



**Gloucester
City Council**

Cabinet

Meeting: Wednesday, 17th June 2015 at 6.00 pm in Civic Suite, North Warehouse, The Docks, Gloucester, GL1 2EP

Membership:	Cllrs. James (Leader of the Council and Cabinet Member for Regeneration and Economy) (Chair), Dallimore (Deputy Leader and Cabinet Member for Communities and Neighbourhoods), Noakes (Cabinet Member for Culture and Leisure), Norman (Cabinet Member for Performance and Resources), Organ (Cabinet Member for Housing and Planning) and Porter (Cabinet Member for Environment)
Contact:	Atika Tarajiya Democratic Services Officer 01452 396127 atika.tarajiya@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 7 - 14) To approve as a correct record the minutes of the meeting held on 25 March 2015.
4.	PUBLIC QUESTION TIME (15 MINUTES) The opportunity is given to members of the public to put questions to Cabinet Members or Committee Chairs provided that a question does not relate to: <ul style="list-style-type: none"> • 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.	<p>PETITIONS AND DEPUTATIONS (15 MINUTES)</p> <p>To receive any petitions or deputations provided that no such petition or deputation is in relation to:</p> <ul style="list-style-type: none"> • Matters relating to individual Council Officers, or • Matters relating to current or pending legal proceedings
6.	<p>PARTNERSHIP WORKING WITH GLOUCESTERSHIRE COUNTY COUNCIL (Pages 15 - 28)</p> <p>To consider the report of the Cabinet Member for Performance and Resources informing Members of the progress made in discussions between Gloucester City Council (GCC) and Gloucestershire County Council (GlosCC) to work together to deliver back office functions and appropriate frontline customer services for the benefit of the residents of the City.</p> <p>PLEASE NOTE: Appendix 1 contains exempt material as defined in paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended). If Members wish to discuss material contained within Appendix 1 it will be necessary to notify the Chair to enable a resolution to be passed to exclude the press and public.</p>
7.	<p>SHARED HR SERVICE BETWEEN GLOUCESTER CITY COUNCIL AND GLOUCESTERSHIRE COUNTY COUNCIL (Pages 29 - 38)</p> <p>To consider the report of the Cabinet Member for Performance and Resources seeking Members' approval to progress a Section 101 agreement for a joint HR service between Gloucester City Council (GCC) and Gloucestershire County Council (GlosCC).</p>
8.	<p>2014-15 FINANCIAL OUTTURN REPORT (Pages 39 - 52)</p> <p>To consider the report of the Cabinet Member for Performance and Resources informing Members of the final Council position against agreed budgets for the 2014/15 financial year. It also highlights some key performance indicators.</p>
9.	<p>TREASURY MANAGEMENT UPDATE - QUARTER 4 REPORT 2014/15 (Pages 53 - 64)</p> <p>To consider the report of the Cabinet Member for Performance and Resources informing Members of Treasury management activities for Quarter 4: 1st December 2014 to 31st March 2015.</p>
10.	<p>PROPOSAL FOR A NEW FINANCIAL SYSTEM AND A SHARED SERVICE AGREEMENT (Pages 65 - 70)</p> <p>To consider the report of the Cabinet Member for Performance and Resources seeking approval for a change to the Council's financial system from Advanced Business Solutions (ABS) Financials to Civica Financials through the implementation of CIVICA financials in a shared working arrangement with Malvern Hills District</p>

	<p>Council (MHDC) and to confirm a willingness to enter into other shared Finance service arrangements with MHDC on systems administration and transaction processing.</p>
11.	<p>COUNCIL ADVERTISING NETWORK (Pages 71 - 78)</p> <p>To consider the report of the Cabinet Member for Performance and Resources seeking approval for a proposal to introduce advertising to the Council's website via the Council Advertising Network for a 1 year pilot, working with CapacityGrid, who offer an end-to-end solution for Councils.</p>
12.	<p>AN UPDATE ON ASSET BASED COMMUNITY DEVELOPMENT AND PUBLIC HEALTH IN GLOUCESTER (Pages 79 - 86)</p> <p>To receive the report of the Cabinet Member for Communities and Neighbourhoods updating Members on the progress of implementing Asset Based Community Development (ABCD) and Public Health interventions.</p>
13.	<p>AFFORDABLE HOUSING PARTNERSHIP AND THE SELECTION OF PREFERRED REGISTERED PROVIDERS TO DELIVER AFFORDABLE HOUSING ACROSS THE JOINT CORE STRATEGY STRATEGIC SITES (Pages 87 - 118)</p> <p>To consider the report of the Cabinet Member for Housing and Planning seeking approval for the creation of an affordable housing partnership and to undertake the selection of preferred Registered Providers to deliver homes in the strategic allocations of the Joint Core Strategy area.</p>
14.	<p>CHANGES TO THE FIT TO RENT ACCREDITATION SCHEME FOR PRIVATELY RENTED PROPERTIES (Pages 119 - 122)</p> <p>To consider the report of the Cabinet Member for Housing and Planning seeking approval to introduce a charging regime for the 'Fit to Rent' private rented accreditation scheme and to target the scheme to student accommodation.</p>
15.	<p>LOCAL GOVERNMENT OMBUDSMAN DECISIONS (Pages 123 - 140)</p> <p>To consider the report of the Monitoring Officer making Members aware of two recent Ombudsman investigations resulting in findings of fault or injustice on the part of the Council.</p>
16.	<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>To resolve:-</p> <p>"That the press and public be excluded from the meeting during the following item of business on the grounds that it is likely, in view of the nature of business to be transacted or the nature of the proceedings, that if members of the press and public are present during consideration of this item there will be disclosure to them of exempt information as defined in Schedule 12A of the Local Government Act 1972 as amended".</p>

	Agenda Item No.	Description of Exempt Information
	17	Paragraph 3: information relating to the financial or business affairs of any particular person (including the Authority holding that information).
	18	Paragraph 3: information relating to the financial or business affairs of any particular person (including the Authority holding that information).
	19	Paragraph 5: information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
17.	CIVICA REVENUES & BENEFITS CONTRACT UPDATE EXTENSION (Pages 141 - 148) To consider the report of the Cabinet Member for Performance and Resources updating Members on the progress of the Civica Revenues and Benefits Business Partnership and to seek approval to offer extension of the existing revenues and benefits contract with Civica UK Ltd.	
18.	RETAIL- LED REGENERATION AT KINGS QUARTER (Pages 149 - 154) To consider the report of the Cabinet Member for Regeneration and Economy updating Members on the further progress made on the new bus station for the Kings Quarter scheme and the revised tender sum for the design process.	
19.	PROPERTY SEARCHES LITIGATION (Pages 155 - 158) To consider the report of the Cabinet Member for Performance and Resources updating Members on the progress of the negotiations with the APPS Claimants with regard to their claims against the Council for refunds of property search fees.	

M. Shields

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Martin Shields
Corporate Director of Services and Neighbourhoods

Date of Publication: Tuesday, 9 June 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 Tanya Davies, 01452 396125, tanya.davies@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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Any recording must take place in such a way as to ensure that the view of Councillors, Officers, the Public and Press is not obstructed. The use of flash photography and/or additional lighting will not be allowed unless this has been discussed and agreed in advance of the meeting.

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- 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.



CABINET

MEETING : Wednesday, 25th March 2015

PRESENT : Cllrs. James (Chair), Dallimore, Norman, Organ and Porter

Others in Attendance

Councillor Kate Haigh, Chair of the Task and Finish Group
Councillor Declan Wilson, Member of the Task and Finish Group
Martin Shields, Corporate Director of Services and Neighbourhoods
Ross Cook, Corporate Director
Jon Topping, Head of Finance
Meyrick Brentnall, Environmental Planning Manager
Sue Mullins, Head of Legal and Policy Development
Atika Tarajiya, Democratic Services Officer

90. DECLARATIONS OF INTEREST

There were no declarations.

91. MINUTES

RESOLVED:

That the minutes of the meeting held on the 25 February 2015 be confirmed as a correct record and signed by the Chair subject to amendment of paragraph 87:

Councillor James summarised the current position and explained that the focus would be on generating savings and ~~increasing profits~~ *reducing the cost to the taxpayer* whilst maintaining all the current services. He commented that the decision had been taken not to implement the box office frontage, as this would not be cost effective and in line with public priorities.

92. PUBLIC QUESTION TIME (15 MINUTES)

There were no public questions.

93. PETITIONS AND DEPUTATIONS (15 MINUTES)

There were no petitions and deputations.

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94. RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY TASK AND FINISH GROUP ON THE MANAGEMENT OF PARCELS OF UNADOPTED GREEN LAND

Cabinet considered the report of the Chair of the Task and Finish Group updating Members on the recommendations of the Overview and Scrutiny Committee Task and Finish Group on the management of parcels of unadopted green land.

Councillor Haigh, Chair of the Task and Finish Group, explained that the purpose of the report was to identify a range of solutions that would help to improve these areas. She commented that the Task and Finish Group had identified that preventative action in the planning stages of new developments and promoting residents to take ownership were potential solutions. She noted that these areas could be used for community or recreational activities by local residents.

Councillor Wilson, Member of the Task and Finish Group, advised that issues regarding safety had emerged as a result of the findings. He was pleased to note that Amey were committed to intervene in instances where threats to personal safety had been identified.

The Environmental Planning Manager, in response to a query from the Councillor Organ, reported that the existing software, identified land ownership and responsibility within the City but noted that it would be beneficial if any new data, gathered as a result of work carried out on the Stock Transfer was transferred over.

Cabinet Members acknowledged the importance of identifying ownership of these parcels of land and noted that the inclusion of a legal framework during planning applications could enforce developers to discharge their corporate responsibility. They recognised that the findings had not produced an exhaustive list and that further work would be required. They endorsed the approach, noting that it would benefit local communities and commented that existing community groups could be approached to take part in the community clean-ups which would reduce the cost to the Council.

RESOLVED:

That the recommendations of the Task and Finish Group be considered, and matters that can be actioned without the need of a further report be implemented at the earliest opportunity and matters requiring more detailed consideration be the subject of a further report to Cabinet as necessary.

95. TREASURY MANAGEMENT QUARTER 3 REPORT 2014/15

Cabinet considered the report of the Cabinet Member for Performance and Resources updating Members on Treasury management activities in Quarter 3 (1 October 2014 to 31 December 2014).

Councillor Norman highlighted the key areas of the report and commented that the report had been to Audit and Governance Committee on the 16 March 2015, where the contents of the report had been noted

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Cabinet Members endorsed the proposed approach and were pleased to note that the Council were currently in an under borrowing position in the current challenging economic environment.

RESOLVED:

That the report be noted and note that no changes are required to the prudential indicators.

96. GLOUCESTER CITY MARKETS STRATEGY

Cabinet considered the report of the Cabinet Member for Regeneration and Culture which presented Members with the results of the 12 week consultation on the 5 year Draft Gloucester Strategy with a view for formal adoption.

Councillor James outlined how the strategy and detailed action plan sought to attract tourists and continue to develop the City's heritage. He commented that due to the popularity of the Hempsted Meadows market, discussions to increase the size of the site were on-going and the service was currently out for tender. He reported that following a meeting with the Asset Managers at Eastgate Shopping Centre, the first floor option for the Eastgate indoor market was no longer considered appropriate and would not be pursued further.

Councillor James advised that the report had been presented to Overview and Scrutiny Committee on the 23 March 2015, they had noted the contents of the report and had requested the inclusion of an additional recommendation concerning proposals for better signposting for the current Eastgate Indoor Market.

Cabinet Members acknowledged the role of the Markets in the heritage and regeneration of the City. They stressed the need to take the views of the traders and service users into account and commented that new options could be explored as result of new regeneration schemes within the City. They recognized the need for a strategy that would be financially viable and that would not require subsidising to remain operational. They placed on record their thanks to all the Officers involved.

RESOLVED:

1. That the content of the consultation feedback be noted.
2. That the Gloucester City Markets Strategy and Action Plan are approved and adopted.
3. That the Council's preferred option is a new ground floor indoor market in either Kings Quarter or Blackfriars developments, the Eastgate Shopping Centre or another prominent city centre location and that further work is undertaken on these options.

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97. PROPOSED IMPLEMENTATION OF CHARGES FOR THE DISCRETIONARY SERVICES PROVIDED FOR STREET NAMING AND NUMBERING

Cabinet considered the report of the Cabinet Member for Regeneration and Culture seeking approval of a Street Naming and Numbering Policy that defines how the Council will deliver this statutory function and recover associated costs, and the introduction of a charging regime from May/June 2015 for this function.

Councillor James reported that the new charges were on a not for profit basis and were in line with other local authorities.

Cabinet Members endorsed the proposals, stating that it was appropriate to charge for the service to reduce the costs to the tax payer. They were confident that the minimal charges would not dissuade any future developers from the City.

RESOLVED:

1. That the implementation of charging for the discretionary element of the street naming and numbering process on a 'not for profit' basis in accordance with the new street naming and numbering policy be approved.
2. It be noted that the fees charged are on a cost recovery basis only in line with other local authorities.

98. SOCIAL PRESCRIBING UPDATE

Cabinet considered the report of the Cabinet Member for Communities and Neighbourhoods updating Members on the pilot of Social Prescribing in Gloucester and South Tewkesbury Locality and seeking approval for the City Council to continue to host the social prescribing hub, subject to the satisfactory evaluation of the pilot scheme.

Councillor Dallimore reported that the project had been re-branded "Your Wellbeing" to provide greater clarity for service users. She explained that the project adopted an asset based regeneration model and aimed to assist users through non-medical intervention. She commented that due to the success and the high number of referrals of the original pilot scheme, the County Commissioning Group (CCG) had agreed to extend the project.

Cabinet Members were pleased to note the popularity of the scheme and recognised the respite that it provided for healthcare services in the City. They advised that the scheme would need to be monitored closely during its early phases and noted that statistical information was not yet available but would be useful in evaluating the scheme's overall success.

RESOLVED:

1. That the contents of the report be noted.

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2. That the City Council continues to host the social prescribing hub in partnership with the Clinical Commissioning Group (CCG) funded scheme, subject to satisfactory evaluation of the pilot scheme which ends in June 2015.

99. AN UPDATE ON THE EFFECTS OF STAFF VOLUNTEERING POLICY AND PROMOTION OF VOLUNTEERING ACROSS THE CITY

Cabinet considered the report of the Cabinet Member for Communities and Neighbourhoods updating Members on the effects of the staff volunteering policy to date in the year 2014/15.

Councillor Dallimore reported that the scheme had been in existence for several years and had been actively promoted since July 2014 which had resulted in increased participation. She explained that the uniqueness of the scheme lay in providing a face to face service and utilising the asset based community model to promote volunteers' own interests for the benefit of the wider community.

Cabinet Members praised the strategy noting that it led to up-skilling of the work force and paid employment opportunities. They noted that the Rugby World Cup 2015 and other events planned in the City would give rise to many varied volunteering opportunities.

RESOLVED:

That the contents of the report be noted.

100. REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) SIX MONTHLY REPORT ON USE OF RIPA POWERS

Cabinet considered the report of the Cabinet Member for Performance and Resources updating Members on the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 (RIPA).

Cabinet Members noted that the Council had not been required to exercise these powers and acknowledged the importance of adhering to the recently reviewed RIPA policy and procedure when required.

RESOLVED:

That the contents of the report be noted.

101. HERITAGE STATEMENT 2014/15

Cabinet considered the report of the Cabinet Member for Regeneration and Culture informing Members of the work carried out by the Historic Environment Team in the City over the past financial year.

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Cabinet Members noted the depth of work carried out in the City over the past year and it's contribution in promoting the City's pride and heritage culture. They commented that this would continue to develop Gloucester as a tourist destination thereby promoting the City's economy.

RESOLVED:

That the content of the report be noted.

102. RUGBY WORLD CUP UPDATE REPORT

Cabinet considered the report of the Cabinet Member for Regeneration and Culture outlining the key issues for the delivery of the Rugby World Cup 2015 (RWC15)

Councillor James highlighted the key progress to date and acknowledged that further work was still needed. He commented that £48 million return was expected from the event for the benefit of the City and this would be achieved through local businesses working with the Council and taking personal responsibility and action. He reported that a permanent commemoration of the RWC15 was due to be launched in Kings Square alongside further improvements to the infrastructure at this location.

In response to Councillor Dallimore's query, Councillor James explained that community groups and leaders could go online on the Festival of Rugby Site to register their interest for any event that they wished to hold around the RWC15 and this would contribute to the legacy of the event.

Cabinet Porter requested that reference to the planning and environmental projects being undertaken concerning the RWC15 be included in any future updates.

RESOLVED:

That the progress made so far regarding preparations for Gloucester's Host City arrangements for the Rugby World Cup 2015 be noted.

103. PROPOSALS FOR DELIVERY OF THE COUNCIL'S COMMUNICATIONS AND MARKETING SERVICE

Cabinet considered the report of the Cabinet Member for Performance and Resources seeking approval to proposals for the future delivery of the Communications and Marketing Service.

Cabinet Members endorsed the approach noting that this was the appropriate option and would generate further savings.

RESOLVED:

1. That the City Council's Communications and Marketing Service be delivered by Gloucestershire County Council, as outlined in Option 3 of the report, (with the exception of the City Filming Office function) with effect from 1 April 2015.

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2. Authority be delegated to the Head of Legal and Policy Development to negotiate and approve the terms of an Agreement with Gloucestershire County Council to provide the services approved at paragraph (1) above.
3. That the Monitoring Officer be authorised to make any consequent changes to the Council's Constitution to reflect the arrangements.

104. STRATEGIC RISK REGISTER

Cabinet considered the report of the Cabinet for Performance and Resources updating Members on the Strategic Risk Register.

Councillor Norman summarised the main areas of the report and commented that the report had been to Audit and Governance Committee on the 16 March 2015, where the contents of the report had been noted.

Cabinet Members endorsed the policy recognising the need for a robust risk management strategy.

RESOLVED:

That the contents of the report be noted and endorsed.

Time of commencement: 18:00 hours

Time of conclusion: 19:27 hours

Chair

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Gloucester City Council

Meeting:	Overview & Scrutiny Committee Cabinet	Date: 15 June 2015 17 June 2015
Subject:	Partnership working with Gloucestershire County Council	
Report Of:	Cabinet Member for Performance & Resources	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Martin Shields, Corporate Director Services & Neighbourhoods	
	Email: martin.shields@gloucester.gov.uk	Tel: 39-6745
Appendices:	<ol style="list-style-type: none"> 1. High Level Implementation plan 2. Memorandum of Understanding 3. AMEO action Plan 	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To inform Members of the progress made in discussions between Gloucester City Council (GCC) and Gloucestershire County Council (GlosCC) to work together to deliver back office functions and appropriate frontline customer services for the benefit of the residents of the City.
- 1.2 To seek authority to continue to develop the high level implementation plan regarding partnership working and the potential for shared services and outsourcing, with each case being reviewed on its merits and reports being brought to Cabinet for endorsement.

2.0 Recommendations

- 2.1 Overview & Scrutiny Committee is asked to note the report and to make any recommendations to Cabinet for consideration.
- 2.2 Cabinet is asked to **RESOLVE**, subject to consideration of the recommendations from Overview & Scrutiny Committee:
 - (1) To agree the High Level Implementation Plan in Appendix 1 which considers services which may be delivered by Gloucestershire County Council on behalf of the Council and those services which may be commissioned by Gloucestershire County Council from the Council
 - (2) To approve the action plan in Appendix 3 and to authorise the Director of Services & Neighbourhoods to adjust the dates as appropriate in consultation with the Cabinet Member for Performance & Resources.

- (3) That further reports be submitted to Cabinet in respect of each service, on a case by case basis, for consideration and approval as appropriate.

3.0 Background and Key Issues

- 3.1 Members will recall that on 20th November 2014 Council took the decision to appoint a joint Managing Director (MD) and Commissioning Director in partnership with GlosCC to work at the highest levels in both organisations to provide a stronger focus on delivering services for the residents of the city.
- 3.2 Prior to this, officers had been working well with colleagues at GlosCC and a number of partnerships were being developed which addressed resource shortages at the GCC and expanded on existing partnerships within the County.
- 3.3 Since the end of 2014, formal partnerships with GlosCC have been implemented in Communications & Press Management and Audit, and a shared HR service is currently being developed as detailed in a separate report to Cabinet.
- 3.4 In addition, GlosCC have supported GCC with; IT recruitment and contract management; management of the Economic Development service; and in the development of large scale Regeneration plans.
- 3.5 The purpose of this report is to bring Members up to date with the partnership work done so far and to seek endorsement for continuation of the joint working approach at both strategic and operational deliver levels.
- 3.6 Governance arrangements in relation to the joint MD and Commissioning Director role will be dealt with outside of this report as meetings are being scheduled with the 6 Group Leaders (across GCC and GlosCC), Jon McGinty and Pete Bungard and these will be reported to Members once arrangements have been finalised.
- 3.7 The High Level Implementation Plan at Appendix 1 highlights the areas of service 'within scope' and as Members will see this includes services that GCC can provide for GlosCC in relation to customer engagement and other front-line customer services.
- 3.8 The scope of the partnership working ranges from officer advice and support to full scale transfer of service delivery with each case being reviewed on its merits through the production of an appropriate business case and signed agreement.
- 3.9 Members should be clear that this approach is about improving services for residents through more effective delivery mechanisms including improved and integrated IT and other communication methods. It also strengthens the reputations of both Councils as residents will have access to a wide range of services without the need to be 'passed from pillar to post'.
- 3.10 It should be recognised that delivery of the High Level Implementation Plan is an ambitious project which will require time and resources to deliver. However, the outcomes will be far reaching in terms of organisational change, removing blockages and using resources more effectively to meet the needs of our residents.

- 3.11 The High Level Implementation Plan will be prioritised based on; impact, outcomes, quick wins, cost and time resources.

4.0 Alternative Options Considered

- 4.1 Members could decide to 'do nothing' and continue operating in isolation of other Councils or partnerships. However, GCC has already entered into a number of successful partnerships that have proven to be cost effective, more efficient and provide better outcomes for customers. Examples include 'One Legal', Civica and the forthcoming shared Building Control service with Stroud.
- 4.2 As Members will see in the Memorandum of Understanding (MoU) at Appendix 2, GCC and GlosCC have committed to working together to improve service delivery. However, the MoU has been worded to allow both organisations to consider other suitable partnerships if collaboration with different organisations would be for the good of that Council.

5.0 Reasons for Recommendations

- 5.1 As can be seen from the appended documents there is much to be gained from working in partnership with other councils and organisations. GCC has a track record of innovative working and regularly reviews the best delivery method for its services. The recent stock transfer to Gloucester City Homes and the outsourcing of streetcare and leisure services to a private contractor and Leisure & Cultural Trust are further evidence that no 'one size fits all' approach is viable in today's world.
- 5.2 The exploration of partnership working across back office services is a natural continuation of this approach and the inclusion of front line customer services allows GCC to showcase its strength in customer engagement and community involvement which should see services and resources being directed through the City Council into our communities.

6.0 Future Work and Conclusions

- 6.1 There is still a significant amount of work to be done and the action plan produced by AMEO in appendix 3 will help us shape how we review and prioritise services which would be suitable for inclusion in the programme.
- 6.2 Further reports will be scheduled for consideration by Members as the programme progresses.

7.0 Financial Implications

- 7.1 There are no immediate financial implications associated with this report. Any decision to consider outsourcing of services or delivering services on behalf of GlosCC or any other delivery model would be subject to the approval of an appropriate business case and a further report to Cabinet which would include financial implications.
- 7.2 GlosCC have offered to cover the first 20 days of any work undertaken by AMEO.
(Financial Services have been consulted in the preparation this report.)

8.0 Legal Implications

8.1 There are no immediate legal implications associated with this report. Any decision to consider shared services, outsourcing of services, delivering services on behalf of GlosCC or any other delivery model would be subject to the approval of an appropriate business case and a further report to Cabinet which would include legal implications.

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

9.0 Risk & Opportunity Management Implications

9.1 There is a risk that Members and Officers do not support the proposals within this report or do not actively look to move the programme forward with pace and enthusiasm.

9.2 Opportunities will arise from good communications that explain the benefits to Members, customers and staff to ensure that everyone is engaged in the project and can see the direction of travel and the end benefits.

10.0 People Impact Assessment (PIA):

10.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, therefore a full PIA was not required. Individual PIA's will be completed for each project brought forward.

11.0 Other Corporate Implications

Community Safety

11.1 The work around community engagement will re-enforce the ABCD approach adopted by GCC to build safer and stronger communities.

Sustainability

11.2 Implementation of the project will help sustain both Councils as efficiencies come forward through the use of improved technology and closer working relationships.

Staffing & Trade Union

11.3 Staff and Trade Unions are being briefed on a regular basis so that everyone knows about the proposed programme of partnership working.

Background Documents: None

By virtue of paragraph(s) 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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MEMORANDUM OF UNDERSTANDING
Between
Gloucestershire County Council
And
Gloucester City Council

Purpose and Scope

To agree and implement a programme which will look at all back office services and appropriate frontline customer services being delivered by Gloucestershire County Council on behalf of Gloucester City Council. As part of the programme, consideration will also be given to exploring and implementing those areas of the business that Gloucestershire County Council could commission from Gloucester City Council or assist the City Council in delivering objectives within its Council Plan.

