	4,320	4,320	4,752	5,616	5,616	4,752	4,320	4,320	4,320	55,296	
Customer Per Hour	26	26	32	0	26	26	26	32	42	46	42	38	35	32		
ATV	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00		
Retail Sales	840	5,040	20,160	20,160	20,160	20,160	20,160	22,176	26,208	26,208	22,176	20,160	20,160	20,160	258,048	
Event Sales			1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	
Total Sales			21,660	21,660	21,660	21,660	21,660	23,676	27,708	27,708	23,676	21,660	21,660	21,660	276,048	
Concession @ 15%			3,249	3,249	3,249	3,249	3,249	3,551	4,156	4,156	3,551	3,249	3,249	3,249	**41,407**	
TOTAL SALES															**1,971,180**	
TOTA CONCESSION															295,677	

Appendix 2 – Cinema Financial Model

2013/14	ACTUAL
Av Ticket Price Paid (inc Screen Tea discounts etc.)	£5.87
Av Ticket Price ex VAT	£4.89
Screenings Per Year	542
Av Attendance	16.18
Av Revenue Per Screening	£95.01
Annual Attendance	8771
Annual Revenue Inc VAT	£51,495.00
Annual Revenue Ex VAT	£42,912.50

2014/15	FORECAST
Av Ticket Price Paid (inc Screen Tea discounts etc.)	£5.87
Av Ticket Price ex VAT	£4.89
Screenings Per Year	684
Av Attendance	15.00
Av Revenue Per Screening	£88.05
Annual Attendance	10260
Annual Revenue Inc VAT	£60,226.20
Annual Revenue Ex VAT	£50,188.50

Issues:
Optimum number of seats in cinema
Costs of live screening versus non-live
Pricing, live premium

2015/16	PLAN	**Assumptions**
NON_LIVE		
Av Ticket Price Paid (inc Screen Tea discounts etc.)	£8.37	£2.50 extra on inc VAT pricing
Av Ticket Price ex VAT	£6.98	
Non-Live Screenings Per Year	500	Reduced to allow for 50 live events per year
Av Attendance	25.00	Av attendance increased to 25
Av Revenue Per Screening	£209.25	
Annual Attendance	12500	
Annual Revenue Inc VAT	£104,625.00	
Annual Revenue Ex VAT	£87,187.50	
LIVE		
NON_LIVE		
Av Ticket Price Paid (inc Screen Tea discounts etc.)	£14.50	Premium pricing for live events
Av Ticket Price ex VAT	£12.08	
Non-Live Screenings Per Year	50	
Av Attendance	40.00	Higher attendance for live events
Av Revenue Per Screening	£580.00	
Annual Attendance	2000	
Annual Revenue Inc VAT	£29,000.00	
Annual Revenue Ex VAT	£24,166.67	
TOTAL Annual Revenue Ex VAT	£111,354.17	
Capital Investment (Cinema Seating)	£45,000.00	
Annual Depreciation Charge (8 years)	£5,625.00	
Annual Revenue less Depreciation	**£105,729.17**	

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