By exception, it is agreed that where both sides recognise that greater value can be achieved through Gloucester City Council commissioning a back office service from another partner, a joint decision will be taken to progress with this option, although the final decision will rest with Gloucester City Council's Cabinet.

All back office service areas are within scope, those currently being considered are:- Audit, Asset Management and Property Services, Human Resources, Finance Admin functions, ICT, and Communications. Areas being considered for possible commissioning include; community engagement and arrangements relating to the Highways / Street care Contracts.

The Authorities acknowledge that it is not their intention for this Memorandum of Understanding (MoU) to have a binding legal effect. It is a statement of their shared intention to work together in a spirit of co-operation and will provide a shared understanding of the approach to developing and implementing the programme.

Objectives

The overriding goal is to fully optimise inter-organisational opportunities and deliver efficiencies through sharing services. A clear objective is that, where appropriate, Gloucester City Council's back office services will no longer directly be provided by the City Council upon completion of the programme. All other services will be considered and prioritised and reviewed as part of the programme.

Background

The two councils have long-established collaborative working arrangements focussed on delivering effective, value for money services for their customers. Both organisations have implemented transformational changes within their own structures, challenging the status quo and adopting new ways of working. A joint Managing Director of the City Council and Strategic Joint Commissioning Director for the County Council has been appointed who will further enhance and embed joint working. As part of the development of this joint appointment, it was identified that opportunities for joint working should be implemented through a programme to rationalise and share back office service delivery.

Roles and responsibilities

Each partner will:

1. Identify priority services for inclusion in the programme
2. Agree a timetable to implement the programme
3. Keep confidential any matters which any party reasonably considers in its own interest to be kept from the public

4. Provide all required information to the project team¹ to assist in developing and delivering the programme
5. Provide input in a timely and consistent manner and keep each other advised of any significant financial or political changes which may affect the plan
6. Agree to meet at appropriate intervals to monitor progress and to make timely decisions on matters which affect the programme
7. If committee approval to any aspect of the programme is required, each party will agree to share draft reports and provide constructive input
8. All external communications will be mutually agreed before transmission
9. Any disagreements between parties on any aspect of the programme are to be mutually decided by the nominated Lead Officers, each acting reasonably.

Financial Commitment

Both Councils agree to jointly fund any project management resources that need to be committed over and above the existing resources of both Councils. Any project manager will act in the best interests of both council's and in a neutral capacity. The level of funding is to be agreed prior to any appointment into the role.

Review and Evaluation

The programme will contain a number of projects related to developing shared working arrangements between the City and County. The progress of these projects will be monitored and evaluated by the agreed Lead Officers and management teams of the councils.

Term of Agreement

The MoU will remain in place for the period until the programme has successfully achieved its objectives.

Authorisation

The MoU is not a legal undertaking. The signatories will abide by these terms to meet the objectives stated in the MoU, by striving to do their best.

Gloucestershire County Council

Gloucester City Council

Name Mark Hawthorne

Name Paul James

Title: Leader of the Council

Title Leader of the Council

Date: 15/05/2015

Date: 15/05/2015

¹ All info shared to be treated confidentially and only used toward the successful delivery of the programme.



Ameo Professional Services LLP

Gloucester City Council and
Gloucestershire County
Council – Joint and Shared
Service Programme

Support Proposal
29th April 2015

- Gloucester City Council (GCiC) and Gloucestershire County Council (GCoC) have both been through a period of change and are actively working towards increased partnership working to improve outcomes for Gloucester.
 - Both parties have a number of projects underway to improve operational practice and customer experience. There is a shared view at a strategic level that there should be opportunities to maximise the collective inputs to deliver greater value for Gloucester.
- There are a range of shared service projects underway across both councils, but the interim senior team at GCiC have identified that these may be under-resourced to deliver and that they have a lack of visibility surrounding their objectives.
- GCiC have discussed with GCoC the need to review the projects underway in order to identify opportunities to increase the effectiveness of resources and overall delivery speed.
- Following an initial discussion with Ameo, both councils expressed an interest in an independent review of their project and programme landscape to help scope the current activity, anticipated outcomes and dependencies. This will then be overlaid with both council's agreed priorities to ensure that the available resource is being focused in the right areas. By working together the intention is to understand the collective resources and opportunities for collaboration.
 - Given the new Managing Director will be joining the City on 6th July it would be helpful to have a jointly understood and agreed picture before this date to support him in building a picture of the opportunities and challenges within the council.

Developing our approach



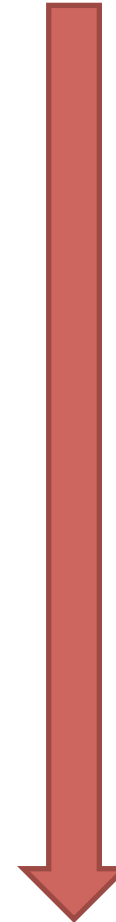
- Ameo Professional Services LLP are a small consultancy specialising in business change and transformation within the Public Sector. Established in 2010 to provide a practical alternative to major market players we have an underpinning ethos of delivery through enabling internal client capacity.
- Given our understanding, and the broader context, we do not feel a simple project “health check” will enable the city to progress their aims. We feel there is a need for a more targeted review of the delivery environment.
- We would intend to focus on identifying all the main project activity areas – by project we mean something that is defined, time-limited and delivers an outcome as distinct from business as usual. We would keep the definition reasonably loose as some organisations deem some projects as business as usual.
- We feel there is a need to engage with the council and its staff to help understand what is impacting on their delivery performance – it might be people, process or both. Fundamentally we would take a more proactive outcome than just saying “this is being managed well” or “lack of controls here”.
Our team would engage with key individuals to identify the different activity areas. They would then seek to investigate each along a number of key thematic areas and work with key professionals from both GCiC and GCoC (as appropriate) to develop the high-level specifications for each project area and the areas where the respective organisations could add value to the solutions.

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Proposed timeline and steps

Date	Activity	Lead
13 May	Project approval	Councils
15 May	Existing project overview and review to identify key project areas and inform next stage	Ameo
18 May	Initial feedback, identify key development areas; Provision of communication to leads to prepare for specification development sessions	Ameo
29 May – 7 June	Arrange development sessions and prepare for sessions	Councils
8 June – 26 June	Engage with key leads to develop initial project specification (ie. 2 page summary business case covering aims/objectives/resources/timelines etc)	Ameo/Councils
29 June	Share draft specifications and recommendations on prioritisation with both councils	Ameo
1 July	Develop action plan options	Ameo
3 July	Approval and project close	Councils
6 July	Submit final plan and recommendations to the new MD	Councils

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A. Project definition: The amount of activity underway will determine the breadth of scope covered with the priority area of focus being projects which are being progressed to support the partnership working. For each area of work, key information would be captured and challenged around the following areas:

- **Project purpose**
- **Alignment with corporate objectives**
- **Scope**
- **Timeline**
- **Resourcing and roles**
- **Projects dependencies**
- **Status of delivery**
- **Cost**

B. Recommendations for prioritisation and development of programme: This will be undertaken using the information collected as part of the review and the anticipated benefits for each project.

Resources



Role	Estimated Input guide
Partner	3 - 4 days
Senior Consultant	12 - 16 days

Assumptions:

- You will provide a sponsor from both councils for the project who will be sufficiently empowered to progress the project
- An administrative contact will be provided to arrange workshops and interviews
- Staff will be released to attend workshops and engage with the development process as required
- A communications resource will communicate with interested parties to manage any mis-messaging around the process
- We will seek to manage our inputs to maximise value for money

Outputs by 6 July 2015



Validated first draft of the Joint Shared Services 2015/16 programme plan	<i>Excel spreadsheet with high-level detail including project areas, owners, themes, current objectives, deliverables, resources and dependencies and their alignment with corporate objectives</i>
Outline specifications for key project areas which are jointly owned as appropriate	<i>Two page MS Word summary specification to ensure common understanding of project aims, objectives and resources</i>
First draft of recommendations for prioritisation and delivery assurance	<i>Summary report addressing areas that the new MD could consider realigning to improve effectiveness of delivery. Key points for onward communication to wider teams around direction.</i>
Overview of project approach and local understanding	<i>A subjective assessment to inform wider development needs at both councils.</i>

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Gloucester City Council

Meeting:	Cabinet	Date: 17 June 2015
Subject:	Shared HR Service between Gloucester City Council and Gloucestershire County Council	
Report Of:	Cabinet Member for Performance & Resources	
Wards Affected:	All	
Key Decision:	Yes	Budget/Policy Framework: No
Contact Officer:	Martin Shields, Corporate Director Services & Neighbourhoods	
	Email: martin.shields@gloucester.gov.uk	Tel: 39-6745
Appendices:	1. HR Business Case	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To seek Members approval to progress a Section 101 agreement for a joint HR service between Gloucester City Council (GCC) and Gloucestershire County Council (GlosCC).

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) GCC's HR team be joined with GlosCC's HR team.
- (2) GCC's HR service staff be transferred to GlosCC under the principles of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) on 1st September 2015 or other date as agreed between both parties.
- (3) GCC's HR functions be delegated to GlosCC, as host authority, in accordance with section 101 (1) of the Local Government Act 1972 and under Part 1A Chapter 2 section 9EA of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.
- (4) Authority be delegated to the Head of Paid Service in consultation with the Cabinet Member for Performance and Resources and the s151 Officer, to enter into the s101 agreement and any other legal documentation and to take all necessary steps to implement the above mentioned resolutions.

3.0 Background and Key Issues

- 3.1 The City Council and County Council entered into an initial shared services arrangement in 2012 when the County Council made arrangements to provide a

payroll service to the City. The service also gives City Council line managers access to their employee information through a self service portal on the SAP IT system.

- 3.2 During 2014, the City and County Councils, facilitated by the LGA, began exploring further opportunities to share back office services, to create efficiencies and economies of scale which would benefit both councils. This proposal considers the potential approach for the development of a shared HR service. Following a restructure in July 2014, GCC's HR service provides on-site services to managers and staff ranging from managing change, job evaluations, training & Development, the apprenticeship scheme, Disclosure & Barring Service checks and sickness recording to name just a few.

Current City Council Position

- 3.3 The City Council's Head of Human Resources left in October 2014 following a period of absence. The City has four HR professional members of staff who are fully or part qualified and who managed the service in the absence of a Head of HR and, while they are holding the fort well, the Acting Head of Paid Service is currently spending more time than would be normal in this role, dealing with day to day HR operational matters. This is in no way a criticism of the existing team, the size of the team has meant that the City has not been able to access the capacity, skills and expertise to:
- Provide strategic direction and advice on the development of the organisation;
 - Create a coherent development programme which would include fostering and developing talent;
 - Ensure employment policies reflect modern employment practices and are consistently applied across the council; and
 - Drive leadership development through the organisation.

Gloucester City Requirements

- 3.4 Following conversations between GlosCC's Director of HR and the Acting Head of Paid Service at GCC, the County Council was asked to put forward a proposal based on the following criteria:
- The HR team are reconfigured around a Business Partner model with a dedicated Business Partner resource for the City.
 - HR staff are integrated into the wider HR/Business Partner model.
 - The City has access to County specialist HR/OD resources, and
 - The County Council manage the HR service for and on behalf of GCC.

Gloucestershire County Council Current Arrangements

- 3.5 The current model for the provision of HR services to the Council (3,400 employees) and 280 schools is based on proportionally a much smaller staff resource than that at GCC. This has been achieved through:
- The creation of 2.5 Business Partners for the Council who between them currently support 11 Directors and 24 Heads of Service.
 - The Business Partners access through what is called a HR Hub, specialist case workers who manage disciplinary/grievance etc, and change advisors who manage specific change projects. They also look at development and organisational design with their Directors and access any specialist OD advice

through their OD advisors or training through a neutral vendor training provider contract with WDR. The Hub also provides resource for policy development etc.

- There is an HR Helpline manned through office hours which provides a first line service for managers and headteacher queries.
- HR administration is undertaken by the Business Support Centre and not in HR.

3.6 This model has allowed GlosCC the flexibility to allocate resource to priorities, keep costs down whilst providing a respected professional service to the council and schools.

Agreed Way Forward

3.7 Following detailed conversations between both parties a set of proposals have been drafted which incorporate costing and savings information. These are detailed in the HR Business Case at appendix 1 and summarised below:

- Based on a Business Partner model all of the staff within the HR service will come under the management of the Head of HR at the County who will provide professional support, development and be a point of escalation.
- All of the HR Team will be transferred to the county under TUPE and will become employees of the County Council.
- The team will initially be set up as the Gloucester HR Hub working in parallel with the County HR Hub and a HR Business Partner will be appointed to be the link and work closely with GCC.
- The GCC HR Business Partner will access their support from the Hub using City resources in the first instance, whether this is casework support, change project support etc. Management information will also be provided from this resource but over time this will be based in GlosCC existing management information team.
- After six months the model will be reviewed with a view to looking at how GlosCC can best support GCC managers including giving them access to the general HR Advice line.
- During this six month period GlosCC will seek opportunities for the City to access existing negotiated contracts for developing the apprenticeship scheme, training, agency staff, recruitment and benefits and access to GlosCC's OHU service etc.
- The HR Business Partner will attend GCC's Senior Management Team Meeting on a monthly basis or as and when required and attend Meetings at GlosCC when appropriate. Attendance at GCC's Organisational Development Committee, Employee Forum and Trade Union Consultation meetings will be required at each meeting.
- Provision will be made at GCC for HR advisors to meet with staff on site as and when appropriate.

HR Operating Model within the County

3.8 GlosCC's human resources service operates a 'core and cluster' model which is robust in providing expertise and with the added flexibility of buy-in expertise as part of this model so to provide a value added, cost effective, comprehensive, professional human resources and organisational development service across GlosCC and partner organisations as appropriate. The County HR model assists managers in meeting their legal obligations and in their drive toward increased operational efficiency; takes an active role in the management of Human Resource

issues and delivers operational functions and tools in an effective and professional manner.

Benefits

3.9 The benefits are as follows:

- GCC has a clear Business Partner, focused on the City who can access professional support from the existing team and/ or wider County hub resource, thus creating capacity for the current Acting Head of Paid Service, future MD and City Managers.
- GCC can access specialist skills on a cost effective basis to meet the needs above.
- Avoids the need to replace the previous Head of HR and introducing very complicated governance arrangements, a significant management service charge and the potential for the MD to be drawn into disputes over HR practice and performance management issues.
- Improved development opportunities for GCC staff who will be included in GlosCC's HR development programme.
- The City and County will have a pooled resource which will create savings for the City and improve resilience for the County.

Section 101 Agreement

3.10 The contents of this report will be developed into a detailed s101 agreement between the City and County HR services which will be signed off by the Acting Head of Paid Service at the City Council and the Director of People Services at the County Council.

4.0 Alternative Options Considered

4.1 Consideration was given to replacing the Head of HR post on a like for like basis but the option of joining with the County Council arose when the County offered to provide interim support.

5.0 Reasons for Recommendations

5.1 The proposals provide resilience to a small team and will improve efficiency and cost effectiveness.

6.0 Future Work and Conclusions

6.1 Subject to Cabinet approval, the Business Case will be finalised which will formalise service delivery arrangements and staffing implications.

7.0 Financial Implications

7.1 The establishment of the revised HR service is expected to deliver further revenue savings to the Council and this will be fully quantified in the Business Case being developed.

7.2 The level of savings to be realised are expected to be achieved through the disestablishment of the Head of HR post offsetting ongoing management costs

incurred by the County Council. This net annual ongoing saving is expected to be approximately £35k. In addition, implementation costs for the first six months are estimated to be in the region of 30k and will be met from current HR service revenue budgets.

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

8.0 Legal Implications

8.1 The revised HR service will be subject to a formal agreement between the Councils under section 101 (1) of the Local Government Act 1972 and under Part 1A Chapter 2 section 9EA of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

8.2 It should be noted that the principles of the Transfer of Undertakings (Protection of Employment) Regulations 2006 shall apply.

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

9.0 Risk & Opportunity Management Implications

9.1 Risks

- Appetite for change and risk. GCC's managers, trade unions and staff will need to be fully engaged in any service changes which will achieve efficiencies.
- Reputation – failure for the county to get service provision and change adequately communicated to GCC's managers could damage the reputation of the service.

9.2 Opportunities

- By working together with GloCC the City Council will see a more resilient service that is cost effective and provides additional services to Managers of the City Council and allows capacity to support GCC's Organisational Development plans.

10.0 People Impact Assessment (PIA):

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

11.0 Other Corporate Implications

Community Safety

11.1 Not applicable for this report.

Sustainability

11.2 Managers within the City Council will be able to access wider range of resources to enable them to deal with HR related matters.

Staffing & Trade Union

- 11.3 Staff have been advised of this proposal and along with the trade unions have been kept fully informed throughout the process. There are statutory obligations to inform and consult, which are summarised at 11.4 below.
- 11.4 Both the City and GlosCC must have regard to their respective obligations under TUPE to inform and consult trade union representatives in the period up to the date of the transfer and this has been adhered to.

Background Documents: None

GLOUCESTER CITY COUNCIL

PROPOSAL/BUSINESS CASE FOR SHARED HR SERVICES

Introduction and Background

The City Council (GCC) and Gloucestershire County Council (GlosCC) entered into an initial shared services arrangement in 2012 when GlosCC made arrangements to provide a payroll service to GCC. The service also gives GCC line managers access to their employee information through a self service portal on the SAP IT system.

During 2014, GCC & GlosCC facilitated by the LGA began exploring further opportunities to share back office services, to create efficiencies and economies of scale which would benefit both councils.

This proposal considers both the business case and potential approach for the development of a shared HR service.

Current City Council Position

The City Council's Head of Human Resources left before Christmas. The City have two HR professional members of staff who are managing the service in the absence of a Head of HR and while they are holding the fort well, the Acting Head of Paid Service is currently spending more time than would be normal in this role, dealing with day to day HR operational matters. In addition, the size of the current team has meant that the City has not been able to access the capacity, skills and expertise to:

- provide strategic direction and advice on the development of the organisation;
- create a coherent development programme which would include fostering and developing talent;
- ensure employment policies reflect modern employment practices and are consistently applied across the council; and
- drive leadership development through the organisation.

Gloucester City Requirements

Following a conversation between Martin Shields, Corporate Director GCC, and Dilys Wynn, Director of People Services, GlosCC, a proposal for the GlosCC to provide HR services for GCC was requested, based on the following criteria:

- The team TUPE from GCC to GlosCC and become employees of GlosCC.
- The HR team are reconfigured around a Business Partner model and City HR staff are coached to be able to work to that model.
- GCC has access to GlosCC specialist HR/OD resources and that GlosCC provide the HR service for and on behalf of GCC.
- There should be some financial savings arising from the new method of working.

Gloucestershire County Council

The current model for the provision of HR services to the Council (3,400 employees) and 280 schools is based on proportionally a much smaller staff resource than that at GCC. This has been achieved through:

- The creation of 2.5 Business Partners for the Council who between them currently support 11 Directors and 24 Heads of Service.
- The Business Partners access through what is commonly called a HR Hub; specialist case workers who manage disciplinary/grievance etc, and change advisors who manage specific change projects. They also look at development and organisational design with their Directors and access any specialist OD advice through the OD advisors or training through a neutral vendor training provider contract with WDR. The Hub also provides resource for policy development and reviews.
- There is an HR Helpline manned throughout office hours which provides a first line service for managers and headteacher queries.
- HR administration is undertaken by the Business Support Centre and not HR.

This model has allowed GlosCC the flexibility to allocate resources to priorities and keep costs down whilst providing a respected professional service to the council and schools.

Agreed Way Forward

Further to detailed conversations the following proposals were presented for consideration, discussion and agreement, which incorporate costing and savings information;

- The Business Partner model be adopted for GCC. This role will provide high level HR support to GCC's Managers. They in turn will be supported by the Head of HR at GlosCC who will provide professional support, development and be a point of escalation. The HR Business Partner will attend GCC's Senior Management Team (SMT) on a monthly basis and attend Committee Meetings as and when required.
- The HR team are re-located to offices at the county. The most effective method is through a TUPE transfer. The team will initially be set up as the Gloucester HR Hub working in parallel with the County HR Hub.
- The Gloucester City HR Business Partner accesses their support from the Hub, whether this is casework support, change project support etc. Management information will also be provided from this resource and based in GlosCC's existing management information team.
- The Gloucester City Business partner will access specialist input on issues like OD etc.
- City managers will have access to the general HR Advice line.
- GlosCC will seek opportunities for the City to access existing negotiated contracts for training, agency staff, recruitment and benefits and access to their OHU service etc.
- A review will be undertaken after 6 months to assess the success of the arrangements.
-

Benefits

The benefits are as follows:

- The City will have a dedicated Business Partner, who can access professional support from the existing team and/ or wider County hub resource, thus creating capacity for the current Head of Paid Service, future MD and City Managers.
- The City can access specialist skills on a cost effective basis to meet the needs identified above.
- By entering into a s101 agreement it avoids very complicated governance arrangements, a significant management service charge and the potential for the MD to be drawn into disputes over HR practice and performance management issues.
- Improved development opportunities for GCC staff who will be included in GlosCC's HR development programme.
- The City and County will have a largely pooled resource which will create savings for the City and improve resilience for the county.

Risks

- Appetite for change and risk. City managers/trade unions and staff have been fully engaged in the proposals.
- Reputation – failure of GlosCC to get service provision and change adequately communicated to GCC Managers could damage the reputation of the service.

Costs/Savings

GCC's existing HR budget will transfer to GlosCC as part of the arrangement.

Savings for the City will be achieved through the deletion of the existing Head of HR role. This will release approx £71k (including on costs). However, some of this budget will be utilised to fund the HR Business Partner role. Once the service has 'bedded in' further savings may arise from restructuring within the team.

Additional savings are envisaged from the centralisation of training budgets from across GCC and from a more strategic approach to training and development of staff.

It is anticipated that savings in the region of £36k per annum will be achievable.

Section 101 Agreement

This Implementation Plan will be developed into a detailed Section 101 Agreement between GCC and GlosCC which will be signed off by the Head of Paid Service at the City and Director of People Services at the County. The agreement will include performance standards, Governance arrangements and break clauses to name just a few elements of the agreement.

Implementation

In order to ensure the smooth implementation of the new arrangements there will be a number of actions that need to be undertaken to achieve this. These have been broken down into 3 stages.

Stage 1 - Information gathering re GCC needs and desired outcomes

Achieved through:

- Focus group with a representative sample of managers.
- Attendance and discussion at SMT.

County and City HR produce a summary of service needs, arrangements for governance along with commentary/proposed arrangements.

Stage 2 - Workshop with HR Team

- Information gathering on current arrangements, feedback from manager consultation, building relationships with key personnel, dealing with queries and concerns.
- Beginning of consultation process with the HR team.

Stage 3 – Proposals & Implementation

- Present proposals to SMT.
- Consultation with affected staff, trade unions and wider workforce as appropriate.
- Detailed plan for implementation following consultation.

The intention is to formally launch the new service with effect from 1st September 2015.

Gloucester City Council

Meeting:	Overview and Scrutiny Cabinet	Date: 15 June 2015 17 June 2015
Subject:	2014-15 Financial Outturn report	
Report Of:	Cabinet Member for Performance and Resources	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Jon Topping , Head of Finance	
	Jon.topping@gloucester.gov.uk	Tel: 396242
Appendices:	1. Savings Performance 2. Capital Programme	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 This report is to inform members of the final Council position against agreed budgets for the 2014/15 financial year. It also highlights some key performance indicators.
- 1.2 It is best practice for members to approve any transfers of Council funds into earmarked reserves.

2.0 Recommendations

- 2.1 **Overview and Scrutiny Committee** is asked, subject to any recommendations it wishes to make to Cabinet, to **RESOLVE** that the report be noted.
- 2.2 **Cabinet** is asked to **RESOLVE** that:
- (1) It be NOTED that:
 - (i) The savings achieved in year total £1.010m.
 - (ii) That the year end position for the financial year 2014/15 is to increase the Council's General Fund balance by £63k
 - (iii) The increase in the general fund balance from £1.869m to £1.932m at the end of 2014/15.
 - (iv) The closure of the Housing Revenue Account as a result of the successful stock transfer to Gloucester City Homes be noted. (Paragraph 8.11 details proposed transfers to earmarked reserves for HRA balances).
 - (v) The Council has been required to make a deficit payment to the Gloucestershire Business Rates Pool as a result of losses at Tewkesbury Borough Council, as detailed in Section 7.

(2) The transfers to and from earmarked reserves as below and detailed in sections 8 and 9 of this report be approved.

- £1million to Environmental Liability Reserve
- £400k to Major Repairs Reserve
- £275k to Pension Liability reserve
- £5k to Three Choirs Reserve
- £14k to Members Allocation Reserve
- £10k from Historic Buildings Reserve
- £12.5k to Portfolio Reserve
- £313k to Regeneration Reserve

3.0 Background

- 3.1 This report is intended to give Members a clear and concise view of the 2014/15 outturn of the Council and accompany this with explanations for any variances. The financial position for each directorate is presented in a summary table showing the budget for the year as well as final position against budget for the end of the 2013/14 financial year.
- 3.2 The reported position in Quarter 3 was to increase the general fund by £264k. The actual outturn position is to increase the general fund by £63k a change of £201k on the Qtr3 forecast.
- 3.3 It should be noted that the overall financial performance in the last quarter was to increase the general fund by £414k a significant improvement of £150k. However the council is required to make a £351k contribution to the Gloucestershire Business Rates Pool. The details behind this contribution are shown in section 7 of the report.
- 3.4 Included within the 2014/15 budgets were efficiency targets of £1.380m across a number of service areas and schemes. As previously reported a number of these schemes have been successfully achieved in year with £1.010m of savings delivered. Where savings targets have not been achieved these will be delivered in 2015/16. Appendix 1 provides details.

4.0 Council Summary

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

Service Area	2014/15 Budget £000	Final Outturn £000	Final Variance £000
Services	7,814	7,976	162
Resources	3,712	4,470	758
Funding and Corporate Adjustments	(12,164)	(12,457)	(294)
GCC	(638)	(11)	626

4.2 The tables below show the final outturn and variance as well as the forecast outturn from Quarter 3 for comparison. The commentary for each service area will highlight the main changes from those forecast at Qtr 3 to the final outturn position.

5.0 Services and Neighbourhoods

Service Area	2014/15 Budget £000	Forecast Outturn at Qtr 3 £000	Final Outturn £000	Movement between Quarters £000	
Director	188	169	125	44	Fav
Public Protection	(362)	(436)	(618)	182	Fav
Neighbourhood Services	5,565	5,929	5,913	16	Fav
Development Services	300	280	247	33	Fav
Housing Services	696	601	634	33	Unfav
Cultural Services and Tourism	614	956	924	32	Fav
Contact Centre and Customer Services	813	764	765	1	Unfav
Directorate Total	7,814	8,263	7,990	273	Fav

5.1 The most significant change within this directorate was the performance of the Cemeteries and Crematorium service. This is included within the Public Protection line above. The budget position within this service has improved by £181k in the last quarter. This is a result of the strong performance earlier in the year continuing into the last quarter. Previous estimates had included, as with all income targets, a degree of prudence as to the final estimate. Within this service those estimates were significantly overachieved. This tends to indicate that the savings target within this area will be achievable in 2015/16.

5.2 Within Cultural Services and tourism the position improved by £32k from the previous quarter. This was predominantly due to the an improvement in budget performance at the museums resulting from a decrease in the business rates bill and the final costs of the review being lower than expected. The final position on Guildhall events, which has been reported throughout the year, was broadly in line with the expected position at quarter 3 with the deficit increasing by only £15k. This area has challenging savings targets in 2015/16 and these will be closely monitored.

5.3 Within Neighbourhood Services there were additional year-end costs which were provided for within the Amey Contract. This included a shortfall on the level of income from the sale of recyclates against the level in the contract. This shortfall has been met by invoicing the County Council for works carried out on their behalf as part of the overall contract.

6. Resources

Service Area	2014/15 Budget £000	Forecast Outturn at Qtr 3 £000	Final Outturn £000	Movement between Quarters £000	
Director	89	70	58	12	Fav
Audit	122	119	114	5	Fav
Business Improvement	1,872	2,382	2,113	269	Fav
Finance	151	194	536	342	Unfav
BT & T	648	739	775	36	Unfav
Parking	(852)	(812)	(833)	21	Fav
Regeneration and Economic Development	196	278	146	132	Fav
HR	333	267	282	15	Unfav
Legal, Democratic and Communications	1,153	1,129	1,279	150	Unfav
Directorate Total	3,712	4,366	4,470	Unfav	104

6.1 Business Improvement has seen an improvement in budget performance in the final quarter. This is predominantly linked to the revenues and benefits service client function. In particular, the Council's share of court costs awarded to the Authority as a result of recovery actions was in excess of budget

6.2 Financial Services shows a budget swing since quarter 3. The expenditure and income relating to Housing Benefits sits within this area and there was a small percentage change in the annual cost from what had been expected. The Council and Civica are working together to try and improve the monitoring of this area during 2015/16.

- 6.3 The performance improvement in regeneration and economic development is linked to the additional rental income generated by properties acquired for the Kings Quarter development. This improvement is offset against the additional corporate costs relating to the borrowing undertaken to buy the properties so the whole Council impact is minimal.
- 6.4 The change in forecast within the legal and democratic team is a result of a provision which has been made for costs which are to be payable as a result of a settlement being reached in a legal action taken against local authorities nationally for repayment of previous land search charges. This has been fully provided for in this year's accounts and so will not impact on future years.

7.0 Business Rates and Business Rates Pooling

- 7.1 The Gloucestershire Business Rates Pool (GBRP) commenced in April 2013 with 2014/15 being the second year this has been in place. The Gloucestershire Pool is made up of the County Council and all the district councils in Gloucestershire.
- 7.2 During 2014/15 an appeal on business rates valuation in Tewkesbury Borough Councils by the largest business entity, has resulted in a deficit on the pool of circa £2.3m. This is partly funded by the retained pool surplus of £264k from last year, and, in line with the pool's governance arrangements, additional contributions from the members of the pool. The share that Gloucester City Council is required to contribute is £351k. This is a direct charge to the Council's General Fund and has had the effect of reducing our surplus to £63k. The Council was aware of this issue at Quarter 3 and had included the latest projected cost from the pool of 135k in its projections.
- 7.3 In addition to the issue above the Government placed a deadline for receipt of appeals against the 2010 ratings list of 31st March 2015 which consequently saw a significant number of appeals lodged in the final weeks of the year. This is a national issue and councils have had to increase their provisions significantly this also had a significant impact on the outturn of the pool
- 7.4 Representation has been made to the government through a letter from the Leader and Chief Executive of Tewkesbury Borough Council. The leaders of all districts and the County Council have also made representation on the implications to the pool and Gloucestershire through a jointly signed letter.
- 7.5 The 2013/14 pool outturn saw £775k retained in Gloucestershire that would have otherwise been passed to Central Government. The 2015/16 forecast position for the pool is for circa £1.8m to be retained in Gloucestershire with a proportion being passed back to districts, plus further financial contribution to the Strategic Economic Development Fund

7.6 The future composition of the pool will need to be agreed prior to setting the budgets for 2016/17 and composition of the pool will need to be notified in line with government deadlines. It is essential that a 'knee jerk' reaction to disband the pool is not made and any future decision is based on facts including the benefits that the pool can bring to both the city and Gloucestershire moving forward. It is worth noting that without the appeal at Tewkesbury, which is both extremely significant and a one off event, the pool would have been in a surplus position and delivered additional funding to Gloucestershire authorities in excess of what would have been achieved if they were acting independently.

8.0 Housing Revenue Account (HRA)

8.1 On the 17th March 2015 the Council completed the voluntary stock transfer to Gloucester City Homes (GCH). This brought to conclusion a major project that had started nearly 5 years ago when the Council commenced a comprehensive housing stock options appraisal.

8.2 Following the vote by tenants that the housing stock should transfer, both organisations worked diligently to ensure that the Transfer Agreement was put in place. This agreement details all the arrangements, warranties, indemnities and conditions of the contract between the two organisations.

8.3 Once the transfer had been completed approval was sought from the Secretary of State for the closure of the HRA under powers conferred by sections 74(3)(d) and 87 of the Local Government and Housing Act 1989. The direction was provided as the Housing Revenue Account (Gloucester City Council) Direction 2015 being effective from 1st April 2015.

8.4 The final transfer agreement approved by both the council and GCH accounted for specific liabilities to be met from the closing balances of the HRA. These included past pension costs of £1.1m, ill health retirement costs £305k, plus adjustments for rent free week/prepayments and arrears totalling £615k.

8.5 Once all correct accounting entries regarding the closure of the HRA, including those highlighted in paragraph 8.4 above had been completed, a residual balance of £1.834m remains. It is proposed this balance is used to manage potential ongoing liabilities as a result of the transfer, and to transfer to earmarked reserves for other key priorities of the Council.

8.6 As part of the Transfer Agreement a VAT Shelter arrangement was agreed with the Council and GCH. The Council will retain 25% of all future VAT benefits over a 15 year period as a result of the VAT Shelter. The expected income in 2015/16 is £476k which can be used to deliver projects. Potential projects were identified as part of the transfer process, such as public realm, regeneration, and delivering housing projects. These

monies will be placed in an earmarked reserve and utilised in line with cabinet approval.

8.7 To clarify what the VAT shelter is;

A VAT Shelter is a procedure agreed with Her Majesty's Revenues and Customs to ensure that following a housing stock transfer there is no impact on taxation. Had the Council retained the housing stock and carried out the necessary works on the properties the VAT would have been reclaimed by the Council, however private registered providers are unable to recover the VAT. The VAT shelter arrangement allows the Vat to be recovered and shared between the council and GCH.

8.8 One of the key ongoing potential liabilities as a result of the transfer is environmental liabilities. A key potential liability is 'asbestos works', and within the transfer agreement the asbestos works threshold is £1.937m. Any costs in excess of this threshold will need to be met by the Council. The environmental report stated '*With the level of uncertainty over future costs, this is seen as a major financial risk to the Council*' and also stated '*consider making provision, as other councils have, for the uninsured exposures, depending on Council's financial position and risk appetite, but ideally £1m plus;*'. It is proposed to place £1m into an earmarked reserve based upon the professional advice provided to the Council. This level should safeguard the council in the future and can be reviewed.

8.9 The council also has significant exposure to major repairs which are currently unbudgeted and could be a significant risk. Current potential examples are Eastgate Market Car park roof, and the replacement of GL1. It is proposed to create a Major Repairs Reserve that can be drawn upon to assist in offsetting potential major liabilities. It is proposed to transfer £400k to this reserve. In future years if surpluses are achieved this reserve could be topped up to manage further liabilities

8.10 One of the council's key priorities is the regeneration of the city and it is proposed to transfer £159k to the regeneration reserve to further enable key regeneration priorities to be delivered.

8.11 The transfer includes a contribution for known pension liability and this is proposed to be transferred to earmarked reserve.

8.12 The table below summarises the proposed transfer to earmarked reserves from the HRA closing balance;

No	Reserve	Proposed Transfer £'000	Balance @ 31 March 15 £'000
1	Environmental Liability reserve	1,000	1,000
2	Pension Liability reserve	275	275
3	Major Repairs Reserve	400	400
4	Regeneration Reserve	159	159

9.0 Reserve Movement

9.1 Detailed below are summarised movements of proposed transfers to and from reserves along with balances on current earmarked reserves.

9.2 In previous years the Council took ownership of a number of assets previously held by the South West Regional Development Agency (SWRDA). 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 reserve may now be established and it is proposed £154k to the reserve. The total transfer to the regeneration reserve in year will be £313k, £154k from SWRDA surplus and £159k from the balance on the HRA detailed above.

9.3 Other proposed movements to and from reserves are for the reasons detailed below;

- 3 Choirs Reserve - The City hosts the festival every 3years and this is the contribution from 2014/15 to the final cost of the festival.
- Members Allocation Reserve – to enable delivery of projects
- Historic Building reserve –to fund an agreed award to the Llanthony Priory Trust
- Portfolio Reserve – annual sum put in reserve for surveys undertaken every 3 to 4 years.

9.4 The table below summarises proposed transfers to and from reserves;

No	Reserve	Opening Balance £'000	Proposed Transfer £'000	Balance @ 31 March 15 £'000
1	3 Choirs Reserve	-	5	5
2	Historic Buildings Reserve	63	(10)	53
3	Portfolio Reserve(Housing Survey)	10	12.5	22.5
4	Members Allocation Reserve	-	14	14
5	Shopmobility Reserve	29	-	29
6	Regeneration Reserve	-	313	313
7	Insurance reserve	10	-	10

10.0 Savings

10.1 Appendix 1 shows that £1.010m 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.

10.2 Of the £1.380m savings target in 2014/15 £470k of savings have not been achieved. This was partially offset by the early delivery of the senior management restructure to give a net underachievement of £370k in 2014/15.

10.3 Where savings have not been delivered in 2014/ these have been carried forward into 2015/16 and will be monitored closely to ensure delivery. The Asset Management service review (100k) has now been fully implemented and therefore will be fully delivered in 15/16.

11.0 Capital Programme

11.1 The Capital Programme budget for the year, including Housing Expenditure, was £21.454m. Expenditure for the year was £16.110m. The areas of major capital expenditure were £7.5m on housing (both General Fund and HRA), £6m on Kings Quarter and other projects including St Michaels Tower, Flood Works, and various projects within the agreed City Centre Investment Fund

11.2 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.

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

12.0 Supplier Payments

12.1 The Council is committed to paying invoices within terms. During Quarter 4 and in 2014/15 as a whole, the actual achievement was 94% within 30 days. The details on prompt payment (30 days performance) are:

	Quarter 1		Quarter 2		Quarter 3		Quarter 4		TOTAL 2014/15	
Number paid within 30 days	2619	93%	2496	94%	2683	94%	2582	94%	10380	94%
Number paid over 30 days	183	7%	173	6%	167	6%	160	6%	683	6%
Total Invoices paid	2802		2669		2850		2742		11063	100%
Average Days to Pay	9		9		9		9		9	

13.0 Financial Implications

13.1 Contained in the report

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

14.0 Legal Implications

14.1 There are no legal implications from this report

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

15.0 Risk & Opportunity Management Implications

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

16.0 People Impact Assessment (PIA):

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

17.0 Other Corporate Implications

Community Safety

17.1 None

Sustainability

17.2 None

Staffing & Trade Union

17.3 None

Budget Savings Programmes - 2014/15

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)	(430)	0		(70)	£430k saving achieved. Balance of savings target will be achieved and monitored during 2015-16.
Neighbourhood Services	Environmental Team Review	(100)				(100)	A review of the operations of the Environmental Planning Team, full saving is expected to be delivered in 2015-16 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 will be delivered in 2015/16.
Business Improvement	CIVICA, review further savings on contract	(50)	(50)				Contract price changed to achieve saving 14/15
ICT	BT & T Outsourcing	(100)	(100)				Contract price changed to achieve saving 14/15
		(1,380)	(1,010)	0	0	(470)	

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Capital Programme 2014/15		
Scheme	Budget 2014/15 £000	Actual Spend to date £000
Resources		
Kings Quarter Development	6,000	5,969
SWRDA Asset Transfer	62	54
HCA Regeneration Grant money	82	3
City Centre Regeneration schemes	1,901	387
Voltage Optimisation - Main Buildings	55	10
GCC Building Improvements	413	97
Herbert Reception Upgrade	66	66
HKP Accommodation Review	44	6
ICT Projects	331	169
Eastgate Rooftop Carpark Improvements	750	31
Blackfriars Priory	17	16
Resources Total	9,723	6,807
Services and Neighbourhoods		
Depot works	52	51
Environmental, Drainage and Flood Projects	675	154
GL1 Air Handling & Roofing works	250	191
Innsworth Lane Sports Pitches	35	9
Play Area Improvement Programme	150	120
City Centre CCTV system	365	9
Townscape Heritage Initiative - HLF	1,192	23
Crematorium works	18	8
Housing projects (not HRA)	1,251	672
Grant Funded Projects including s106	550	186
Cultural Services Projects	84	34
Services and Neighbourhoods Total	4,623	1,457
TOTAL GENERAL FUND	14,346	8,264
Housing HRA	7,829	7,846
TOTAL CAPITAL PROGRAMME	22,174	16,110
Spend Financed by		
	£000	
Grants	775	
Major Repairs Reserve	2,022	
HRA Revenue Funding	4,783	
Capital receipts	2,143	
Section 106	131	
Borrowing	6,256	
	16,110	

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Gloucester City Council

Meeting:	Cabinet	17 June 2015
	Audit and Governance Committee	01 July 2015
Subject:	Treasury Management Update – Quarter 4 Report 2014/15	
Report Of:	Cabinet Member for Performance and Resources	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Jon Topping, Head of Finance	
Email:	jon.topping@gloucester.gov.uk	Tel: 396242
Appendices:	<ol style="list-style-type: none"> 1. Prudential and Treasury Indicators 2. Treasury Management Investments 3. Economic Outlook 4. Detailed interest rate forecasts 	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 One of the requirements of the revised Code of Practice for Treasury Management in November 2011 recommends that members should be updated on treasury management activities at least twice a year, but preferably quarterly. This report covers Quarter 4, 1st December 2014 to 31st March 2015.
- 1.2 This report will highlight issues specific to the Council and also highlight the overall economic outlook as provided by the Councils treasury advisors Capita Asset Services.
- 1.3 The body of the report provides an overview of the Councils performance in Quarter 4 ;
 - **Appendix 1** highlights the key performance indicators in line with the Councils Treasury Management Strategy.
 - **Appendix 2** is the investments held at the end of quarter 4.
 - **Appendix 3** is an economic summary provided by the Councils treasury advisors.
 - **Appendix 4** is a detailed commentary on interest rate forecasts

2.0 Recommendations

- 2.1 Audit and Governance 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 **RESOLVE** that the report be noted and note that no changes are required to the prudential indicators.

3.0 Annual Investment Strategy

The Treasury Management Strategy Statement (TMSS) for 2014/15, which includes the Annual Investment Strategy, was approved by the Council on 5th March 2014. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield

3.1 The Council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover cashflow needs, but also to seek out value available in periods up to 12 months, with highly credit rated financial institutions, using our suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information.

3.2 Investment rates available in the market have been broadly stable during the quarter and have continued at historically low levels as a result of the Funding for Lending Scheme. The average level of funds available for investment purposes during the quarter was £8.75m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme. The funds available for investment includes receipts from the housing stock transfer completed 17th March 2015.

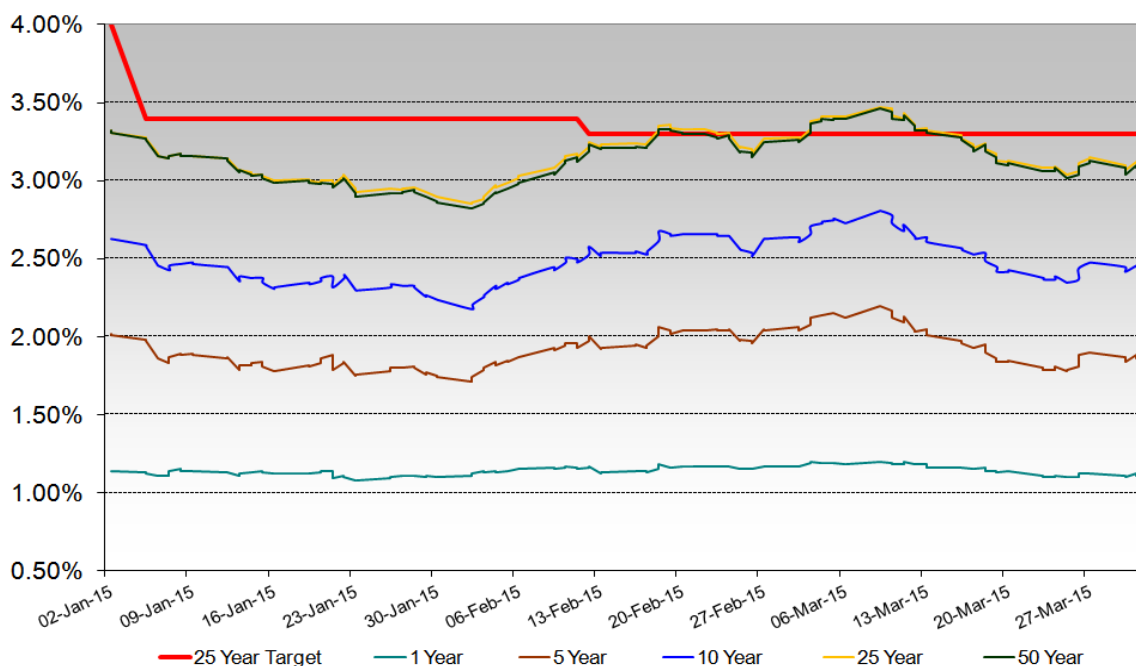
4.0 New Borrowing

4.1 The 25 year PWLB (Public Works Loan Board) target (certainty) rate for new long term borrowing for the quarter fell from 3.90% to 3.40% in early January. This was revised down further to 3.30% after the February Bank of England Inflation report.

4.2 No long term borrowing was undertaken during the quarter.

4.3 PWLB certainty rates, quarter ended 31st March 2015

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.08%	1.71%	2.18%	2.85%	2.82%
Date	23/01/2015	02/02/2015	02/02/2015	02/02/2015	02/02/2015
High	1.20%	2.20%	2.81%	3.47%	3.46%
Date	03/03/2015	09/03/2015	09/03/2015	09/03/2015	09/03/2015
Average	1.14%	1.92%	2.49%	3.16%	3.14%



4.4 Borrowing in advance of need.

On the 17th March 2015 The Council completed the voluntary stock transfer to Gloucester City Homes (GCH), the Council received funding from the Government and GCH to repay debt associated with the Council housing stock. Due to uncertainty in the market around debt premia at the time of the transfer, the Council did not repay all of the market debt at that time. Funds were invested in the short term until certainty returned to the markets at which point the Council rescheduled the market debt relating to the stock transfer. This approach was set out as part of the 15/16 Treasury Strategy, as approved by Council.

5.0 Debt Rescheduling

5.1 Debt rescheduling opportunities have been limited in the current economic climate and following the increase in the margin added to gilt yields which has impacted PWLB new borrowing rates since October 2010. During the quarter ended 31st March 2015, no debt rescheduling was undertaken.

6.0 Compliance with Treasury and Prudential Limits

6.1 It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved TMSS.

6.2 During the financial year the Council operated in accordance with the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement and in compliance with the Council's Treasury Management Practices. From the 17th March 2015 to 1st April 2015 the s151 Officer in consultation with the Cabinet Member for Performance and Resources was given delegated authority to make decisions on Treasury Management outside of the 14/15 Treasury Strategy as a result of the housing stock transfer. This authority covered the change to the maturity profile of Council borrowing which was outside the 14/15 strategy. The prudential and treasury Indicators are shown within appendix 1.

7.0 Other

7.1 The final quarter of 2014/15 saw the Council moved from an under-borrowing position to an over borrowing position, this was as a result of the housing stock transfer to Gloucester City Homes.

7.2 The stock transfer agreement included government funding to write off Council debt assigned to the housing stock. Market conditions at the time of the transfer were not favourable for the repayment and would have resulted in significant additional debt premia costs. The decision was taken to hold on to the debt and invest funds until market conditions improved.

8.0 Financial Implications

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

9.0 Legal Implications

9.1 There are no legal implications from this report
(Legal Services have been consulted in the preparation this report.)

10.0 Risk & Opportunity Management Implications

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

11.0 People Impact Assessment (PIA):

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

12.0 Other Corporate Implications

Community Safety

12.1 None

Sustainability

12.2 None

Staffing & Trade Union

12.3 None

Prudential and Treasury Indicators as at 31st March 2015

Treasury Indicators	2014/15 Strategy	Quarter 4 Actual
Authorised limit for external debt	£86M	£43.5m
Operational boundary for external debt	£85M	£43.5m
Gross external debt	£86M	£43.5m
Net borrowing	£86m	£9.9m
Maturity structure of fixed rate borrowing - upper and lower limits		
Under 12 months	0% - 50%	100%
12 months to 2 years	0% - 50%	%
2 years to 5 years	0% - 50%	%
5 years to 10 years	0% - 50%	%
10 years to 20 years *1	0% - 80%	%
20 years to 30 years *1	0% - 80%	%
30 years to 40 years *1	0% - 80%	%
40 years to 50 years *1	0% - 80%	%
Upper limit of fixed interest rates based on net debt *2		
Upper limit of fixed interest rates based on net debt *2	100%	31.03%
Upper limit of variable interest rates based on net debt *2		
Upper limit of variable interest rates based on net debt *2	100%	68.97%
Upper limit for principal sums invested for over 364 days		
Upper limit for principal sums invested for over 364 days	Nil	Nil

Prudential Indicators	2014/15 Strategy	Quarter 4 Actual
Capital expenditure *		
<ul style="list-style-type: none"> • HRA • GF 	£7.100m £6.882m	7.126m 8.264m

APPENDIX 2

Investment Portfolio

Investments held as at 31st March 2015 compared to our counterparty list:

Specified Investments	Outstanding Investments £'000	Date of Maturity	Interest Rate %
UK Local Authority			
Leeds City Council	£5,000	01/04/2015	0.3
Waltham Forest Council	£3,000	01/05/2015	0.3
	£8,000		
Banks			
Barclays Bank Plc	£1,500	N/A (call a/cs)	
Natwest Bank Plc	£3,800	N/A (call a/cs)	
Glodman Sachs	£1,300	N/A (call a/cs)	
	£6,600		
Building Societies			
Yorkshire Building Society	£4,000	20/04/2015	0.3
Coventry Building Society	£5,000	27/04/2015	0.42
Leeds Building Society	£5,000	27/04/2015	0.3
Nationwide Building Society	£5,000	20/04/2015	0.43
	£19,000		
Total Invested	£33,600		

1. Economic Background

- After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then growth in 2014 of 0.6% in Q1, 0.8% Q2, 0.6% Q3 and 0.6% Q4 (annual rate for 2014 of 2.8% - the strongest rate since 2006), there are good grounds for optimism that the growth rate will increase further during 2015 as the positive effects from the fall in the price of oil feeds through to consumers and other parts of the economy. In its February quarterly Inflation Report, the Bank of England maintained its GDP forecast for 2015 at 2.9%, but revised up its forecasts for 2016 and 2017 to 2.9% and 2.7% respectively, from 2.6% in both years. The main source of upward revisions came from higher consumption growth, which is now expected to accelerate to 3.75% in 2015 due primarily to a 3.5% rise in real post-tax household income growth. Income growth is also supported by solid employment growth and a pick-up in average weekly pay growth of 3.5% in 2014 and 4.0% in 2016 and 2017. Unit labour cost growth is consequently forecast to be 2.0% in 2015 and 2.75% in 2016 which then pushes up the inflation forecast slightly in two years time to 1.96%, while in three years' time it is forecast at 2.15%.
- The American economy is well on track to making a full recovery from the financial crash. GDP quarterly growth rates (annualised) for Q2, Q3 and Q4 of 4.6%, 5.0% and 2.2%, (2.4% for 2014 as a whole), hold great promise for strong growth going forward and for further falls in unemployment. It is therefore confidently predicted that the Federal Open Market Committee will start on the first increase in the Fed funds rate during 2015 and is likely to be ahead of the UK in being the first major western country to raise rates.
- As for the Eurozone, on 21 January 2015 the ECB fired its big bazooka in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is currently intended to run initially to September 2016. However, it remains to be seen whether this will have a significant enough effect in terms of boosting growth and employment, though the fall in the price of oil will provide additional support.

2. Interest Rate Forecast

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	2.00%
5yr PWLB rate	2.20%	2.30%	2.50%	2.60%	2.70%	2.80%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%
10yr PWLB rate	2.80%	3.00%	3.10%	3.20%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%
25yr PWLB rate	3.40%	3.60%	3.80%	3.90%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%	4.70%
50yr PWLB rate	3.40%	3.60%	3.80%	3.90%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%	4.70%

- Capita Asset Services undertook a review of its interest rate forecasts after the February Bank of England Inflation Report. On 21 January 2015 the ECB unleashed its €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This gave further impetus to the trend of a rise in bond prices and correspondingly, a fall in bond yields to phenomenally low levels. This trend had started earlier after a proliferation of fears in financial markets around the plunge in the price of oil had caused a flight from equities into bonds and from exposure to the debt and equities of emerging market oil producing countries to safe havens in western countries. These flows were compounded by further fears that Greece could be heading towards an exit from the Euro after the general election on January 25 elected a left wing anti austerity government.
- In addition, there has been a sharp increase in confidence in this quarter that the US will start increasing the Fed funds rate by the end of 2015 due to strong GDP growth in 2014 and the rapidly falling unemployment rate. This indicated that the US is now headed towards making a full recovery from the financial crisis of 2008.
- The result of the combination of the above factors is that we have seen bond yields plunging to phenomenally low levels, especially in long term yields. This plunge in bond yields was partially reversed towards the end of the quarter. However, these very low levels are unsustainable in the longer term but just how quickly these falls will unwind is hard to predict.
- In addition, positive or negative developments on the world political scene could have a major impact in either keeping yields low or prompting them to recover back up again. We also have a UK general election coming up in May 2015; it is very hard to predict what its likely result will be and the consequent impact on the UK economy, and how financial markets will react to those developments.
- This latest forecast includes a move in the timing of the first increase in Bank Rate from quarter 4 of 2015 to quarter 1 of 2016 as a result of the sharp fall in inflation due to the fall in the price of oil and the impact of that on core inflation. The Governor of the Bank of England, Mark Carney, has repeatedly stated that increases in Bank Rate will be slow and gradual. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when average disposable income is only starting to gradually increase as a result of wage inflation now running marginally above the depressed rate of CPI inflation, though some consumers will not have seen that benefit come through for them. In addition, whatever party or coalition wins power in the next general election, will be faced with having to implement further major cuts in expenditure and / or increases in taxation in order to eradicate the annual public sector net borrowing deficit.

DETAILED COMMENTARY ON INTEREST RATES FORECASTS

Our treasury management advisers, Capita Asset Services have provided us with the following update to their interest rate forecasts.

Change in market sentiment and outlook

- The plunge in the price of oil, if maintained during 2015, will increase consumer disposable income and act as a stimulus to economic growth (both in the UK and in other oil importing countries e.g. the EU as a whole). In the February Inflation Report, the Bank of England accordingly maintained its forecast for growth in 2015 at 2.9%, despite the slowdown in Q4 2014, and increased its forecast for 2016 from 2.5% to 2.9%.
- There is a real possibility that CPI inflation could turn slightly negative for a short period around midyear 2015. This is only likely to be a temporary blip until the fall in the price of oil drops out of the twelve month calculation of CPI during Q4 2015, when inflation is expected to tick up markedly from near zero. In our view, financial markets have over reacted to the prospect of temporary deflation in pushing the first increase in Bank Rate back from Q4 2015 into the second half of 2016. The latest Inflation Report clearly shows a rise in inflation to being slightly above the 2% target in the 2 to 3 year time horizon due to strengthening growth.
- The temporary blip down in inflation during 2015 might make it difficult for the MPC to raise Bank Rate as early as we expected in our previous forecast but we have only moved our forecast for the first increase in Bank Rate back from Q4 2015 to Q1 2016. However, we would certainly not rule out a November 2015 first increase if the Greek and other situations are favourable.
- Greece: the Greek government led by the anti EU and anti austerity party Syriza, is making a strong push to renegotiate the austerity programme and debt repayments. This has led to prolonged negotiations with the troika of the ECB, EU and IMF as the proposals made to date, (as at the end of March), were judged to be inadequate. There is therefore a risk that this could end with Greece leaving the euro. However, the Eurozone has put in place sufficient firewalls that a Greek exit would have little direct impact on the rest of the EZ and the euro. The indirect effect is more problematic to quantify as the Greek election result is likely to strengthen support for anti EU and anti austerity political parties in many EU countries. Of particular concern is the fact that Spain and Portugal have general elections coming up in late 2015. Italy is arguably the greatest risk as it has the third biggest debt mountain in the world and has shown little progress so far in undertaking fundamental reforms to improve the competitiveness of the economy.
- The political risks around the UK general election in May 2015 have increased with the likely result being very hard to predict. There are additional potential risks around UK EU membership which could also affect investor sentiment towards the UK and towards gilts as an investment. Any sharp adverse investor reaction on either or both scores, could lead to a corresponding jump up in gilt yields (and PWLB rates).
- We are also concerned at the level of potential risk around several of the major emerging economies government and corporate debt, from both the potential for default in some countries and also a sharp swing in investor sentiment which has previously sought out higher yields in these economies during an extended period when yields in western countries have been heavily suppressed. Russia and Brazil are already in recession.
- Local authorities should expect a high level of volatility in PWLB rates during 2015, depending on how long it takes to decide what will happen in Greece and as other factors impinge on market and investor sentiment. We would not be surprised to see PWLB rates swinging by 50 bps in a quarter, which makes any forecasts in the shorter term *subject to a much higher level of volatility than has been usual*.

After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then growth in 2014 of 0.6% in Q1, 0.8% Q2, 0.6% Q3 and 0.6% Q4 (annual rate for 2014 of 2.8% - the strongest rate since 2006), there are good grounds for optimism that the growth rate will increase further during 2015 as the positive effects from the fall in the price of oil feeds through to consumers and other parts of the economy. In its February quarterly Inflation Report, the Bank of England maintained its GDP forecast for 2015 at 2.9%, but revised up its forecasts for 2016 and 2017 to 2.9% and 2.7% respectively, from 2.6% in both years. The main source of upward revisions came from higher consumption growth, which is now expected to accelerate to 3.75% in 2015 due primarily to a 3.5% rise in real post-tax household income growth. Income growth is also supported by solid employment growth and a pick-up in average weekly pay growth of 3.5% in 2014 and 4.0% in 2016 and 2017. Unit labour cost growth is consequently forecast to be 2.0% in 2015 and 2.75% in 2016 which then pushes up the inflation forecast slightly in two years time to 1.96%, while in three years' time it is forecast at 2.15%.

The American economy is well on track to making a full recovery from the financial crash. GDP quarterly growth rates (annualised) for Q2, Q3 and Q4 of 4.6%, 5.0% and 2.2%, (2.4% for 2014 as a whole), hold great promise for strong growth going forward and for further falls in unemployment. It is therefore confidently predicted that the Federal Open Market Committee will start on the first increase in the Fed funds rate during 2015 and is likely to be ahead of the UK in being the first major western country to raise rates.

As for the Eurozone, on 21 January 2015 the ECB fired its big bazooka in unleashing a massive €1.1 trillion programme of quantitative easing to buy up high credit quality government and other debt of selected EZ countries. This programme of €60bn of monthly purchases started in March 2015 and it is currently intended to run initially to September 2016. However, it remains to be seen whether this will have a significant enough effect in terms of boosting growth and employment, though the fall in the price of oil will provide additional support.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

We would, however, remind clients of the view that we have expressed in our previous interest rate revision newflashes of just how unpredictable PWLB rates and bond yields are at present. We are experiencing exceptional levels of volatility which are highly correlated to geo-political and sovereign debt crisis developments. Our revised forecasts are based on the Certainty Rate (minus 20 bps) which has been accessible to most authorities since 1st November 2012.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.

- UK strong economic growth is weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EZ, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and potentially the EU, economic and debt management policies adopted by any new government.
- The ECB severely disappointing financial markets with a programme of asset purchases which proves insufficient to significantly stimulate growth in the EZ.
- The commencement by the US Federal Open Market Committee of increases in the Fed funds rate in 2015, causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.



Meeting:	Cabinet	Date: 17 June 2015
Subject:	Proposal for new financial system and a shared service agreement	
Report Of:	Cabinet Member for Performance and Resources	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Jon Topping, Head of Finance	
	Email: jon.topping@gloucester.gov.uk	Tel: 396242
Appendices:	None	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 The purpose of this report is to seek approval to a change of the Council’s financial system from Advanced Business Solutions (ABS) Financials to Civica Financials. This will be through the implementation of CIVICA financials in a shared working arrangement with Malvern Hills District Council (MHDC). This will contribute to the required savings in the 2015-2020 Money Plan.
- 1.2 To approve a shared financials system arrangement with MHDC who would host CIVICA Financials and make it available to Gloucester City Council (GCC), through a service level agreement basis.
- 1.3 To confirm a willingness to enter into other shared finance service arrangements with Malvern Hills District Council on systems administration and transaction processing on the basis of securing more efficient working practices, increased resilience, economies of scale and cost savings for the Council.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:
 - (1) The proposed shared working arrangement with Malvern Hills District Council and associated financial system to enable further improvement and resilience in the financial management of the Council be approved; and
 - (2) Authority be delegated to the Section 151 Officer in consultation with the Cabinet Member for Performance and Resources to negotiate on further shared working arrangements and procurement with Malvern Hills District Council on financial systems, administration and transaction processing.

- (3) Authority be delegated to the S151 Officer in consultation with the Cabinet Member for Performance and Resources, in entering into the required legal agreement and to take all the necessary steps to implement the above mentioned resolutions.

3.0 Background and Key Issues

- 3.1 The Council's Money Plan 2014-2019 approved the implementation of specific savings in the financial year 2014/15 and the proposed savings for 2015/16. These savings have been subsequently endorsed in the current Money Plan approved by Council on 26th February 2015.
- 3.2 The savings targets includes ongoing saving to base budgets of £70k to be delivered by Financial Services from 2015/16 onwards.
- 3.3 As well as the requirement to deliver these challenging savings for a small service area, there is also the need to improve the finance system to enable enhanced management reporting, improved resilience, and significantly, to ensure that the system is structured to meet the needs of the Council.
- 3.4 The Council currently utilises Advanced Business Solutions (ABS) Financials as its main accounting system. Within ABS there are a number of modules utilised by the Council;
- General ledger
 - Fixed Asset Register
 - e-procurement
 - supplier payments
- 3.5 In addition, there are a number of important subsidiary financial systems which are linked to ABS to form the Council's comprehensive financial data and records.
- 3.6 Those which are linked to ABS via electronic interface are:
- AXIS Income Management (AIM) (which processes all of the income received by the Council);
 - Open revenues, revenue and benefits system
 - ASH Debtors.
- 3.7 The following sections of the report will detail the benefits, both financial and operational, of the investment in a new financial system and entering into a partnership with MHDC.

4.0 Financial Systems Support

- 4.1 The Council does not have a financial systems accountant, and has not had so for many years. The systems team consists of 1 FTE officer.

- 4.2 The systems Officer is only resourced to deal with day to day operations. Recent major systems projects, such as the implementation of the Fixed Asset Register and the current banking project are testament to this Officer's dedication to ensure projects are completed. However, this is not a long term sustainable option in an ever changing local government environment.
- 4.3 By moving into the proposed shared working arrangement as well as utilising the current Officer the Council will be able to call upon the support of a Systems Accountant, Financial Systems Developer plus two further systems Officers. The ability to draw on this resource will provide vastly improved resilience to the Council as a result of both foreseen and unforeseen long term absence. The Systems team at MHDC have significant experience in implementing Financials and operating the system on behalf of other authorities.
- 4.4 The enhanced system team available through the proposed shared working will also provide much enhanced support to GCC to enable projects and change to be delivered both timely and effectively.

Operational System Requirements

- 4.5 The current configuration of ABS requires updating for the financial management needs of the Council now and in the future. The current ABS system data records have developed in a way that does not conform to good practice. As a consequence, the system processing and system support is not as efficient as it could be and far too much time is spent manually compiling information as it is not automatically provided.
- 4.6 Controls on the current system have been enhanced over the last 18 months, with the systems Officer making efforts to purge the structure. However the current ledger structure will not support the delivery of further financial management of the Council.
- 4.7 The current problems can be categorised into four main areas. The four main problem areas are:
- (i) Inadequate coding structure and chart of accounts
 - (ii) Inadequate financial reporting
 - (iii) Poor business processes
 - (iv) Insufficient resilience

Strategic Requirements

- 4.8 There is also a need to consider shared services and partnership working for Finance as part of securing value for money on back office services. To help achieve the budget savings the Council needs to promote efficiencies from back-office functions and carry out other opportunities to work so that limited resources can be targeted where they are most needed.

5.0 What are the Options for Change?

Continue with ABS

- 5.1 Continuing with the current situation is not an option as the Council's main accounting system needs to be significantly improved to address the issues set out in paragraphs (4.5 to 4.7) above. To refresh the ABS system is likely to incur implementation costs at a similar level to those required to introduce Civica without delivering any ongoing revenue savings and resilience benefits.
- 5.2 The Council also currently use ASH debtors for the accounts receivable function rather than integrated solution within ABS financials. This places further risk if this solution was to fail and as highlighted in both previous external and internal audit reports requires complex reconciliations to the main ledger. The ASH system requires a separate licence which again is not financially efficient. The accounts receivable function will become an integrated part of the Council's financial system rather than a standalone system that requires complex reconciliations to be undertaken regularly.
- 5.3 There is the option to start afresh with ABS and implement a clean database. However, as mentioned above in paragraph 4.8, this would not achieve the Council's corporate and strategic objectives of shared service working on back office services

Shared System Provision

- 5.4 As mentioned above, partnership working and shared service arrangements should be a key consideration in determining a system solution.
- 5.5 The proposal to join with MHDC in a shared system arrangement enables Gloucester City to join an already successful shared working arrangement. MHDC already provides systems and transaction processing support through a shared working arrangement with Worcester City Council. MHDC has hosted this arrangement since February 2012 and the arrangement has proved beneficial to both organisations in terms of resilience and contribution to savings.
- 5.6 GCC is already in a successful partnership arrangement with CIVICA Business Processing Operations for services such as Revenues & Benefits that has delivered both financial and efficiency savings. This arrangement is through the Severn Centre, MHDC is in a similar arrangement with CIVICA, utilising the Orchard Centre alongside other South Worcestershire Districts.
- 5.7 The delivery of transaction processing, specifically Accounts Payable and System/Account reconciliations, is expected to deliver further financial savings through this established partnership. The resilience of joining this established shared working arrangement will be a significant benefit to GCC.
- 5.8 For MHDC this arrangement offers the opportunity to further increase resilience and expand the current successful joint working arrangements with Worcester City Council. Given the current financial pressures facing all local authorities, the joint working arrangements provide cost savings to all partners whilst safeguarding employment and ensuring a high level of service.

6.0 Alternative Options Considered

- 6.1 There is also an option to implement CIVICA Financials as a standalone database. However, this is ruled out in that it will not deliver the resilience and expertise required for the Council going forward.
- 6.2 The option to utilise the SAP system operated by the County Council has also been discounted. SAP is a large complex database designed for multi-national companies, not a small district council. It is likely that GCC would not have the autonomy and control to change/develop the system for its own needs.
- 6.3 The option to join with alternative districts was discounted as the proposed arrangement enables the Council to join an already well established shared service with a proven track record in delivery of quality service, whilst improving resilience and delivering savings.

7.0 Reasons for Recommendations

- 7.1 The recommendations in this report will contribute to the financial savings the Council needs to make and will also provide much need resilience and structure to the Council's financial systems team and system.
- 7.2 The proposed shared working arrangement with MHDC allows the remaining finance function to focus on the corporate and strategic needs of GCC. Although this element could potentially be run by the County Council it is felt that the specific financial management, budgeting, reporting and monitoring needs of GCC as a district council are best served by maintaining the small remaining finance function.

8.0 Financial Implications

- 8.1 The purchase price for the Civica Financials software is £57k and this sum will be met from approved Capital IT budgets. Implementation costs will be met from current revenue budgets in Financial Services.
- 8.2 The annual licence fee for the current financial solution totals £23k, plus £10k for consultancy support. The annual licence fee for the proposed system is £13k and will therefore deliver ongoing annual revenue savings of £20k for system licences and support.
- 8.3 Further financial savings will be delivered through the extended arrangements for transaction processing to be implemented on completion of the system changes. These savings will take into account a share of the costs incurred by MHDC in delivering the shared working.

9.0 Legal Implications

- 9.1 The Shared Service arrangements will be the subject of a formal agreement between the Councils under sections 101 (1) of the Local Government Act 1972 and under Part 1A Chapter 2 section 9EA of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.

9.2 It should be noted that the principles of the Transfer of Undertakings (Protection of Employment) Regulations 2006 shall apply.

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

10.0 Risk & Opportunity Management Implications

10.1 As identified in the report

11.0 People Impact Assessment (PIA):

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

12.0 Other Corporate Implications

Community Safety

12.1 None.

Sustainability

12.2 None.

Staffing & Trade Union

12.3 Principles of the Transfer of Undertakings (Protection of Employment) Regulations 2006 shall apply.

Background Documents: None

Gloucester City Council

Meeting:	Cabinet	Date:	17 June 2015
Subject:	Council Advertising Network		
Report Of:	Cabinet Member for Performance & Resources		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Wendy Jones, Contact Centre and Customer Services Manager		
	Email: wendy.jones@gloucester.gov.uk	Tel:	396101
Appendices:	1. Screen shot of example advert		

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 This report seeks Cabinet approval for a proposal to introduce advertising to the Council's website via the Council Advertising Network for a 1 year pilot, working with CapacityGrid, who offer an end-to-end solution for Councils. It details the benefits of introducing this new approach, including potential revenue opportunities.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:-

- (1) The proposal to work with the CapacityGrid for a minimum of 1 year to pilot income-generating advertising on the Council's website be approved.
- (2) The project be monitored on a regular basis with a report produced after 1 year with findings and proposals for the future.

3.0 Background and Key Information

- 3.1 Gloucester City Council is always looking to lead the way to improve processes, make savings and create additional income for the authority.
- 3.2 Analysis shows that 5% of local authorities in the UK are currently pursuing some form of revenue generation through their websites and this is growing year on year. It's recent popularity recognises that local authorities are looking to find income generating solutions that don't involve Council Tax increases.
- 3.3 Officers have spoken to other local authorities who have implemented advertising on their websites who confirm that there have been no complaints from local residents, that the content has been suitable and that projected revenue targets have been met. One authority we have spoken to confirm they made £40,000 in the first year.

- 3.4 Website advertising is a recognised way of generating income but can be resource-heavy. Councils that have undertaken an in-house activity report that the income generated did not exceed the salary costs of specialist advertising officers.
- 3.5 Previously, the Council has expressed concerns about a third party having access to the website. Solutions have been developed by the market that do not require such access to be provided - instead the adverts are hosted on external websites through an 'ad server'.
- 3.6 Intrusive adverts and pop ups can often reduce the quality of user experience and can distract customers from completing tasks. By their very nature, adverts are intended to distract, but through avoiding pop-ups in particular it is possible to balance out the risks and rewards.
- 3.7 Advertising need not be negative. Making advertising space available would provide the Council with the opportunity to meet the corporate priority of promoting local businesses, which in turn could boost the daytime & evening economy.
- 3.8 The Council has been provided with the opportunity to offer businesses in Gloucester reduced or free advertising through the website and this opportunity could encourage new business into Gloucester City.
- 3.9 The Digital Communications team could offer local businesses that choose to advertise on the Council's website, design services at an agreed fee. The design of the advert is an important function and not all businesses will have resources at their disposal to do this. This might provide a further revenue stream for the Council.

4.0 Capacity Grid Solution - Proposal

- 4.1 CapacityGrid is a service exchange for local government. Its purpose is to create value by making it easier for authorities to work collectively. CapacityGrid gives local authorities access to services that have been designed using assets from within local government. The assets could be spare capacity, new processes or re-usable technology.
- 4.2 CapacityGrid enables its members to exploit the potential power of collective digital estate developed by the Council Advertising Network (CAN). It's only through the collective power of the network and the scale it brings, that the CAN is able to offer access to national advertisers that would typically only ever buy ad-space in the 'millions-of-page-views' bulk. This collective force also allows costs to be pooled across the network ensuring financial viability for the individual councils involved.
- 4.3 The CAN splits advertising inventory between national advertisers and the Council. In the first instance the suggested split is 80/20 with Gloucester City retaining 20% of ad space. This 20% inventory can be used in a number of ways; including 'house ads' (e.g. election reminders, event promotion, local campaigns) or even as an income stream. Councils are welcome to sell their share of advertising space to local businesses, retaining 100% of the revenue generated from such sales. Each month, the CAN would manage approximately 16 adverts (10,000 page impressions per advert). The Council would have 4 adverts (10,000 page impressions per

advert). The number of adverts is changeable though dependant on the number of page impressions per campaign.

- 4.4 The CAN give a minimum of 50% of the revenue generated by the collective back to network partners. The other 50% is absorbed by the CAN for all ad serving, sales and personnel costs associated with delivering the service. The share offered to the councils within the network will increase as further scale is established.
- 4.5 CapacityGrid estimate a level of income generation through the website and Intranet of approx £5,259 a year (based on a validated 170,000 monthly website & intranet impressions) with no outlay to the authority. The initial estimate is recognised as modest and likely to increase month-on-month.
- 4.6 The CAN would provide:-
- A centralised advertisement server to manage campaigns across the network.
 - A dedicated team to approach councils and generate network growth thus achieving greater scale. This can create higher yields due to the size of the network and inevitable access to larger, more prestigious advertisers.
 - A dedicated team to target advertising agencies and secure revenue for the network partners.
 - A secure IT infrastructure and 3 tiers of security (IL3 accredited server) to ensure only appropriate advertising ever appears on local authority web sites.
 - A key account manager as client liaison.
 - A 24/7 customer help desk
- 4.7 The CAN do not require any up front investment for councils joining the network. There is no management fee or minimum threshold. There are no costs at any time.
- 4.8 Each month, the CAN will provide a list of advertisers for the Council to approve. It should be noted that the CAN only approach advertisers who they deem appropriate for local government advertising e.g. Charities, Public Services, utilities. The approval process is in place for the 80% inventory maintained by CAN and is available through an online web portal enabling approval/veto and real time management information/reporting. The local authority will have 2 working days to approve or veto adverts. In most instances the adverts proposed will be 'community value', for example; offers of free home insulation, public health campaigns and national charities. The adverts are intended to be 'community value' to reduce the reputational risk to the Council. The reputational risk is further mitigated through the offer of 100% content control. There are no limitations on the number of monthly veto's. Veto's can be retrospective, with councils offered the opportunity to remove any advert at any time.
- 4.9 Advertising campaigns are handled by the CAN ad server requiring no work on Gloucester City Councils part.

4.10 By only dealing with larger advertisers and agencies with good reputations the CAN substantially mitigate the risk of malware (software used to disrupt computer software) being served.

4.11 Adverts are not intrusive and will appear on every page of the web site on a rotation basis (see Appendix 1 for example page layout).

5.0 Alternative Options Considered

5.1 Build In House

5.1.1 Having discussed this proposal with the Web Manager and other local authorities designing and running the service in house would require:-

- Dedicated resource to sell advertising space
 - Dedicated resource to design and amend adverts
- This work has proven to be time consuming and often the revenue generated does not cover the cost of the work involved.

5.2 Using Other Advertising Suppliers

5.2.1 The CAN offers advertising suitable for local authorities. Speaking to other local authorities (e.g. Birmingham) suggests that other potential suppliers demonstrated little care and attention to reputational risks. No attention was given to the suitability of adverts and standards often fell short of what would be expected by the relevant local authorities.

6.0 Future Work and Conclusions

6.1 The recommendations contained within this report have been prepared to ensure Council services operate efficiently and intelligently; achieving better value for money for local residents, and assisting the Council in obtaining another revenue stream while ensuring no impact on targets outlined for budget savings.

6.2 There would be no additional cost to the Council to implement the proposals. Any work involved with the set up will be completed by the Digital Communications team.

6.3 If Cabinet agrees the recommendations in the report, officers can analyse the findings after the 12 month pilot and review the project for the following years.

7.0 Financial Implications

7.1 There is no initial outlay or ongoing costs.

7.2 A minimum of 50% of advertising revenue to network members means projected earnings of £5,259 annually assuming page impressions remain the same, percentage share stays at 50% and less than 10% of adverts are veto'd.

7.3 Helping local businesses by selling the 20% + of advertising space available to the Council would bring the Council another £4,800 income per year, all of which would be retained by the Council. The Council would control discounts and rate card

7.4 The project does provide the opportunity to extend the revenue projection through network growth and for the Council to generate income by selling design services and advertising space to local businesses.

7.5 Creating another income stream will contribute to future Council budgeting and savings.

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

8.0 Legal Implications

8.1 It is proposed that there be a contract duration of 12 months for the pilot period subject to a 6 month notice period. Notice can be given at any time during the contract period if the Council chooses to veto all adverts, this wouldn't end the contract but it would end the service. Capacity Grid advise they would be likely to walk away at this point and agree to terminate although this is not specified in the proposed contract.

8.2 Strict protocol on 'acceptable' content is outlined within the contract although the content described is highly unlikely to ever be present on a Council website. The Council must agree not to show content that might damage the reputation of the advertisers and must agree to perform certain other obligations in respect of its website to enable the advertising to be carried out.

8.3 Capacity Grid use some programmatic advertising for unsold inventory and to highlight potential advertisers for the network. The programmatic advertising has very strict controls but there is a risk an advert might appear that wasn't pre-agreed. Capacity Grid have confirmed that these adverts will not be harmful in anyway but will not have been agreed. The wording of the proposed contract reflects this.

8.4 There are some further changes required to Capacity Grids standard contract to meet the Council's Contract Procedure Rules and, subject to Cabinet's decision, these will need to be finalised.

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

9.0 Risk & Opportunity Management Implications

9.1 If the Council does not agree to the advertisers on the white list (the list is controlled by the local authority having direct access to a portal where adverts can be veto'd from appearing on their web site) this may impact on the amount of revenue received.

9.2 If the Council has issues with a particular advert following the agreed monthly advertising list it can contact the CAN and request removal of a specific advert.

9.3 If the Council does not manage to sell its 20% advertising space to local businesses this will impact on the amount of revenue received. Unsold inventory would be used to promote local events and initiatives.

9.4 IT Security issues have been raised with Civica IT who confirm that this proposal does not provide a route into our data. We will be pulling images from their secure

server onto our website. The CAN proposal provides IL3 level security where the standard for Local authorities is IL2 so they are offering a higher level of security than we could offer.

10.0 People Impact Assessment (PIA):

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

11.0 Other Corporate Implications

Community Safety

11.1 None

Sustainability

11.2 There will be positive impact on the Council's day to day operations.

Staffing & Trade Union

11.3 None

Background Documents: None

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Meeting:	Cabinet	Date:	17 June 2015
Subject:	An update on Asset Based Community Development and Public Health in Gloucester		
Report Of:	Cabinet Member for Communities and Neighbourhoods		
Wards Affected:	All		
Key Decision:	No	Budget/Policy Framework:	No
Contact Officer:	Gareth Hooper, Senior Partnership and Engagement Officer		
	Email: gareth.hooper@gloucester.gov.uk	Tel: 396614	
Appendices:	None		

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To provide an update on the progress of implementing Asset Based Community Development (ABCD) and Public Health interventions.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) The contents of the report be noted.
- (2) The progress made against the Council Plan to implement the Asset Based approach be noted.

3.0 Background and Key Issues

3.1 The Partnerships and Engagement Team is responsible for the following functions:

- Promoting ABCD and assisting with recruiting and support for Community Builders
- Encouraging volunteering opportunities
- Facilitating and administration for the Gloucester Partnership
- Administration of community grants
- Advising on and undertaking consultation and engagement
- Influencing community profiles
- Engagement with community groups
- Supporting the Military Covenant

In addition to this, the team also contribute significantly to:

- Health and Wellbeing within the City
- Managing the Social Prescribing Project on behalf of the Clinical Commissioning Group (CCG)

- Hearty Lives Project in Podsmead
- Panel Member on Big Local Project in Podsmead
- Rugby World Cup – Community Connections.

3.2 The team became fully staffed in June 2014 following recruitment of two Partnership and Engagement Officers. The Partnership and Engagement Officers are involved in a range of areas including Volunteering, Rugby World Cup, Social Prescribing, Grants Administration, ABCD in schools pilot and driving the Your Gloucester brand which is an umbrella name for everything the City Council does within ABCD.

3.3 In order to measure the effectiveness of community development, the team have engaged with Barnwood Trust and the University of Gloucestershire. They are both involved in researching the outcomes and returns on community investment. Barnwood Trust are exploring stories and experiences while the University of Gloucestershire will report on the value of investment in monetary terms. The data from this should be available from autumn 2015. Social Prescribing already has monetary outcomes such as smoking cessation and reduction in alcohol consumption. The aim is to put equivalent outcomes against reduced social isolation having greater purpose within a community.

Progress of ABCD

3.4 Gloucester City Council, along with other public sector partners in Gloucester, including the Clinical Commissioning Group, Gloucestershire County Council and Gloucestershire Constabulary, adopted the ABCD model in 2012. ABCD is a strategy for sustainable community-driven development. It is about communities driving the development process themselves by identifying assets and creating opportunities. This leads to less reliance on other organisations.

3.5 ABCD starts with communicating effectively with communities. Asking people what *they* think is good about where they live, what *they* want to do more of in their community, what *they* are good at and *their* passions. By beginning with this approach, rather than maps and statistics on deficiencies, the person immediately holds a greater stake in their community.

3.6 There is still clearly a role for public sector services but, in following ABCD, these organisations will be co-producing outcomes rather than planning them in isolation. ABCD will reveal well-connected communities of people, who feel valuable and can support each other.

Community Builders

3.7 Community Builders are people who talk to people in communities and uncover their passions and skills. By asking people what they are good at, what they like doing and what they would like to do more of in the community in which they live, it is possible to start connecting people with similar thoughts, interests and ideas. Through their conversations, Community Builders help to connect like-minded people who share passions and skills that leads to uncovering assets that can build the community in the way its residents want.

3.8 People who are better connected are healthier and happier people. Not only is being socially isolated extremely bad for health but, as people become more connected and

share ideas and thoughts, the community will have a greater degree of control of what they want from where they live.

Community Building achievements during 2014-15

- 3.9 There are currently Community Builders in Podsmead, Kingsway and Matson. Matson was chosen to host a Community Builder because of the success of the Redwell Centre as a community asset. Podsmead was chosen as the Big Local project was built upon the principles of Asset Based Community Development, and required a Community Builder to work with people in the area as a grassroots project. Kingsway was chosen as a new development to ensure the community built with the people moving to Kingsway.
- The Community Builder in Kingsway has been in post for 13 months. In that time, Kingsway has developed its own identity and, through connections made by the Community Builder, a running group has been formed. This group has made arrangements for the first park run to be held in Gloucester – this is a huge achievement and demonstrates that it was the will of the community that led to the creation of the running group as this was not an initial ambition at the outset. Similarly, there are camera clubs; games clubs; football teams; dementia cafes and groups - all of these have originated through finding strengths and passions and connecting the community. Lessons were learned about how to introduce a Community Builder into a community. When new Builders are introduced into communities, it should be done after working with existing networks such as tenants and residents associations.
- 3.10 In Podsmead, the Big Local project continues to bring together local people, local talent and skills for the benefit of the local area. “Changing Creations” has been set up in Podsmead – this is an art group for those coping with or recovering from health issues such as chronic pain, illness or depression. There are well-being benefits from the group that brings local people together in a supportive environment. The Community Builder in Podsmead left recently and a new Community Builder will be taken on in the near future.
- 3.11 In Matson, the achievements of the Community Builders has been evaluated less. There are two part time Community Builders in Matson. One of the Builders left in November 2014 and was replaced. The Community Building posts have existed since January 2014. Evaluating achievements and outcomes does take time and in mature communities such as Matson the changes are more subtle. There is now an epilepsy support group started by a resident, and the Redwell Centre itself has been a strong community asset for a long time. It is intended that over the forthcoming 12 months we begin a Social Return On Investment assessment at The Redwell Centre to record achievements.
- 3.12 Over the past year, it was identified that a clearer employment structure is needed for Community Builders. It has become clear as the roles have developed that more accessible training and support would be beneficial for all Community Builders to enable them to deliver as effectively as possible. To take this forward, the new Community Builder in Podsmead will be directly employed by Barnwood Trust who will be able to provide training and support in the implementation of ABCD. This will be funded entirely by the Big Local.

Other areas of work

3.13 The Partnerships and Engagement Team are also involved in the following areas of work:

- Twice weekly drop-in service for volunteering: this provides access to 1:1 support to discuss local opportunities and secure volunteering vacancies
- Host and manage the Social Prescribing Pilot for the Clinical Commissioning Group (CCG). The pilot is the biggest in the County and has won further funding from the Prime Ministers Challenge Fund to continue.
- Close working links with Barnwood Trust. This has given us access to resources including workshops and training that will assist with the ABCD approach in developing welcoming and inclusive communities.
- Developed the 'Your Gloucester' brand as a way of providing grants for community action.
- An event will be held at the City Council to further our links with the military and veterans under the military covenant.
- The Partnership and Engagement Team are the co-ordinators for the Health Walks for the City. Through administration support and small grants, the health walks are growing in both number of people walking and groups.

Social Prescribing

3.14 The City Council is continuing to host the Gloucester Social Prescribing Hub on behalf of the Gloucestershire Clinical Commissioning Group (CCG). The Hub Coordinator is seconded from the Independence Trust. The interim evaluation has seen 14 completed evaluations which is the highest number in the County so far.

3.15 Health outcomes for those 14 people are significantly improved from when they first contacted the service. The important part of the project for the Partnership and Engagement team is to replicate what works well for improving health outcomes in such a way as to benefit people without having to go to their GP first.

3.16 The team is part of the Cultural Commissioning project which is seeking to use arts and culture as part of a mental health and wellbeing framework. The team has supported place-based art in Gloucester, especially Strike a Light Festival and Multi-style battles. Both of these projects bring participatory art to Gloucester and are key to community connections.

Community Legacy

3.17 The Community Legacy group continues to meet. This group was set up to work with communities and other organisations to tackle the causes of deprivation and to improve the quality of life for residents living in the City. It helps to enable connections to be made and our understanding of where we can help grow social capital and support communities. A group to replace the Olympic Legacy group is soon to meet with representatives from public health and the CCG – this will build on successes of Social Prescribing.

4.0 Alternative Options Considered

- 4.1 The alternatives are not to implement the principles of ABCD or another model. ABCD has already been implemented and appears in the Council Plan. Therefore, this report is not whether we should implement ABCD but to report on progress.
- 4.2 Other models for community involvement exist, but ABCD has significant evidence that it does support communities well. Other organisations, such as the CCG, Police and Barnwood Trust, are also implementing ABCD and therefore any other option would be different to what other organisations are doing.

5.0 Reasons for Recommendations

- 5.1 To update Cabinet on the implementation of ABCD in line with the Council Plan.

6.0 Future Work and Conclusions

- 6.1 The City will benefit from more Community Builders. Community Builders are key in co-producing outcomes and interventions with people that build on local assets. Kingsway is proof of this in all the clubs and connections that have been made in the last twelve months.
- 6.2 A method of evaluating the work of the team, both with numerical data and shared stories is needed. This will be done in collaboration with Barnwood Trust and University of Gloucestershire. The outcome will be around subjective wellbeing.
- 6.3 The team are to begin ABCD workshops across the city to encourage social action within communities. Supported by the Your Gloucester grants and support, this represents devolving power locally. There will be internal workshops for teams across the Council beginning in September 2015. These will be bespoke for the team and delivered by the Partnership and Engagement Team.
- 6.4 There is a schools project to use ABCD to support schools as local assets, and support educational attainment from a community approach. A member of the team is a governor at St James' School and this is already showing huge interest from parents.
- 6.5 Two city centre projects around fly-tipping and people having a stake in the city. These projects have been suggested by residents and by supporting communities with a passion to take control of where they live, it is hoped that issues that the City Council are being tasked to do can be resolved in the community.

7.0 Financial Implications

7.1 The table below summarises the allocations of grants.

Grant Name	Amount Allocated	Amount Spent
Your Gloucester ABCD Grants	20000	2000
Star People Grants (from Local Strategic Partnership)	10000	1480
Health Inequalities Grant (from County Council)	50000	7000

Star People Grants are for each of the learning sites. The £10K budget is allocated to all three sites and they can spend on seed funding community activity. Only Kingsway has spent this budget so far.

7.2 The grants set out in the table in 7.1 are not recurring grants. There has been some work to ensure the grants are more easily accessed and can be paid directly to an individual's bank account.

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

Funds in Gloucester Partnership

The Gloucester Partnership holds funds provided by NHS, County Council, Police, Green Square, which were used to fund the Community Builders. However, the decision to use the funds lies solely with the Gloucester Partnership Board.

The Health Walks is a volunteer lead programme and the City Council provide small expenses to print leaflets and help the hold recruitment events.

The Big Local is supported by the Senior Partnership and Engagement Officer. The City Council does not provide any other support to the Big Local other than officer time.

8.0 Legal Implications

8.1 Under Section 1 of the Localism Act 2011, the Council has a general power of competence, to do anything that individuals generally may do. This would include the provision of services such as those outlined in this report.

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

9.0 Risk & Opportunity Management Implications

9.1 The most significant opportunity is to provide power and space for people to take a responsibility for issues that matter within their communities.

10.0 People Impact Assessment (PIA):

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

Moreover, ABCD has seen significant positive improvements to people and their communities. A Social Return On Investment evaluation will illustrate this in both monetary terms and in stories of people affected.

11.0 Other Corporate Implications

Community Safety

- 11.1 The work of the Partnerships and Engagement team can help increase social interactions and add to a feeling of security, thus reducing the fear of crime.
- 11.2 Studies have shown that increased social connections and community projects can add to a feeling of security in communities as well as lower crime (Australian Bureau of Statistics, 2002)

Sustainability

- 11.3 ABCD principles should help lead to sustainable, healthy lifestyles.

Staffing & Trade Union

- 11.4 None identified.

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Gloucester City Council

Meeting:	Cabinet	Date: 17 June 2015
Subject:	Affordable Housing Partnership and the selection of preferred Registered Providers for JCS Strategic Sites	
Report Of:	Cabinet Member for Housing and Planning	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Helen Chard – Housing Strategy & Enabling Service Manager Tel: 396534 Email: helen.chard@gloucester.gov.uk	
Appendices:	<ol style="list-style-type: none"> 1. Affordable Housing Partnership Terms of Reference 2. Preferred Partner Evaluation Criteria (draft) 3. Consultation Feedback 	

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 The purpose of this report is to brief Members and seek approval for the creation of an affordable housing partnership and to undertake the selection of preferred Registered Providers to deliver homes in the strategic allocations of the Joint Core Strategy area. The homes to be developed will be within Cheltenham and Tewkesbury's boundaries and will contribute toward meeting Gloucester's unmet housing need.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) An Affordable Housing Partnership with Cheltenham Borough Council and Tewkesbury Borough Council to oversee the delivery of affordable homes across the Strategic Allocation Sites within the Joint Core Strategy area over the JCS Plan Period be approved.
- (2) Authority be given to the City Council to establish a list of preferred providers of affordable housing for a period of up to 5 years across the Strategic Allocation Sites within the Joint Core Strategy Area jointly with Cheltenham Borough Council and Tewkesbury Borough Council.
- (3) Authority be delegated to the Housing Strategy & Enabling Service Manager to evaluate and select Preferred Providers for the delivery and/or management of new affordable housing on the Strategic Allocation Sites, noting that the selection will be carried out jointly with Cheltenham Borough Council and Tewkesbury Borough Councils and

that the Councils will enter into a memorandum of understanding with the preferred providers.

3.0 Background and Key Issues

- 3.1 The Joint Core Strategy (the JCS) details the requirement to plan for approximately 30,500 new homes across the JCS areas of Gloucester, Cheltenham and Tewkesbury over the plan period to 2031. This plan includes provision to support the otherwise unmet housing needs of Cheltenham and Gloucester. Specifically, the plan includes a number of Strategic Allocations (as detailed in Part 3 of the Joint Core Strategy) which will contribute towards meeting the housing needs (including the affordable housing needs) of the urban authorities.
- 3.2 It is proposed that an Affordable Housing Partnership made up of the three Local Housing Authorities across the JCS area is formed to oversee the delivery, allocation and management of affordable housing delivered on the Strategic Allocations. The formation of such a partnership is supported by the Joint Core Strategy at paragraph 4.13.11 (pg.93 of the submission version).
- 3.3 The aim of the Affordable Housing Partnership will be for the three Authorities to work collaboratively to oversee the delivery of new affordable homes and to agree cross-boundary lettings arrangements. Once agreed these new lettings arrangements will then be brought back to cabinet for approval. The Affordable Housing Partnership's outcomes will be as follows:
1. To maximise the delivery of new affordable housing and to ensure the unmet affordable housing needs of Cheltenham and Gloucester are supported by the Strategic Allocations.
 2. To create a framework that enables new communities to become and remain cohesive and sustainable.

4.0 Alternative Options Considered

4.1 Leave it to the open market to decide

An alternative option is to allow RPs, regardless of their track record in housing management and community involvement to make bids to developers on the Strategic Allocations independently of each other or within consortia of their own making. By allowing this the Local Authority would have no influence in determining which RPs are successful in their bids to developers. This is undesirable as it may result in RPs being selected by developers who are strong on the delivery of new affordable housing, but are potentially weak in terms of their housing management and community involvement capabilities.

There is also a potential lost opportunity for strategic alignment and joint working between RPs who are successful with their bids to developers and their local housing authorities

4.2 Select one RP/Consortium for the whole JCS area

This approach may have some advantages in that by having a smaller number of RPs to work with it will be easier for the Partnership to agree on some or all of its priorities. This would however also bring greater risks in that developers are less likely to work with the RP/consortium if there is no other competition within the Partnership.

5.0 **Reasons for Recommendations**

5.1 The rationale for selecting a number of Preferred Providers to deliver and manage the homes and communities within the Strategic Allocations is to 'raise the bar' and prevent a 'free for all' from Registered Providers of any standard competing for the delivery of affordable housing in these areas. Capacity to deliver new affordable housing competitively is important – but equally important is the ability of RPs to invest in developing and sustaining strong and resilient communities both during and after development is complete.

5.2 RPs selected as having Preferred Provider status will have demonstrated to the Local Authorities' satisfaction that they can deliver and manage affordable homes and their communities to an acceptable standard. This will in turn provide the Authorities with confidence that the Partnership's outcomes can be met.

5.3 As outlined in 3.1 the JCS details the requirement to plan for approximately 30,500 new homes across the JCS area over the plan period to 2031. In order that a balanced housing market is achieved across the JCS area it follows that any future housing provision will also include an element of affordable housing and the JCS sets out a common Affordable Housing Policy (SD13), which seeks 40% affordable housing on sites of 10 or more residential units.

5.4 Given that some of Cheltenham and Gloucester's future affordable housing requirements will be provided on Strategic Allocations falling within Tewkesbury boundaries, it is necessary that a Cheltenham, Tewkesbury and Gloucester Affordable Housing Partnership is established to oversee the delivery, allocation and management of affordable housing on the proposed Strategic Allocations.

The formation of this Affordable Housing Partnership is supported by the JCS at paragraph 4.13.11 (pg.93 of the submission version).

5.5 **The Affordable Housing Partnership (the Partnership)**

The aim of the Partnership is to bring about a collaborative approach to overseeing the delivery of new affordable homes within the Strategic Allocations, and to monitor and review cross-boundary lettings arrangements. The Partnership outcomes are outlined in 3.3 above.

5.6 Registered Providers (RPs) can play a key role in creating communities that are cohesive and sustainable, and it will be expected that RPs will take a

strength-based approach to their work focussing in particular on the following outcomes:

- supporting tenants into education, training and employment,
- promoting financial and digital inclusion
- reducing fuel poverty
- reducing social isolation
- promoting community engagement
- tackling anti-social behaviour
- tackling poor waste management by tenants

5.7 The Partnership will seek to ensure that RPs wishing to deliver and/or manage new affordable housing on the Strategic Allocations can support these outcomes. A key mechanism by which these outcomes can be achieved will be through the proposed Preferred Provider arrangements.

5.8 Preferred Provider Arrangements

RPs with an interest in providing and/or managing new affordable housing within the Strategic Allocations will be invited to bid for Preferred Provider status, and will be selected according to the evaluation criteria detailed in Appendix 2 of this report. This includes but is not limited to evaluating:

- Their capacity to deliver new affordable housing across relevant sites
- The strength of their housing management capabilities
- Their ability to engage and involve local communities so that they can become and remain cohesive and sustainable

5.9 RPs selected as Preferred Providers for the Strategic Allocations will be invited to join the Affordable Housing Partnership and together with the Local Housing Authorities they will work towards achieving the Partnership's outcomes, as detailed within Section 3.3 above.

5.10 Preferred Providers within the Partnership may then (if they wish) chose to enter into consortium arrangements with other members of the Partnership. RPs intending on entering into a consortium arrangement will be given the opportunity to clarify their intentions as part of the Preferred Provider Evaluation Process. It is therefore plausible that the Partnership will be made up of one or more consortia, as well as one or more other RPs working independently and in direct competition other providers within the Partnership.

5.11 Developers will be asked to work with any number of Preferred Providers within the Partnership. This competitive element will ensure that developers will still receive a competitive price for the affordable homes, and this in turn will increase the likelihood of developers agreeing to work with our Preferred Providers.

5.12 There is also a potential lost opportunity for strategic alignment and joint working between RPs who are successful with their bids to developers and their local housing authorities

5.13 Consultation and feedback

The formation of the Affordable Housing Partnership and the proposed selection of Preferred Providers are supported by the JCS Cross Boundary Programme Board, which is made up of Chief Executive Officers from the three Local Authorities.

- 5.14 Consultation has been undertaken with developers and their agents who have an interest in the strategic allocations (See Appendix 3). The one agent (Respondent 9) that provided formal feedback was unsupportive of a preferred provider approach for a number of reasons, some of which related to the robustness of the Strategic Housing Market Assessment - which will be dealt with separately through the Joint Core Strategy Public Examination, whilst other concerns were around their belief that by restricting competition this would by definition affect scheme viability. Advice from the Partnership's consultant who was recruited to consider consultation feedback is this developer's view about scheme viability being automatically affected is without justification. Nevertheless, it is important for the Partnership to find ways of working constructively with all relevant developers, so we will look to modify our approach regarding the recruitment of preferred providers in light of these comments, for example by advertising more widely for expressions of interest. (Please see the Local Authority response to Respondent 9. At the time of writing, contact has been made with two other local authorities, who did pursue Preferred Partner arrangements and the advice provided by them was to keep the process inclusive and not overly bureaucratic. Suggestions have been made to talk to other Local Authorities including Hereford, and so far a response hasn't been obtained, but this will be pursued further ahead of progressing with the preferred partner process).
- 5.15 The Partnership has also received informal feedback from other developers who have been more open to our proposed approach. They have seen the benefits that a preferred provider approach can bring to the long term sustainability of an area and that this can support the saleability of their market housing in later phases.
- 5.16 Consultation has also been undertaken with Registered Providers currently owning or managing stock within in the JCS area. All those who fed back are broadly supportive of our approach, although some have made comments about the draft Evaluation Questionnaire which we will therefore review prior to us inviting expressions of interest.

6.0 Future Work and Conclusions

Performance management –monitoring and review

- 6.1 The Partnership will meet on a regular basis (initially monthly) to oversee the implementation of its outcomes. The Partnership will undertake an annual review of progress against its outcomes and priorities.
- 6.2 The Preferred Provider arrangements will be reviewed at least every 5 years or as agreed by the Partnership (and subject to Cabinet approval).

7.0 Financial Implications

7.1 Up to £3500 has initially been made available from the Housing Strategy & Enabling budget to contribute towards financing the provision of an external consultant to assist in:

1. Evaluating consultation feedback from developers and Registered Providers on our proposed approach to selecting Preferred Providers, and;
2. Assessing the submissions made by Registered Providers applying to become the Local Authorities' Preferred Providers.

The costs of the consultancy work will be met jointly by the three Local Authorities, with Cheltenham Borough Council and Tewkesbury Borough Council also each contributing a maximum of £3,500.

Registered Providers that are successful in becoming Preferred Providers will also each be required to pay a £500/year membership fee to help contribute towards the costs in setting up these Preferred Provider arrangements along with ongoing running costs. Total costs incurred will be reviewed annually and reported to Preferred Providers via the Affordable Housing Partnership

The Department of Communities and Local Government has also awarded Gloucestershire County Council Capacity Funding, of which £15000 has been made available to Cheltenham and Tewkesbury (in whose area the strategic allocations exist) to assist in the delivery of affordable housing Allocations. It has been agreed with the County Council that this funding will be used by the three Local Authorities to support the delivery of the Affordable Housing Partnership's outcomes.

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

8.0 Legal Implications

8.1 Key points:

The establishment of a list of preferred housing providers is not a procurement which is covered by the Public Contracts Regulations 2015 but the councils will carry out a selection process following their respective contract procedure rules.

The councils will enter into an agreement with the chosen registered providers which will set out the objectives and roles of the registered providers. As the registered providers are not providing a service to the council, a formal legally binding agreement will not be prepared; instead there will be a memorandum of understanding between districts and Registered Providers.

A Partnership Agreement between the three local authorities will be entered into which governs how the partnership will work. The term of the agreement will be until 31st December 2031. It will not be a partnership in law and it will not be a legal entity in its own right.

The council cannot insist that developers work with preferred providers to deliver their affordable housing obligations; developers are able to put forward alternative providers to the council.

Contact officer: Donna Ruck, donna.ruck@teWKesbury.gov.uk, 01684 272696

(Legal Services have been consulted in preparation of this report)

9.0 Risk & Opportunity Management Implications

9.1 Two key risks have been identified

1. If the Local Authority evaluates and selects Preferred Providers, then one or more Registered Providers with a strong strategic interest in delivering new affordable housing on the Strategic Allocations may not be selected

Risk reduced as: All RPs who own or manage housing stock within the JCS area have been consulted on the formation of the affordable housing partnership and its approach to selecting its preferred providers. Through this consultation process RPs have helped to inform the approach being proposed

An external consultant has been appointed by the three Local Authorities to advise and assist in the selection of Preferred Providers and to ensure that these decisions can be defended robustly.

The pass mark for selection has been set as 'satisfactory' overall. High performing RPs should therefore be accepted, provided their submissions are undertaken diligently

2. If the Local Authority selects Preferred Providers, then developers may decide not to engage with them and instead award contracts to other Registered Providers

Risk reduced as: all developers and their agents with an interest in the Strategic Allocations have been consulted on our approach to selecting preferred providers. Our proposed approach takes into account the priorities of the developers and seeks to find a common ground that ensures a competitive arrangement is maintained, whilst also ensuring that the key strategic outcomes of the Authority are supported.

A requirement for developers to work with the preferred providers will be sought as part of the s106 affordable housing negotiations

10.0 People Impact Assessment (PIA):

- 10.1 The proposals do not affect any wards in the City directly, although indirectly they will assist the City in meeting housing need in the future which will be beneficial.

- 10.2 In terms of applicants with family connections or disability issues, it might be seen that such allocations into neighbouring district boundaries would create a dis-advantage. For clarification, the intention is for the Choice Based

Lettings (currently Gloucestershire Homeseeker) to still deal with all future allocations, including allocations to any property re-lets or new units that may become available in parallel within the City boundaries. It must be understood that the reason for working across boundaries is that the ability to supply new homes across the city will be less as land availability decreases, although regeneration and re-use of land will still present opportunities.

11.0 Other Corporate Implications

11.1 None directly due to the development taking place within Tewkesbury and Cheltenham boundaries.

Background Documents:

Joint Core Strategy

Cheltenham, Tewkesbury & Gloucester Affordable Housing Partnership

Terms of Reference

The Partnership Vision

To work in collaborative partnership to deliver Affordable Housing and agree cross-boundary lettings arrangements for the provision of the new affordable homes across Strategic Allocations¹ in the JCS area (Cheltenham, Tewkesbury & Gloucester districts).

To work with partners, stakeholders and local communities to create genuinely inclusive mixed communities to provide a choice of affordable housing options within the JCS area.

Outcomes

- To maximise the delivery of new affordable housing and to ensure the unmet Affordable Housing needs of Cheltenham and Gloucester are met within the Strategic Allocations.
- To create a framework that enables new communities to become and remain cohesive and sustainable.

Membership

During the early stages of developing The Partnership we will be comprised of representatives from the Cheltenham, Tewkesbury and Gloucester's Local Housing Authorities. During this time we will actively engage with members of the JCS area's Registered Provider Forum and the Homes and Communities Agency for consultative purposes.

Once the Preferred Affordable Housing Partners are in place The Partnership will then be comprised of representatives from the following organisations:

- Cheltenham Borough Council
- Tewkesbury Borough Council
- Gloucester City Council
- Preferred Affordable Housing Partners
- The Homes & Communities Agency

The Partnership may, at its discretion, co-opt other key stakeholders from time to time to sit on The Partnership and advise it accordingly.

Partnership Development Activities

During the development of The Partnership there are initially 2 key activities which we will focus on:

1. To develop and establish Preferred Affordable Housing Partners for the delivery of affordable housing across the Strategic Allocations within the JCS area.
2. To agree cross-boundary lettings arrangements for affordable housing provision across the Strategic Allocations within the JCS area.

¹ These Strategic Allocations are detailed in Part 3 of the Joint Core Strategy Pre-Submission Document June 2014¹ (or any other successive document) <http://www.gct-ics.org/Documents/PublicConsultation/Pre-Submission/JCS-Pre-Sub-FINAL-180614-v2.pdf>

Cheltenham, Tewkesbury & Gloucester Affordable Housing Partnership Terms of Reference

Our Priorities

Once the Preferred Affordable Housing Partners are agreed, The Partnership will aim to achieve 10 key priorities:

1. To any identify and maximise funding opportunities to aid the delivery of new Affordable Housing where appropriate.
2. To deliver new Affordable Housing according to assessed needs to include agreement of tenure split, dwelling types and size.
3. To ensure as far as possible the standardisation of Affordable Housing clauses within Section 106 Agreements.
4. To deliver new Affordable Housing in a timely and coordinated manner across the development period of each strategic allocation.
5. To ensure new Affordable Housing is allocated, reviewed and monitored in accordance with agreed cross-boundary lettings arrangements.
6. To ensure a framework is in place which enables future community needs, including the housing needs of specific groups, to be identified and addressed.
7. To ensure the arrangements of the Preferred Affordable Housing Partners is regularly monitored and reviewed.
8. To promote housing from an equalities perspective, seeking social inclusion and routes away from welfare dependency.
9. The Partnership will be a consultative body for the future development of local Housing Strategies and Local Plans and Supplementary Planning Documents with regards to affordable housing.
10. The Partnership will be a sounding board for the sharing of good practice in respect of housing management and development practices.

Operational Matters

The Partnership will meet monthly (unless otherwise agreed) and frequency of these meetings will be reviewed once Preferred Affordable Housing Partners are in place.

The Partnership will agree a Chair and Secretariat from Membership on an annual basis.

It is expected that appropriately authorised officers will attend meetings of the Partnership. Decisions which cannot be made by the representative present at the meeting must be made clear at the time and the Partnership will agree a timescale for when the decision will be made.

Decisions made by the Local Housing Authorities will be by consensus. Where this cannot be achieved the matter will be referred to senior management of each organisation who will confer to reach an agreement on the course of action to be taken.

The Partnership does not constitute a legal body in its own right and all decisions made must be fully delegated from the represented organisation, voted for or deferred back accordingly. The members attend as representatives of their own organisation to agree a consensus, working on behalf of their own organisation to achieve the strategic outcomes and priorities identified for the Partnership.

Cheltenham, Tewkesbury & Gloucester Affordable Housing Partnership Terms of Reference

Review

Terms of Reference of The Partnership will be reviewed annually.

There will be a formal outcomes review every 12 months to show how the Partnership is meeting the outcomes and amend them when required by consensus to continue to achieve the Vision.

The Preferred Affordable Housing Partners arrangements will be reviewed every 5 years or sooner for example every 3 years, as agreed by The Partnership (subject to relevant constitutional approvals by the respective district authorities).

FINAL DRAFT

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Preferred Provider Evaluation Criteria

Preferred Providers will be evaluated on questions relating to the following areas:

1. General information
2. Regulatory Compliance
3. Partnerships
4. Quality Assurance
5. Development of new affordable housing
6. Asset management and existing housing stock
7. Neighbourhood management
8. Community services and tenant involvement
9. Performance information
10. Meeting the Affordable Housing Partnership's outcomes

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Local authority responses to the consultation on the proposals for 'preferred providers' on the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy strategic allocations

The objective of the consultation was to inform and consult with stakeholders and other interested parties on the aims of the Gloucester, Cheltenham & Tewkesbury Affordable Housing Partnership.

This paper details the reaction from registered providers, developers and agents to the proposals for 'preferred providers' and the responses from the 3 local authorities' strategic housing departments.

1. Background

The Joint Core Strategy Submission Document November 2014 (the JCS) details the requirement to plan for approximately 30,500 new homes across the JCS area over the plan period to 2031. This plan includes provision to meet the otherwise unmet housing needs of Cheltenham and Gloucester. Specifically, the plan includes a number of Strategic Allocations (as detailed in Part 3 of the JCS) which will contribute towards meeting the housing needs of the urban authorities.

In order that a balanced housing market is achieved across the JCS area it follows that any future housing provision will also include an element of affordable housing and the JCS sets out a common Affordable Housing Policy (SD13), which seeks 40% affordable housing on sites of 10 or more residential units.

Given that some of Cheltenham and Gloucester's future affordable housing requirements will be provided on Strategic Allocations falling within Tewkesbury boundaries, it is necessary that a Gloucester, Cheltenham and Tewkesbury Affordable Housing Partnership is established to oversee the delivery, allocation and management of affordable housing on the proposed Strategic Allocations.

2. The Affordable Housing Partnership (the Partnership)

The aim of the Partnership is to bring about a collaborative approach to overseeing the delivery of new affordable homes within the Strategic Allocations, and to monitor and review cross-boundary lettings arrangements. The Partnership's high level outcomes are twofold:

1. To maximise the delivery of new affordable housing and to ensure the unmet affordable housing needs of Cheltenham and Gloucester are supported by the Strategic Allocations.
2. To create a framework that enables new communities to become and remain cohesive and sustainable.

Registered Providers (RPs) play a key role in creating and maintaining communities that are cohesive and sustainable. We will expect RPs to take a strength-based approach to creating sustainable communities, with a particular focus on supporting the following outcomes:

- supporting tenants into education, training and employment,
- promoting financial and digital inclusion
- reducing fuel poverty
- reducing social isolation
- promoting community engagement
- tackling anti-social behaviour
- tackling poor waste management by tenants

The Partnership intends to ensure that RPs who wish to deliver and/or manage new affordable housing on the Strategic Allocations can support these outcomes. A key mechanism by which these outcomes can be achieved will be through the proposed Preferred Provider arrangements.

3. Preferred provider proposal

One of the priorities of the Partnership is to develop and establish preferred affordable housing providers for the delivery of affordable housing across the Strategic Allocations within the JCS area. It is estimated that the Strategic Allocations will provide up to 12,000 new homes, of which the 3 local authorities will seek up to 40% affordable housing.

RPs with an interest in providing and managing new affordable housing within the Strategic Allocations will be invited to bid for Preferred Provider status, and will be selected according to a set of evaluation criteria, focusing on a number of key areas, including but not limited to:

- Capacity to delivery new affordable housing across relevant sites
- The strength of their housing management capabilities
- Their ability to engage and involve local communities so that they can become and remain cohesive and sustainable
- Their long term commitment to social and economic investment within the JCS area.

The RPs that are selected to be preferred providers for the Strategic Allocations will be invited to join the Partnership and together the 3 local housing authorities and preferred providers will work towards achieving the outcomes as referred to in Section 2 above.

4. Questions put to Registered Providers

- Are you broadly supportive of the Local Authorities' proposals?
- If you have any concerns about the suggested approach, what are they?
- In terms of identifying Preferred Providers, are there any specific issues you would like the Local Authorities to evaluate Registered Providers against as part of the evaluation criteria?

5. Questions put to developers and agents

- Are you broadly supportive of the Local Authorities' proposals?
- If you have any concerns about our suggested approach, what are they?
- Are there any specific issues you would like the Local Authorities to evaluate Registered Providers against as part of the evaluation criteria?

Note:

The responses given by stakeholders in this document are verbatim and have been anonymised.

Responses are ordered as received.

Number of respondents to RP consultation documents = 5

Number of respondents to developer consultation paper = 5

Part 1: Registered Provider consultation responses

Reference:	Respondent 1
Consultee:	Registered Provider
Date received:	01.05.15
General or introductory comments	Other than what I provided some time ago I don't have anything to add prior to the tender for the partnership. I look forward to receiving the tender docs
Question 1	Not answered
Question 2	Not answered
Question 3	Not answered
Any further comments	None made
LA response	Earlier comments considered and adapted within consultation papers.
LA actions	None required

Reference:	Respondent 2
Consultee:	Registered Provider
Date received:	05.05.15
General or introductory comments	We do not have any specific comments to make on the consultation paper circulated and look forward to submitting our proposal later this year.
Question 1	Not answered
Question 2	Not answered
Question 3	Not answered
Any further comments	None made
LA response	No response required
LA actions	None required

Reference:	Respondent 3
Consultee:	Registered Provider
Date received:	07.05.15
General or introductory comments	I have been asked by Helen Chard, at Gloucester City, to respond to your consultation around the procurement process. I do so in the following paragraphs.
Question 1	<p>[RP] is broadly supportive of the Local Authorities' desire to identify RPs who are committed, competent, reliable, responsive and enthusiastic about providing affordable housing in their geography. However, we do not necessarily believe that this procurement process is wholeheartedly necessary to arrive at a set of partners who comply with those values. Registered providers are, by their very definition, regulated by the Homes and Communities Agency and therefore we are all (broadly speaking) committed to providing good quality homes and services to our residents. If the regulator is not happy with an organisation's performance in any of the arenas that are identified as part of this protocol, then the Authorities will be able to access information from the HCA to ascertain whether an organisation should be excluded from the partnership. We would urge the Authorities to consult other Local Authority colleagues (for example the three South Worcestershire Authorities) on their planned methodology. As a note, Herefordshire went through a similar procurement process to the one proposed, approximately 2 years ago and are no nearer arriving at either a settled 'list' or a document which all parties can sign-up to.</p> <p>We believe that the factor that differentiates RPs is the capacity and desire to deliver new affordable housing. This questionnaire barely deals with the financial capacity of organisations who intend to develop in the three areas, or what resources they are prepared to commit. There are an incredibly large amount of questions in the document, some of which we barely see the relevance of to developing affordable housing. Others seem terribly onerous for a set of organisations that are regulated (section 1.4 specifically).</p> <p>We believe that a 'Capability Statement' or similar document, providing an overview of how a provider would organise services in the area would be more than sufficient.</p> <p>The 'memorandum of understanding' approach is supported, as binding legal documents are traditionally onerous to negotiate and RPs are wary of entering binding legal agreements.</p> <p>If the Authorities believe this approach is necessary, however, we will of course participate in the process.</p>
Question 2	<p>While the approach is broadly supported, the Authorities will find it very difficult to enforce the terms of the partnership, with developers on the JCS sites. There is planning case law which prevents Local Authorities enforcing the terms of their partnerships via planning agreements, which makes the partnership marginally irrelevant in the case of S106 sites, as that is one of the intentions.</p> <p>We reiterate that the questionnaire is terribly long and onerous (its even more onerous than that to qualify to become an Investment Partner with the HCA!), asks for no case studies, gives points for established numbers of units in the geography (how is this relevant to providing new ones?) and awards points for arbitrary performance indicators.</p> <p>If the Authorities feel the need for any procurement process at all (why not just get everyone who wants to develop/invest in the geography to sign the memorandum of understanding before they deliver a unit?), we feel that it should be shorter and</p>

	less onerous.
Question 3	As identified above, case studies of recent development schemes and their outcomes would be much more relevant to the RPs development skills. Financial capacity and commitment should be assessed. The Authorities should also consult on the standard S106 clauses proposed to ensure that RPs can fund these developments (i.e. in consultation with their lenders) or suggest alternative approaches.
Any further comments	In closing, [RP] wishes to develop new affordable housing across the JCS geography and contribute fully towards the process once it has been formalised. We do believe that it could be done in a more truncated manner, however.
LA response	<ol style="list-style-type: none"> 1. Procurement process - noted comments and it is felt that the Affordable Housing Partnership and it's work with RPs is required in this manner in order to deliver strategic priorities for the delivery of affordable across the JCS Strategic Allocations sites. 2. Financial capacity - 3 years statement of accounts will now be required. 3. Number of questions - the council's will reduce the number of questions where possible. 4. Capability statement - all RP's will now be required to present to the councils as part of the evaluation process. RP's will therefore be able to use case studies, outcomes and other such relevant information it feels to support the questionnaire responses. 5. Planning case law – noted this comment that rightly emphasises the importance of seeking to collaborate and cooperate with landowners and developers throughout the whole process.
LA actions	<p>ACTION 1: the councils will research other council's and incorporate their learning.</p> <p>ACTION 2: the councils will build in HCA liaison into this process.</p> <p>ACTION 3: work with consultant to reduce number of questions, revise questions to address the quality of it and revise performance indicators and provide further advice further to responses received; OneLegal to also review the questionnaire as appropriate.</p> <p>ACTION 4: the council will work with their consultant regarding this matter.</p> <p>ACTION 5: standardisation of s106 in progress; will be shared with consultant for advice.</p>

Reference:	Respondent 4
Consultee:	Registered Provider
Date received:	08.05.15
General or introductory comments	This is [RP]'s response to the consultation paper on proposals for preferred partner arrangements on strategic allocation sites across the Gloucester, Cheltenham and Tewkesbury Joint Strategy Area. The consultation paper set out three questions for prospective preferred partners to answer. These will be answered in turn.
Question 1	<p>[RP] welcomes the approach taken by the Local Authorities and is broadly supportive of the proposals. The aims of the Partnership to i) maximise delivery of affordable homes on strategic allocations, and ii) create a framework that enables new communities to become and remain cohesive and sustainable are aims that [RP] strongly supports. The proposals present a planned and coordinated approach to delivering affordable housing across the local authority areas that is far preferable to, and will deliver better outcomes than the 'leave it to the market to decide' or the single RP/consortium alternatives. The focus on capacity, track record and long term investment in communities makes sense and also reflects [RP]'s priorities and strengths.</p> <p>There are aspects of the consultation paper that [RP] particularly welcomes:</p> <ol style="list-style-type: none"> 1) The proposal that opportunity to work with the Local Authorities to identify and maximise funding opportunities to aid delivery of new affordable housing. Given the current levels of available HCA grant levels it can be challenging delivering financially viable affordable housing schemes across these local authority areas. Any coordinated efforts to address this should be encouraged. 2) The proposal to introduce cross-boundary S106 standardisation should give developers and RPs greater certainty and reduce S106 negotiation period which in turn will bring forward development. 3) Giving RPs the opportunity to shape the proposed mix of new affordable housing and other S106 provisions will allow us to maximise delivery of affordable housing. <p>[RP] understands that developers are being consulted on the proposals. This is welcomed as the success of the partnership will hinge on developer interest. The Local Authorities need to ensure developers are comfortable with and will buy into the proposals before proceeding.</p>
Question 2	One of the priorities for the Partnership is stated 'to ensure as far as possible the standardisation of affordable housing provisions within S106 agreements'. [RP] welcomes this proposal, but we are concerned that the introduction of CIL will jeopardise the ability of the Partnership to achieve this, and that in reality a significant amount of flexibility will be required around affordable housing delivery under S106 agreements. [RP] urges the Local Authorities to ensure that once CIL is introduced affordable housing delivery is the single highest priority of S106 agreements, so that the impact of viability issues on affordable housing delivery as a result of CIL will be minimised.

Question 3	<p>The Local Authorities have set out a series of evaluation areas that we support including governance and viability, asset management credentials, and delivery of new affordable housing.</p> <p>As a developer [RP] places great emphasis on engaging local people and creating local employment and training throughout the development process. We think that part of the assessment should look at how RPs create training and work opportunities through their development activities.</p> <p>As we don't have much information on your selection process [RP] would just suggest that a highly rigid Preferred Provider selection process may not be appropriate. We would suggest a selection process that evaluates in the round a housing association's attributes rather than having a series of hit or miss/in or out assessments.</p>
Any further comments supplied	<p>We welcome the proposals and see the Affordable Housing Partnership as a positive step forward in delivering affordable housing across the Cheltenham, Gloucester and Tewkesbury Joint Core Strategy Areas.</p> <p>We hope that you have found our feedback helpful and would welcome any further discussions you may wish to have. [RP] will certainly be looking to bid for Preferred Partner status.</p>
LA response	<ol style="list-style-type: none"> 1. CIL - valid response and agreement with statement however CIL is out of the remit of this work – it is the responsibility of each local authority to address. We are seeking to focus on the delivery of affordable housing and community sustainability. 2. s106 - comments noted. 3. selection process - noted.
LA actions	See ACTION 5 above

Reference:	Respondent 5
Consultee:	Registered Provider
Date received:	08.05.15
General or introductory comments	<p>Following our telephone conversation earlier today I just wanted to confirm in writing what we discussed. Our view of the document is that it needs to be reviewed in order to streamline the information requested from the RP's. I suggested that each question is reviewed on the basis of whether it would make a real difference to your decision to appoint an RP. For example do you need to know if we benchmark against other associations and would this information make a difference to your overall decision.</p> <p>The overall aspiration of the group also needs to be considered. Are you looking at appointing a large group of partners or looking for a small group. If a large group I would suggest that a lot of the questions asked are needless as I am confident that most of the housing associations will have the relevant H&S accreditation PI cover etc.</p> <p>Our general view is that the document should be looked at in order to justify that the questions asked have a tangible bearing on the outcome of the RP being appointed, rather than an information trawl that most if not all RP's will be able to demonstrate. That way I think the LA's involved will have a more manageable and successful process. I appreciate the opportunity to consult on the documents. I make these comments and suggestions to save time for all involved and improve the process for the LA's. I am happy to talk this through if required.</p>
Question 1	No comment
Question 2	No comment
Question 3	No comment
Any further comments	None
LA response	<ol style="list-style-type: none"> 1. Streamline information - agreed 2. Benchmark - we acknowledge this comment and will work with the consultant to review questions. 3. Clarity re: shortlisting - all RP's will be required to present their information, case studies, outcomes and other such relevant information it feels to support the questionnaire responses.
LA actions	See ACTION 3 above

Part 2: Developer consultation responses

Reference:	Respondent 6
Consultee:	Registered Provider
Date received:	27.04.15
General or introductory comments	<p>We are pleased to have received the Consultation Paper in regard to the proposals for Preferred Provider arrangements on the strategic allocations across the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy area. As you are aware from our previous discussions we look forward to the opportunity to work with you and intend to submit proposals in due course.</p> <p>In section 3 – 1: It seems Tewkesbury have been missed out of the list of LA's? Strategic sites will provide up to 12,000 homes across JCS area to 2031 and new delivery is unlikely to commence until 2017/18, with a maximum of 40% affordable over 13 years. It is possible that not all will be developed within the plan period, some sites may be developed late on and delivery will be after 2031. However there always seem to be a slow start on major projects with Quedgeley and Brockworth good examples; are you going to be able to be clearer on what the initial 5 year partnership might deliver?</p>
Question 1	Not answered
Question 2	Not answered
Question 3	Not answered
Any further comments	None made
LA response	<p>1. Section 3 - refers to Cheltenham and Gloucester as they are the authorities with unmet need. Tewkesbury can meet its need.</p> <p>2. Implementation - noted and will produce- in due course; it is anticipated that the Affordable Housing Partnership will evolve and shape the delivery over the first 5 years.</p>
LA actions	None required

Reference:	Respondent 7
Consultee:	Agent
Date received:	29.04.15
General or introductory comments	The preferred provider registration does not include the maintenance companies the developers appoint to manage/maintain estates after completion. Maintenance companies are inserted by developers on lease contract for 85years and more. The preferred provider should have to prove that such companies meet very strict conditions to protect residents and that management charges are fair and easily understood. Management company fees and admin costs on new estates in the Tewkesbury area are Currently in excess of 60% of the annual charges to residents. Preferred provider list should include the management company the developer uses.
Question 1	Not answered
Question 2	Not answered
Question 3	Not answered
Any further comments	None made
LA response	Issue regarding maintenance companies acknowledged and will address. It is however not acceptable and not in the remit of the Partnership to control the maintenance/management company. Each site will be considered on its merit and the councils will address such issues with development at planning stage.
LA actions	ACTION 6: the local authorities will work with the consultant to address this issue and will also build into our work with RP's on the matter to provide further advice.

Reference:	Respondent 8
Consultee:	Agent
Date received:	29.04.15
General or introductory comments	Notes from council housing officer: Telephone call Wednesday 29th April; Do not want to be any part of any list; Only interested in public consultation; Objectors to Leckhampton; Remove from list
Question 1	Not answered
Question 2	Not answered
Question 3	Not answered
Any further comments	None made
LA response	None required
LA actions	None required

Reference:	Respondent 9
Consultee:	Agent on behalf of developer
Date received:	30.04.15
General or introductory comments	This Paper, prepared by [Agent] on behalf of [Developer], responds to the 'Proposals for Preferred Provider Arrangements on the Strategic Allocations across the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy area' ("PPPA") published for consultation between April 2015 and the 1 st May 2015.
Question 1	<p>Our Client, who is a major land owner across the JCS local authority areas and therefore a key stakeholder in respect of strategic development, is not supportive of the proposals in their current form.</p> <p>Our Client welcomes the opportunity to work closely and productively with the local authorities and all Registered Providers on strategic land proposals in the JCS area and it is felt that this is best achieved through a form of 'Statement of Common Ground' which outlines some broad priorities that reflect the agreed objectives of all parties for affordable housing delivery. To achieve this there is a need for the JCS authorities to recognise the concerns raised by Stakeholders through previous JCS Plan consultation responses and JCS Plan Hearing Statements regarding the viability of / need for the affordable housing targets sought. To date, the JCS authorities have not robustly viability assessed the proposed proportions of affordable housing on large and strategic sites or proposed policies that reflect the SHMA conclusions regarding the proportion of affordable housing required.</p> <p>Any level of restriction upon competition among Registers Providers in the JCS area whether explicit or implicit (and which will result from the PPPA where this is taken forwards) will worsen scheme viability and is wholly unacceptable.</p> <p>The PPPA approach will introduce additional burdens upon housing development in the JCS area outside the emerging JCS Plan process and without having been subject to viability testing.</p> <p>The approach seeks to introduce an additional Standard (i.e. seeking the provision of affordable housing through Preferred Providers) exclusive to affordable housing and outside of the range of Technical Standards set in national policy and described in the 'Planning Update' Written Parliamentary Statement of 25th March 2015 and the National Planning Policy Guidance ("NPPG"). The PPPA is therefore contrary to national policy.</p>
Question 2	<p>Concerns Regarding the PPPA [Proposals for Preferred Provider Arrangements]</p> <p>PPPA Section 1 – what is the status of the PPPA document? It is not described as a Supplementary Planning Document / Local Development Document or a Strategy, and it sits outside the Development Plan. Its intended role and material weight in planning terms for the Strategic Allocations is therefore unclear. If it is intended to be referred to when making Development Control decisions then it should be included within the Development Plan.</p> <p>Even if it is not the intention that it will be directly referred to when making Development Control decisions as a result of taking steps to introduce a Standard which result in the exclusion of non-preferred partner Registered Providers it introduces additional burdens that will impact upon the delivery of the planned supply of housing in the JCS area then it should be</p>

considered as part of the Plan process and viability assessed. Please also see the answer to Question A above regarding compatibility with national policy. PPPA Section 3 – the aim of maximising affordable housing delivery should be in the context of doing so only where there remains a need for additional affordable housing. The aim of enabling ‘new communities to become and remain cohesive and sustainable’ is supported, although it is not agreed that this is achieved by taking the approach of restricting the choice of Registered Providers (as the PPPA does). Please also see the answer to Question A above regarding our Client’s view.

The JCS area SHMA evidence does not support the 40% affordable housing target that the JCS Plan proposes large and strategic sites should be subject to. As such, a Partnership as described in the PPPA will be unable to ensure that ‘new communities become and remain cohesive and sustainable’ unless the affordable housing target is adjusted downwards in line with SHMA proportions and previous JCS Plan representations and Hearing Statement responses.

It is unclear what is meant by Registered Providers taking a ‘strength-based approach to creating sustainable communities’. Where this results in an increase in Standards above Building Regulations it will need to accord with the national Technical Standards and the NPPG section on Standards. In any event any additional burdens upon scheme economics are required by national guidance to be viability assessed and tested through the Plan process.

PPPA Section 4 – national guidance does not empower the prescription of affordable housing providers (and this position is acknowledged in the PPPA at Section 5.2). The definition of affordable housing in the National Planning Policy Framework makes it clear that Social Rented housing may ‘owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency.’ and Intermediate housing is not restricted to being owned / managed by local authorities Registered Providers. There is a clear intention within national guidance to encourage, not restrict, competition between affordable housing providers.

The PPPA not only would seek to restrict the provision of affordable housing via a Registered Provider, but takes this further to restricting it to a selected number of ‘Preferred’ Registered Providers, thus reducing the scope for competition significantly.

Wording in the PPPA sets out a clear intention to ‘prevent Registered Providers of any standard competing for the delivery of affordable housing in these areas’ – this explicitly confirms that the PPPA aims to restrict competition in the area. The aim of excluding Registered Providers who are yet to demonstrate ‘their ability to deliver and manage affordable homes and their communities to a high standard’ will prevent new Registered Providers from being able to compete in the area. Wording also encourages the formation of ‘consortia’ and states ‘Developers will be asked to choose from a number of Registered Providers from the Partnership’ and ‘the three local authorities will work hard to ensure that developers will only work with its Preferred Partners’. The proposals in the PPPA are in danger of having a ‘cartel’ type effect; i.e. benefiting existing Preferred providers to the exclusion of all others trying to compete in the same market.

The PPPA does not explain how it is compliant with Official Journal of the European Union “OJEU” rules (i.e. the publication in which all tenders from the public sector which are valued above a certain financial threshold according to EU legislation, must be published) and anti-competition laws. Furthermore, there is no reference to needing to reach agreement / negotiate with developers and landowners in respect of approaches to affordable housing delivery.

Whilst it is agreed that there are some positive aspects to the ‘Terms of Reference’ set out in sub-section 4.2 of the PPPA there should be discussion of how the priorities of all parties are best addressed (i.e. including those of landowners and developers) and having regard to how these fit with national policy requirements – please see the response to Question A

	<p>above. In particular, it is unclear how the priorities to reach 'cross-boundary agreement on tenure split, dwelling types and sizes' and to standardise s106 provisions are intended to be applied in the context of proposed Plan policy – there is no reference in emerging Policy SD12 or SD13 on these matters being set on the basis of requirements agreed by a Preferred Partnership of Registered Providers outside of the Plan process and it is outside the scope of any such Partnership to introduce new Policy.</p> <p>For the reasons set out above it is not agreed that the PPPA will bring benefits to developers (as is suggested to be the case in sub-section 4.2 of the PPPA). It is agreed that there are clear benefits associated with the JCS local authorities working closely with all relevant parties (including landowners and developers and not restricted to specified Registered Providers) to negotiate a mutually agreed position (that reflects national and local policy and the evidence of affordable housing need / economic viability) in respect of the delivery of affordable housing on Strategic Allocations – please see the response to Question A above. Our Client welcomes the opportunity for any such discussions with the JCS local authorities.</p>
Question 3	Not required given comments above
Any further comments supplied	<p>Any level of restriction upon competition among Registered Providers in the JCS area whether explicit or implicit (such as would result from the PPPA) will worsen scheme viability and is wholly unacceptable. The PPPA sets out a restrictive approach which will fetter competition among Registered Providers to the detriment of affordable housing delivery and the objective of delivering sustainable communities. The PPPA introduces additional burdens upon housing development in the JCS area outside the emerging JCS Plan process and without having been subject to viability testing contrary to national policy. As the PPPA acknowledges, local authorities cannot force developers to work with 'preferred' partners; as such any attempted restriction explicit or otherwise will be unenforceable rendering the process of developing a Preferred Registered Provider Partnership a unproductive particularly if it does not have the full cooperation of the developer and landowners who are implicit in delivering the local plan housing numbers.</p> <p>Instead, our Client welcomes the opportunity to work closely and productively with the JCS local authorities and all Registered Providers on strategic land proposals in the JCS area and it is felt that this is best achieved through a form of 'Statement of Common Ground' which outlines some broad priorities that reflect the agreed objectives of all parties for affordable housing delivery.</p> <p>To progress this there is a need for the JCS authorities to recognise the concerns raised by Stakeholders through previous JCS Plan consultation responses and JCS Plan Hearing Statements regarding the viability of / need for the affordable housing targets sought</p>
LA response	<p>Status of the preferred provider arrangements – To clarify:</p> <ol style="list-style-type: none"> 1. The preferred provider arrangements is intended to operate as an agreed protocol to assist the delivery and implementation of Policy SD13, and in particular paragraphs 4.13.5, 4.13.10 and 4.13.11 of the emerging Joint Core Strategy, in a collaborative fashion. 2. The preferred provider arrangement is intended to be neither a Development Plan Document nor a Supplementary Planning Document. 3. The preferred provider arrangement is not intended to operate as an additional local Technical Standard. <p>Interface with progress of the emerging Joint Core Strategy – the respondent raises a range of points which go to the heart of the matters shortly to be aired at the Joint Core Strategy Public Examination, running from May to July 2015.</p>

	<p>Viability – the councils refute this argument. The respondent asserts without justification that any level of restriction upon competition amongst RPs will by definition worsen scheme viability. They appear most reluctant to accept the potential benefits to landowners and developers of the collaborative arrangements proposed in the draft preferred provider arrangements arising from the early involvement of RPs with an established track-record of and commitment to delivering sustainable communities in the locality.</p> <p>Prevention of Competition - At 2.3 and 2.5 of their paper, the respondent appears to misunderstand the potential efficiencies and advantages of limiting the number of active RPs in a locality in order to assist the effective management of the affordable housing. They seem to miss that the creation of more sustainable communities and higher quality living environment may prove attractive to potential house buyers looking to live there, with a potential to lift house prices. The preferred provider arrangement is seen as entirely negative and restrictive. It need not be so; especially if the landowners and developers choose to engage with the process. The respondent’s references to the OJEU rules are recognised and the councils have been advised that this is outside of such arrangements. The invitation to submit however will be widely advertised.</p> <p>Reference to Performance Standards of RPs – the respondent alludes to references in the draft preferred partner arrangements to preventing RPs ‘of any standard’ competing for the delivery of affordable housing in the locality and to only those able to deliver and manage affordable homes and their communities to a ‘high standard’ being acceptable to the local authorities. Some of the RPs appears to have similar concerns about this tone. We would recommend that this language is either modified or deleted. Wherever possible, the emphasis should be on the positive.</p> <p>Suggested Statement of Common Ground – The Statement of Common ground suggested falls well short of the preferred provider arrangement favoured by the local authorities and the RPs.</p> <p>The local authorities will invite landowners and developers and their agents to the Partnership as appropriate to feed into the activities of the Partnership and work more collaboratively on the Strategic Allocations.</p>
LA actions	<p>ACTION 7: some phrasing to be altered as appropriate.</p> <p>ACTION 8: local authorities will contact the respondent with a view to seeking hat draft heads of terms would look like and to gain clarity on the expected content of a Statement of Common Ground in order to consider further.</p>

Reference:	Respondent 10
Consultee:	Agent on behalf of developer
Date received:	01.05.15
General or introductory comments	<p>Please confirm the following:</p> <ul style="list-style-type: none"> i) The consultation draft Guidance only relates to Strategic Allocations in the JCS. ii) There would be no restriction on the affordable housing provider on non-strategic housing sites. iii) That there would be consultation on the names of the Council's proposed affordable housing providers. iv) There would be consultation on the proposed financial arrangements made by preferred providers. v) There would be opportunities for developers to use non-preferred providers.
Question 1	Not answered
Question 2	Not answered
Question 3	Not answered
Any further comments supplied	None made
LA response	<ul style="list-style-type: none"> i) Yes only the SA sites ii) No restriction iii) No consultation on the RP's iv) No consultation on RP's financial arrangements v) Yes but the LA's will be working with developers to meet our affordable housing requirements via the Partnership and the preferred partner arrangements.
LA actions	None required

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Meeting:	Cabinet	Date: 17 June 2015
Subject:	Changes to the Fit To Rent Accreditation Scheme	
Report Of:	Cabinet Member for Housing and Planning	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Julie Wight, Private Sector Housing Manager	
	Email: Julie.wight@gloucester.gov.uk	Tel: 396320
Appendices:	None	

FOR GENERAL RELEASE

1.0 Purpose of Report

1.1 To introduce a charging regime for the 'Fit to Rent' private rented accreditation scheme and to target the scheme to student accommodation.

2.0 Recommendations

2.1 Cabinet is asked to **RESOLVE** that:

- (1) The existing Fit to Rent scheme is adapted to become an accreditation scheme for student accommodation.
- (2) Landlords who wish to accredit their private rented properties for use as student accommodation be required to pay a Fit to Rent registration fee of £70.00 every three years to the Council. The fee will apply to all property sizes.

3.0 Background and Key Issues

3.1 A county wide accreditation scheme for privately rented properties was introduced in 2009. Landlords have since been able to register their rental properties with this scheme free of charge. The procedure involves a landlord application and an inspection by an officer of the Private Sector Housing Team. If the property meets the required standards for the scheme, the Landlord is issued with a 'Fit to Rent' certificate and the property is included in the county wide list found on the Gloucestershire Landlords Site
<http://www.cotswold.gov.uk/residents/housing/private-sector-housing/gloucestershire-landlords>

3.2 The purpose of the scheme was:-

- To recognise the importance of good quality private rented accommodation
- To reward responsible Landlords

- To reflect the Government view that accreditation is better than regulation
 - To enable Councils to focus on the poor quality accommodation
 - To benefit private tenants and the wider community
- 3.3 The scheme was also designed to provide landlords with incentives such as discounts on products and services and it was hoped it would ultimately link with the Home Seeker Choice Based Lettings scheme and the various Local Authority rent deposit schemes.
- 3.4 Landlords were consulted before implementation and they confirmed that unless it was voluntary and free of charge Landlords would not be interested in joining.
- 3.5 Since inception, take up has been very slow and only 409 properties across the county are currently accredited (150 of which are in Gloucester).
- 3.6 The scheme has instead become a burden for Local Authorities, the hope that it would create capacity to focus on poor quality accommodation has not been the case, instead councils are having to re-inspect these good quality accredited properties every three years, free of charge, to enable landlords to re-new their certification.
- 3.7 We have found the best way to focus on poor quality rented accommodation is to take a pro-active approach in identifying and inspecting rented properties. A project of this nature commenced in March 2015 and has been highly successful in identifying substandard accommodation and poorly performing landlords. This is the direction we need to take to improve the quality of rented accommodation in the City and the recommended changes to the accreditation scheme will provide more capacity and resource to divert to this method of working.
- 3.8 Gloucester however has benefitted from an improvement in the quality of student accommodation. This is because Hartpury College accommodation services will only direct their students to the Fit to Rent property list. As a consequence, we have noticed a decrease in the number of complaints we get regarding student accommodation.
- 3.8 Hartpury College and the University of Gloucestershire have been consulted regarding this approach and do not have concerns about this level of fee and pledge to continue referring their students to the Fit to Rent list.
- 3.10 Any organisation that refers tenants to the private rented sector has a duty to ensure the accommodation meets required standards, (such as student accommodation) in these cases the Fit to Rent scheme works well and could be tailored towards this need. However, there is a cost to the Council in administering the scheme.
- 3.11 The Private Sector Housing Managers from the six county district councils have met to discuss and all, except Stroud, agree:-
- The scheme works well for student accommodation
 - The cost of administration should be covered.

- 3.12 However the Private Sector Housing Manager at Cheltenham Borough Council has raised concerns that the fee level of £70 could only cover the cost of certifying small properties. In Cheltenham they have large properties being let to students and would consider a fee of £200 as more appropriate. It is suggested that in view of this that the current scheme is trialled at £70.00 and that the level of fees are kept regularly under review to ensure that they are competitive, proportionate and fair to ensure a good take up.
- 3.13 The change to this scheme was raised at a recent meeting with the Executive of the Gloucestershire Landlords Association and the National Landlords Association. They could understand the need to limit the scheme to student accommodation and expressed the view that although some Landlords will miss having the Fit To Rent certification, it is unlikely to cause any great disquiet if the scheme is no longer free.
- 3.14 On the question of charging, the Landlords Associations felt that provided the fee was kept relatively low it would not deter landlords who were keen to let to students.
- 3.15 An accreditation scheme that is tailored towards improving standards for a particular group of tenants could then be extended in the future to other targeted groups where it is found that an organisation is referring tenants to the private rented sector without the benefit of an inspection.

4.0 Alternative Options Considered.

- 4.1 Continue to offer a free service to all Landlords. This was not considered further because of the resource/cost issues for Gloucester.
- 4.2 Stop providing an accreditation scheme. This was not considered further because the scheme has been found to improve the conditions in student accommodation.

5.0 Reasons for Recommendations

- 5.1 The existing scheme which offers a free accreditation service for Landlords focuses resources on well managed and well maintained rented properties, by limiting the scheme to student accommodation and by charging for the accreditation, the time taken to inspect these properties will be reduced and the income raised can be better directed towards dealing with the rented properties that are in the poorest condition.

6.0 Future Work and Conclusions

- 6.1 If the recommendations are agreed, Landlords with properties in Gloucester that are currently accredited will be advised that they will no longer be certified under the scheme unless they are willing to pay the required fee.
- 6.2 A separate 'student' page on the Council website will be set up to advise students of the accredited properties in Gloucester and provide general information on renting in the private sector.
- 6.3 The requirement to accredit properties as Fit To Rent can also be extended in future (with Cabinet approval) to include other schemes where organisations refer tenants into the private rented sector.

7.0 Financial Implications

- 7.1 The cost of carrying out the inspections is calculated at £70.00 (based on one hour inspection and associated administration). Based on the current number of student accredited properties (81 out of the total of 150 accredited properties), this will bring in an income of approximately £5670 every 3 years (an average of £1890 per annum).
- 7.2 Landlords that have already paid for an HMO licence (which includes a property inspection) and then wish to let to students will not be charged the £70.00 fee for the Fit to Rent accreditation.

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

8.0 Legal Implications

- 8.1 There is no specific legislation in respect of landlord accreditation schemes, thus it will remain a voluntary scheme. The Authority is able to use powers provided by s.93 of the Local Government Act 2003 and s.1 of the Localism Act 2011 to charge a reasonable fee for providing a discretionary service.

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

9.0 Risk & Opportunity Management Implications

- 9.1 There are no identified medium to high risks associated with this proposal.

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 Well maintained and managed privately rented properties are less likely to attract vandalism and anti-social behaviour.

Sustainability

- 11.2 Well maintained properties provide suitable accommodation into the future.

Staffing & Trade Union

- 11.3 There are no staffing implications

Background Documents: None

Gloucester City Council

Meeting:	Cabinet Audit and Governance Committee	Date: 17 June 2015 01 July 2015
Subject:	Local Government Ombudsman decisions	
Report Of:	Monitoring Officer	
Wards Affected:	All	
Key Decision:	No	Budget/Policy Framework: No
Contact Officer:	Sue Mullins, Monitoring Officer	
	Email: sue.mullins@gloucester.gov.uk	Tel: 39-6110
Appendices:	1. Report of the Local Government Ombudsman no 13 016 059 2. Report of the Local Government Ombudsman no 14 012 705	

FOR GENERAL RELEASE

1.0 Purpose of Report

- 1.1 To make Members aware of two recent Ombudsman investigations resulting in findings of fault or injustice on the part of the Council.

2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that:

- (1) That the contents of the report be noted;
- (2) That it is satisfied that steps have been taken to address the findings and consider whether any other action should be taken;
- (3) That authority be delegated to the Corporate Directors, in consultation with the relevant Cabinet Members, to produce a response to the Ombudsman's reports and ensure that this is sent to all Members and the Ombudsman

- 2.2 Audit and Governance Committee is asked to **RESOLVE** that the contents of the report be noted.

3.0 Background and Key Issues

- 3.1 The Local Government Ombudsman investigates and reports on complaints from members of the public who claim to have sustained injustice as a result of maladministration. Maladministration can encompass a number of failings by a local authority, including inattention, neglect and delay. Where the Ombudsman decides that injustice has been caused by an authority's maladministration, the authority concerned must consider the Ombudsman's report. In this case, the Ombudsman's final reports were published on 3 February 2015 and 7 April 2015.

- 3.2 The Council has 3 months from the publication of the final report to notify the Ombudsman of the action that has been taken or will be taken in response to the report. An extension has been requested to this timescale in respect of the first complaint to enable the report to be considered when Council business resumes after the elections and the Ombudsman has agreed to this.
- 3.3 The Local Government Ombudsman has recently investigated two complaints: one by Mrs X, on behalf of her daughter, Mrs A, about delays by the City and County Councils in making proper arrangements for grant-aided works to meet Mrs A's needs as a disabled person; and one by Mr Y about delay by the Council in implementing a Tribunal decision regarding his housing and council tax benefit in December 2013 until January 2014, and the taking of recovery action for Council Tax arrears during this time.

Complaint by Mrs X (on behalf of Mrs A, deceased)

- 3.2 In this case, Mrs A complained about the actions of the City and County Councils in delaying making proper arrangements for grant-aided works to meet her needs as a disabled person. She complained about delays in installing a ramp to allow access and egress from her property; she said the City Council's grants officer had approved a cheap, unsuitable stair lift; she complained about poor liaison with herself and with the County Council about the approval of a Disabled Facilities Grant (DFG); she complained about lack of liaison between the Councils about the grant for the bathroom adaptations which she then had to pay a considerable amount towards. She said the delays and the failure of liaison had caused her and her family considerable stress at a difficult time. Mrs A sadly died during the complaint investigation but Mrs X, her mother, wished to pursue the complaint on her behalf.
- 3.3 The Ombudsman found that the City Council was not at fault in the way it approved the schemes for the bathroom adaptations or the stair lift. It was right for the Council to explain to Mrs A that she could not include in later applications adaptations which were already necessary. However, the Council was at fault in the way it liaised with the County Council about the provision of a ramp, and in the lengthy delays in providing, after 18 months, the modular ramp Mrs A requested initially. The Council should pay £1000 to Mrs A's family to acknowledge the injustice caused.
- 3.4 Cabinet is asked to note that the Ombudsman also investigated the complaint against the County Council and this is under a different reference number (13 014233).
- 3.5 The Head of Legal and Policy Development, in consultation with the relevant Cabinet Member and the Head of Paid Service, has already agreed to pay £1,000 to Mrs A's family and to acknowledge the failings in this case.
- 3.6 In line with the Good Practice Guide, Delivering Housing Adaptations for Disabled People and, in particular, paragraph 5.40: Interim Help, it is accepted that the City Council has a role to play in determining a solution where the circumstances will result in a lengthy delay before a permanent solution can be found to provide essential adaptations. A more proactive approach is needed where the grant

process has stalled and consideration will be given in the future as to how temporary works, as an interim measure, could be funded.

Complaint by Mr Y

- 3.7 Mr Y complained that the Council delayed implementing a Tribunal decision regarding his housing and council tax benefit in December 2013 until January 2014. During this time the Council took recovery action for council tax arrears.
- 3.8 The Ombudsman found that there was fault by the Council because it delayed paying housing and council tax support to Mr Y for 6 months. This led to council tax recovery action and added costs. The Council has agreed to pay Mr Y £200.
- 3.9 As acknowledged in the Ombudsman decision, the Council has already agreed to pay £200 to Mr Y in this case.
- 3.10 The Council's processes are being revised to ensure that the outcomes of tribunal hearings given verbally are recorded on the relevant system, as well as those outcomes given in writing.

4.0 Alternative Options Considered

- 4.1 There are no alternative options relevant to this matter.

5.0 Reasons for Recommendations

- 5.1 There is a statutory requirement to respond to an Ombudsman report that identifies maladministration and a need for the Cabinet to consider what action needs to be taken as a result of the report.
- 5.2 Audit and Governance Committee is responsible for reviewing the Council's corporate governance arrangements and for monitoring the operation of the Council's codes and protocols and the Council's complaints process and to advise the Council on the adoption or revision of such codes. In doing so, it receives an annual report on complaints, comments and compliments made to the Council.

6.0 Future Work and Conclusions

- 6.1 This is as outlined in the report. Members are asked to note that changes have been made to the Council's procedures following these decisions. In the case of disabled facilities grants, a more proactive approach will be taken where the grant process has stalled and consideration will be given as to how temporary works, as an interim measure, could be funded. In the case of benefits, the Council's processes are being revised to ensure that the outcomes of tribunal hearings given verbally are recorded on the relevant system, as well as those outcomes given in writing.

7.0 Financial Implications

- 7.1 The figure of £1,000 in respect of Mrs A's complaint will be taken from within existing budgets.

7.2 The compensation for Mr Y's complaint has been deducted from Mr Y's outstanding Council Tax account.

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

8.0 Legal Implications

8.1 The Local Government and Housing act 1989 places a duty on the Monitoring Officer to report the Ombudsman's findings to the Cabinet and send a copy of her report to each Member of the Council. The same Act places a duty on the Cabinet to consider this report and, as soon as practicable after it has concluded its consideration of the report, prepare its own report specifying:

- What action, if any, the Cabinet has taken in response to the report;
- What action, if any, the Cabinet proposes to take in response to the report and when it proposes to take that action;
- The reasons for taking the actions or, as the case may be, for taking no action.

8.2 A copy of that report must also be sent to each Member of the authority. The Local Government Act 1974 also requires the Cabinet to consider and respond to any Ombudsman report making a finding of maladministration.

8.3 The Ombudsman's reports are available for members of the public to inspect.

8.4 The Ombudsman's recommendations are not legally enforceable although it is extremely unusual for an authority not to accept them. If the Ombudsman is not satisfied with the action proposed, she can publish a further report and can compel an authority to publicise her views. In these instances, Officers have accepted the findings of the Ombudsman, agreed to pay the amounts recommended by the Ombudsman and have agreed to make an apology.

9.0 Risk & Opportunity Management Implications

9.1 The findings highlight the risk that if policies and procedures do not adequately ensure that the Council carries out its functions without delay, there is a risk of complaints, potential legal challenge, adverse publicity and financial cost.

10.0 People Impact Assessment (PIA):

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

11.0 Other Corporate Implications

Community Safety

11.1 There are no community safety implications.

Sustainability

11.2 There are no sustainability implications.

Staffing & Trade Union

11.3 There are no staffing implications.

Background Documents: None.

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The Ombudsman's final decision

Summary: The City Council was not at fault in the way it approved the schemes for the bathroom adaptations or the stair lift. It was right for the Council to explain to Mrs A that she could not include in later applications adaptations which were already necessary. However, the Council was at fault in the way it liaised with the County Council about the provision of a ramp, and in the lengthy delays in providing, after 18 months, the modular ramp Mrs A requested initially. The Council should pay £1000 to Mrs A's family to acknowledge the injustice caused.

The complaint

1. Mrs A complained to us about the actions of the City and County Councils in delaying making proper arrangements for grant-aided works to meet her needs as a disabled person. She complained about delays in installing a ramp to allow access and egress from her property; she said the City Council's grants officer had approved a cheap, unsuitable stair lift; she complained about poor liaison with herself and with the County Council about the approval of a Disabled Facilities Grant (DFG); she complained about lack of liaison between the Councils about the grant for the bathroom adaptations which she then had to pay a considerable amount towards. She said the delays and the failure of liaison had caused her and her family considerable stress at a difficult time. Mrs A sadly died during the complaint investigation but Mrs X, her mother, wished to pursue the complaint on her behalf.

What I have investigated

2. I have investigated the complaint as set out above. I have also investigated the complaint against the County Council which is under a different reference number (13 014233).

The Ombudsman's role and powers

3. The Ombudsman investigates complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. If the Ombudsman is satisfied with a council's actions or proposed actions, she can complete her investigation and issue a decision statement. (*Local Government Act 1974, section 30(1B) and 34H(i)*)

How I considered this complaint

4. I considered the written information provided by Mrs A and by the Council. This includes the details of the grant applications. Mrs X and the Council have both had an opportunity to comment on an earlier draft of this decision.

What I found

5. DFGs are provided under the terms of the Housing Grants, Construction and Regeneration Act 1996. Councils which are housing authorities (such as the City Council) have a statutory duty to provide grant aid to disabled people for a range of adaptations. Before approving a grant a council must be satisfied the work is “*necessary and appropriate*” to meet the disabled person’s needs and also “*reasonable and practicable*”. The council need to be satisfied about each of these matters, and the overall feasibility of the works, if they are to give a DFG. A local council can refuse a disabled facilities grant if they believe the scheme is not reasonable and practicable.
6. The maximum amount of a grant payable by a council is £30,000. Other discretionary help can be awarded if the council thinks it is necessary.
7. A council should give the applicant a decision on a grant application as soon as reasonably practicable. This must be within six months of the grant application.
8. The mandatory DFG does not include the ongoing service and maintenance of any adaptations provided. Once installed, the facilities are owned by the applicant and they are responsible for any future repairs.
9. Council which are social services authorities (such as the County Council) have a duty to meet the needs of disabled people in their area by “*the provision of assistance for that person in arranging for the carrying out of any works of adaptation in his home or the provision of any additional facilities designed to secure his greater safety, comfort or convenience*” (Chronically Sick and Disabled Persons Act 1970, section 2)
10. “*Delivering Housing Adaptations for disabled people – A good practice guide*” sets out a number of questions councils should consider in meeting the needs of disabled people. One of these is “*What scope exists within our system for making an interim response in the interests of the service user in advance of a full service response against assessed need?*” (Annex A, question 37)

What happened

11. Mr and Mrs A were both disabled with severe arthritis. Mrs A’s condition was worse, as she had suffered from the disease since infancy. By the time she applied for help from the County Council in 2009 she was already having surgery to replace her major joints for the second time.

The initial application and the stair lift

12. Mrs A contacted the County Council in January 2009 for help. Because of a long waiting list for occupational therapy assessments, it was not until November that an Occupational Therapist (OT) visited Mrs A. The proposed service provision was for a stair lift, works to make one entrance wheelchair accessible, the requested bathroom adaptation including level access shower, and to order suitable equipment to maximise independence in the kitchen.
13. In December the County Council (as the social services authority) made a referral for a DFG to the City Council (the housing authority), initially for a stair lift as that

was the most urgent item. Subsequently the County Council also made a referral for adaptation to the bathroom, and adaptation to the front door to facilitate wheelchair access, including the provision of a ramp.

14. The City Council approved the DFG for the stair lift on 23 December. The DFG approved amount was based on the cheaper of the two quotes, in accordance with the City Council's standard procurement practice. The grant included additional electrical works. The stair lift was installed on the 10 February 2010. Mrs A returned a completion notice to the City Council on 17 February confirming that she was satisfied with the lift. The grants officer inspected the lift on 4 March and signed off that it was installed and was in good working order.
15. Mrs A said in her complaint that she came home from work to find the lift had been fitted (although the County Council says clients are supposed to be present when the lift is installed). Mrs A said it was poorly fitted (she said it ended in the stairwell), was too far out from the wall and was uncomfortable but that she "*let it go*" as by then she was already concerned about the length of time her request for bathroom works had taken.

Bathroom adaptations

16. The initial referral from the County County OT in January 2010 included the following adaptations:
 - Removal of internal wall separating bathroom and WC
 - Provision of a combi-boiler
 - Installation of level access shower but also keeping the existing bath
 - Repositioning of WC and WHB
 - Non slip flooring
 - Removal of original bathroom door

The grants officer approved the installation of these items on 26 January.

17. Mrs A's brother acted as her agent for the works. In the specification he sent to the City Council in February 2010, he included items which the City Council said were not eligible for mandatory grant aid as they did not fulfil the remit of facilitating Mrs A's access around the property. These included high specification lighting, towel rail, vanity unit, high specification bath, high specification wall hung WC, high specification flooring, and wall boarding rather than tiling.
18. The grants officer allowed amounts for a standard bath, a standard WC, and tiling rather than wall boarding. Initially she refused the request for the high specification flooring but allowed it after it became clear it was recommended by the County OT. Mrs A said she needed a flat-edged basin (the "vanity unit") so she could rest her elbows on it to clean her teeth but she said while the OT understood this, the grants officer from the City Council did not.
19. The City Council approved a grant for £8100 for the bathroom adaptations in May 2010. Mrs A wrote to the County Council in June complaining that the grant approved left them with a shortfall of £6000 which they could not fund. She also contacted the City Council.
20. The grants officer responded to Mrs A. She said the DFG approved was for works which seemed "*reasonable and practicable*" within the mandatory requirements of the legislation. She added that the amount approved included an additional sum of £1335 for non-standard items.

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21. Mrs A wrote back. She explained that some of the non-standard items (the radiator and the wall-hung WC cistern) were included because of the ease of cleaning. The grants officer sought advice and confirmed the refusal because, she said, the items requested were for "*personal want*" (so Mrs A could more easily clean behind them) rather than "*medical need*".
 22. The grants officer and the County Council OT manager met to discuss Mrs A's concerns in July. They subsequently wrote to Mrs A explaining that both the County and the City Councils had a duty to separate out what was desirable from what was a basic need which was able to be grant-aided. The grants officer set out in a separate schedule the reasons why particular items could not be grant aided and why she had approved standard amounts (for example for the flooring) rather than the amount requested.
 23. Mrs A said she expected the grants officer would respect the OT's professional judgement and make available the funding according to the specification. The final grant approved increased to £9046.

Provision of a ramp

24. Mrs A said when she was due to go into hospital in 2012 for ankle surgery she knew she would be unable to bear her weight after the operation. She asked the City Council for the loan of a temporary modular ramp to enable access. She said she was told nothing could be provided until after she was discharged from hospital. She said she was determined not to be upset again by grant application arrangements so she "*allowed herself to be persuaded*" that she needed a permanent concrete ramp at the side of the house, somewhere dry to park her mobility scooter, an intercom and a charging point for the scooter. Mrs A contracted with an agent to draw up the schedule of works in conjunction with the OT.
25. The grants officer wrote to Mrs A in September 2012 outlining the schedule of work which would be considered for grant aid. This included a ramped access to the front door, removing the front door and replacing it with wheelchair accessible door and threshold, and removing and replacing an internal door with a wheelchair accessible door and threshold. (The City Council says while it does grant aid adaptations to store and charge a mobility scooter as it is considered to facilitate access by the disabled occupant to and from the dwelling, this was not requested by Mrs A, the OT or the agency which managed the works. The Council adds that it would have been grant aided if an application had been made.)
26. Mrs A wrote to the Councils to complain about the delay in April 2013. In June the City Council responded. It said while the City Council had approved the schedule of works submitted by Mrs A's agent in September 2012, and would have approved a grant once she received the costing, Mrs A had "*in the meantime*" requested an electronically controlled locking front door system, security locks, an intercom system, and changes to the ramp to accommodate an electric wheelchair. The City Council said its grants officer had not known about the changes and had to request a fresh recommendation from the OT which she did not receive until March 2013. It said the grants officer could not approve the intercom or the bolting system under the DFG legislation.
27. The City Council referred to a site meeting on 1 May where, it said, Mrs A had now asked for the ramp to be repositioned. The City Council said the new design entirely met Mrs A's needs and added "*if you opt for an alternative ramp, I will*

need your written confirmation that you will not request a grant for a ramp to the rear garden in the future". The City Council wrote approving a grant on 13 June.

28. In October 2013 the City Council wrote again to Mrs A noting that she had not yet returned the paperwork to enable the grant works to proceed. It added that a "policy change" meant that a modular ramp could now be provided on a permanent basis without a DFG. Mrs A responded that she was delighted that the ramp which she requested in June 2012 could now be provided. She added that she did not understand why she would have to pay for the door locking system.
29. The Council also explained to Mrs A that she could not decide to refuse some items now and then opt to include them in a later application. On that basis Mrs A refused the works to widen internal doors, saying that she would fund that work herself in the future if it was needed.

Breakdown of the stair lift

30. Mrs A said that hospital OTs inspected the stair lift after she had further surgery on her knee and told Mrs A she should not use it because she could not maintain a straight leg (which she had by virtue of the orthotic knee extension splint she was wearing). Mrs A said she could not manage without showering so against advice she stood on the footplate of the stair lift to go upstairs. She said the stair lift broke and she was stranded. She said she discovered that the stair lift which had been installed was a second-hand bariatric stair lift (so had a larger than average seat). Mrs A said the Councils refused to pay for repairs so her father paid £1390 for a new stair lift which both she and Mr A could use.
31. Mrs A asked the City Council why it had paid for the cheaper stair lift as it did not meet her needs. The housing services manager emailed Mrs A explaining that she had been in contact with the stair lift company who advised that despite repeated reminders, Mrs A had not chosen to take up a servicing agreement therefore they would charge for any call out and repairs. The manager also explained that the original stair lift quotations were for the same specification.
32. Mrs A complained to the Ombudsman shortly before she went into hospital for further surgery in December 2013. She complained about the stair lift, the bathroom adaptations and the ramp. She said the ramp design was ridiculous and out of proportion to the request she had made for a small modular ramp. She said the councils had failed to liaise with each other. She said she was shocked to be told that if she decided not to proceed with some grant works, she could not ask for them later.
33. Very sadly Mrs A died in hospital.

The City Council's response

34. The City Council says that Mrs A chose to use an agent who was known to her (rather than the City Council's in-house agency). It says her agent included many items in the bathroom specification that were not eligible for mandatory grant aid as they did not facilitate access around the property. It says the grants officer looked at each item individually and allowed a reasonable cost for those items that were required but were more highly specified than would reasonably be allowed for as grant eligible items.
35. The City Council disputes Mrs A's allegation that officers refused to discuss the details of the application. As evidence it has provided copies of the email correspondence between the grants officer and Mrs A and her agent, specifically about the eligible items and the reasons for the decisions that were made.

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36. The City Council explains why it could not delay the inclusion of the door widening scheme to a later application. It says *“It is not an appropriate use of DFG funds to allow applicants to pick and choose the adaptations they wish to have installed with a view to including the remainder in subsequent applications. The Council is required to ensure the limited DFG budget is fairly distributed and applicants only receive the maximum available grant of £30,000 per grant application. Occasions have arisen where the cost of the work exceeds the maximum grant and therefore a second application for adaptations that have been identified as current need and should be included as part of the scheme would enable the applicant to circumvent the maximum grant level”*.
37. The City Council says it was only in 2013 that it was able to start offering modular ramps instead of permanent concrete ramps, as a result of funding provided by the county-wide home improvement agency. It says it is wrong to say the design of the concrete ramp was *“ridiculous”*. It says the ramp had to provide wheelchair access to both the front and the rear of the house and so had to be designed to go across the front of the house. It says when this scheme was presented to Mrs A in September 2012 she objected because it did not allow for access to take the rubbish bins from the front to the back of the house. The City Council explains that despite the presentation of other schemes, it never received consent to proceed and so no grant application was approved.
38. In response to my draft decision, and in particular to the question of access to remove the rubbish bins, Mrs X says, *“Where the ramp crossed the little gate, there would be a step down into the back garden. This may have only been a few inches drop but it was too much for (Mr A) to get out bins, bring the lawn mower to the front, etc. This was of serious concern to (Mr A) who does all he can to maintain the house and garden through considerable pain.”* Mrs X raises this as one example of the way in which she says Mrs A’s genuine concerns about the viability of the ramp designs for Mr and Mrs A’s needs was minimised by the Council.
39. Also in response to my draft decision, the Council says *“Modular ramps were not available as a permanent solution until October 2013. This option came about once a budget was provided and it was agreed that they would be robust enough for long term use”*.

Analysis

40. There is no evidence of fault in the way the grant was approved for the stair lift. There is some evidence that the lift was not properly maintained and it was not the City Council’s fault that it broke down.
41. There is no evidence of fault on the part of the City Council in the grant approval for the bathroom adaptations. Mrs A was understandably disappointed and upset that the City Council did not fund the whole amount of the scheme which was put forward. However, it was the City Council’s duty to consider which items were *“necessary and appropriate”* to meet Mrs A’s needs as well as *“reasonable and practicable”*. It was not the grants officer’s role simply to agree the items put forward in the specification. When it was discovered that the flooring was recommended by the OT rather than a request by Mrs A, the City Council allowed it. So the City Council did take into consideration Mrs A’s representations and amend the approved amount, although not to the degree Mrs A requested.
42. The problems with the ramp took too long to resolve. It should not have taken the County and City Councils so long to reach an agreement with Mrs A over what was required, only to reach a situation where the modular ramp she requested did

in fact become available 13 months later. In the meantime Mrs A was unable to get out of her house unless she was carried by her elderly father. She endured long frustrating months of debate about door widening and ramp positioning. I am unclear why the requested ramp could not be provided in the first place. The Council says “*Modular ramps were not available as a permanent solution*” but it is clear that at the point Mrs A requested a ramp, in February 2012, she was asking for the *loan* of a *temporary* ramp as she was about to have ankle surgery and would not be able to weight-bear immediately afterwards. “*Delivering Housing Adaptations for disabled people – A good practice guide*” specifically recommends that authorities ask themselves, “*What scope exists within our system for making an interim response in the interests of the service user in advance of a full service response against assessed need?*” The Council did not consider that question properly, and that was fault on the part of the Council which caused significant distress and injustice to Mrs A.

43. It was not fault on the part of the City Council to explain to Mrs A that she could not defer inclusion of necessary adaptations to later schemes.
44. I have not seen evidence that the Councils failed to liaise with each other except in respect of the provision of the ramp.

Recommended action

45. The City Council should apologise to Mrs A’s family and pay £1000 to acknowledge the distress caused by its part in the delay of providing the requested ramp.

Final decision

46. There was fault which caused injustice.

Investigator’s decision on behalf of the Ombudsman

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Complaint reference:
14 012 705

Complaint against:
Gloucester City Council

The Ombudsman's final decision

Summary: I find there was fault by the Council because it delayed paying housing and council tax support to Mr Y for 6 months. This led to council tax recovery action and added costs. The Council has agreed to pay Mr Y £200.

The complaint

1. The complainant whom I shall refer to as Mr Y complains the Council delayed implementing a Tribunal decision regarding his housing and council tax benefit in December 2013 until January 2014. During this time the Council took recovery action for council tax arrears.

What I have investigated

2. I have investigated the Council actions from December 2013 when The Tribunal Service upheld Mr Y's appeal. I cannot investigate the matters subject to Mr Y's appeal and I do not consider I should investigate the new issues that he can appeal about. I have explained why in paragraphs 27 -29.

The Ombudsman's role and powers

3. The Ombudsman investigates complaints about 'maladministration' and 'service failure'. In this statement, I have used the word fault to refer to these. She must also consider whether any fault has had an adverse impact on the person making the complaint. I refer to this as 'injustice'. If there has been fault which has caused an injustice, she may suggest a remedy. (*Local Government Act 1974, sections 26(1) and 26A(1)*).

How I considered this complaint

4. I have
 - considered the complaint and the copy correspondence provided by the complainant;
 - made enquiries of the Council and considered the comments and documents the Council provided;
 - discussed the issues with the complainant and invited his comments.

What I found

5. Mr Y first claimed housing and council tax benefit as a single person in January 2012.

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6. The Council refused to pay Mr Y housing benefit on 6 June 2012 because it said his tenancy was not commercial. Mr Y appealed to The Social Entitlement Chamber (also known as the Social Security Appeal Tribunal). This is a tribunal that considers housing benefit appeals.
 7. In September 2013 the Council received a notification from the Department of Work and Pensions (DWP). This confirmed Mr and Mrs Y were entitled to Pension Credit as a couple from 31 May 2013.
 8. The Tribunal upheld Mr Y's appeal on 5 December 2013.
 9. The Council says accepted the Tribunal's decision. But in order to pay housing benefit it needed to assess his income. The Council wrote to Mr Y on 10 December 2013 and asked for further information and evidence. This included a question regarding when Mrs Y moved in. Mr Y provided some information but the Council says it was not complete. Mr Y stated that Mrs Y had never moved into the property he was claiming for.
 10. The Council wrote again to Mr Y on 2 January 2014 and asked why he was claiming pension credit as a joint claim with his wife. It also asked for other evidence. Mr Y replied on 2 February 2014 that when he claimed pension credit he did not realise it was a joint claim with his wife. He said that the DWP may have made an assumption.
 11. The Council wrote to Mr Y again on 10 February 2014 and asked many questions regarding his rent, income and savings and requested evidence. It also asked about his wife. It said he stated his wife did not live with him, but he was receiving Pension Credit as a couple. It asked him when he separated from his wife and where she was living. Mr Y replied on 7 March 2014 and asked why the Council was asking so many questions and what right it had to ask. He said he had told the Council several times she lived elsewhere.
 12. On 13 March 2014 the Council wrote to Mr Y and explained that as he had not provided the information it requested it had cancelled his claim. It said that if he provided the required information within one month it would reopen his claim. The Council explained that it spoken to him by telephone and had discussed each item and advised what information was required. The Council gave Mr Y appeal information regarding its decision.
 13. Mr Y made a further claim on 21 March 2014. Once again the Council requested further information and evidence to support his claim. The Council cancelled his claim on 22 April 2013.
 14. Mr Y complained by email on 26 April 2014. He said that the Council was negligent and should pay housing benefit from May 2012 in line with the Tribunal's decision. He said he received pension credit and so his claim for housing benefit should be paid by the Council without further question. He said he would claim compensation from the Council for the damage to his health and the stress caused by bailiff visits.
 15. The Council replied on 10 June 2014. It said that it needed the further information requested and this was a separate issue to the Tribunal's decision which was about the non commerciality of his tenancy. The Council said with regard to pension credit, while it meant a claimant was entitled to housing and council tax benefit, in his case there were issues because his wife did not live with him but he claimed pension credit jointly with her. Mr Y had not answered the Council's questions about this.

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16. On 4 July 2014 the Council received a notification letter from the DWP which confirmed that Mr Y was entitled to Pension Credit and that his wife was no longer counted as part of his claim from the start. The Council did not act on this notification which meant that Mr Y was entitled to full housing benefit and council tax support because the Council did not need any further information about his income or capital. The Council should have assessed his housing benefit and council tax support.
 17. On 22 November 2014 Mr Y said he was making a complaint to the Ombudsman about the Council's failure to implement the Tribunal's decision on his appeal. He said he had complained about this many times. He said that the Council accused him of still being a company director, but it had no evidence. The tribunal awarded benefit from May 2012. However, since the hearing a year ago the Council had ignored tribunal's decision.
 18. In January 2015 the Council recognised it should have assessed Mr Y's housing and council tax support when it received the pension credit notification letter from the DWP. The Council apologised for its delay and on 9 January paid £7930 housing benefit to Mr Y for the period from 3 June 2013. The Council explained Mr Y's claim was complex and there was a large amount of correspondence. The Council said that throughout the period December 2013 to July 2014 the Council did not have sufficient information to assess Mr Y's claim. But in July 2014 it had received the DWP notification and it could have assessed his claim. The Council confirmed it had revised Mr Y's council tax support claim, but he was still liable for 2010 to 2014. The Council accepted that it should have treated his email of 26 April 2014 as a complaint and responded according to its procedure. It apologised for this. The Council said it had discussed the error regarding the handling of his complaint with managers and it would consider changing its processes to improve its service.
 19. During the period July 2014 to January 2015 the Council took recovery action against Mr Y for council tax arrears for the year 2014/15. It sent the council tax account to its enforcement agent. The agent sent a notice of enforcement to Mr Y, saying that it would visit to take goods to pay the outstanding arrears.

Analysis

20. There was fault by the Council because it delayed paying Mr Y's claim after it received pension credit proof in July 2014. The Council did not need further evidence regarding his income from July, because pension credit "passported" him onto housing benefit and council tax support. I consider the Council should have made payment within one month of receiving the notification from the DWP. Therefore there was an avoidable delay of five months.
21. The Council took recovery action for Council tax arrears for 2014/15, while it had sufficient evidence to pay Council tax support from July 2014. Therefore there was fault by the Council in sending the debt to its enforcement agent who sent an enforcement letter to Mr Y on 28 July 2014. The recovery action by the enforcement agent caused distress to Mr Y.
22. There was fault by the Council in not recognising Mr Y's complaint of April 2014. However the Council did respond to the substantive issues raised in his letter in June 2014. The Council also apologised for failing to recognise the complaint when it responded in December 2014.
23. I have considered whether there was fault by the Council between December 2013 and July 2014 regarding its requests for evidence and information. While the

tribunal upheld Mr Y's appeal, the Council was required to assess his income and circumstances before making payment. I note that by January 2014 Mr Y had clearly stated his wife was not resident but he received pension credit as a joint claim. This was a significant issue as potentially all the other questions by the Council were not relevant. I was concerned the Council did not apparently consider contacting the DWP about this discrepancy. The Council has replied that as it had recently checked Mr Y's entitlement with the DWP it believed it was accurate. I do not find there was fault by the Council in this respect.

Agreed action

24. I recommended the Council paid £150 to Mr Y for the delay in paying housing benefit and council tax support between July 2014 and January 2015. The Council should also pay £50 for the enforcement agent letter sent on 28 July 2014. The Council has agreed.
25. I consider this recovery action could have been avoided if it were not for the delay in paying housing benefit and council tax support between 4 July 2014 and January 2015.

Final decision

26. The Council agrees with the remedy I have recommended, so I have completed my investigation and closed the complaint.

Parts of the complaint that I did not investigate

27. The Ombudsman cannot investigate a complaint if someone has appealed to a tribunal. (*Local Government Act 1974, section 26(6)(a)*). As Mr Y appealed regarding the Council's decision to refuse housing benefit on 6 June 2012, I cannot investigate this part of his complaint.
28. The law says the Ombudsman cannot normally investigate a complaint when someone can appeal to a tribunal. However, she may decide to investigate if she considers it would be unreasonable to expect the person to appeal. (*Local Government Act 1974, section 26(6)(a)*).
29. The Council decided to cancel Mr Y's claim from May 2012 (the Tribunal's decision on non commerciality) on 22 March 2014 because he did not provide the information it requested. Mr Y can appeal about this decision. I consider it would be reasonable to expect him to use this right of appeal. He should do this as soon as possible because there is a maximum time limit of 13 months to make an appeal. The tribunal must also be satisfied that there are good reasons for the appeal being late.

Investigator's decision on behalf of the Ombudsman

Agenda Item 17

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Agenda Item 18

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Agenda Item 19

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