



Shire Hall  
Westgate Street  
Gloucester  
GL1 2TG

Wednesday, 10 March 2021

## TO EACH MEMBER OF GLOUCESTER CITY COUNCIL

Dear Councillor

You are hereby summoned to attend a **MEETING OF THE COUNCIL** of the **CITY OF GLOUCESTER** to be held virtually via Microsoft Teams on **Thursday, 18th March 2021** at **6.30 pm** for the purpose of transacting the following business:

### AGENDA

#### VIEWING ARRANGEMENTS FOR REMOTE MEETINGS

View the meeting here: <https://bit.ly/3eqx7ed>

The meeting is being broadcast live using Microsoft Teams. We recommend that you install the Microsoft Teams app on your device for the best viewing experience. If viewing via a web browser, please note that this is not possible if using Safari; instead please download the Microsoft Teams app or the Microsoft Edge browser.

Further advice on accessing meetings through Teams, is available here:

<https://support.office.com/en-us/article/Attend-a-live-event-in-Teams-a1c7b989-ebb1-4479-b750-c86c9bc98d84>

#### 1. APOLOGIES

To receive any apologies for absence.

#### 2. MINUTES (Pages 9 - 20)

To approve as a correct record the minutes of the Council Meeting held on 25 February 2021.

#### 3. 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.

4. **CALL OVER**

- (a) Call over (items 9-16) will be read out at the meeting and Members invited to reserve the items for discussion.
- (b) To approve the recommendations of those reports which have not been reserved for discussion.

5. **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:

- 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.

6. **PETITIONS AND DEPUTATIONS (15 MINUTES)**

A period not exceeding three minutes is allowed for the presentation of a petition or deputation provided that no such petition or deputation is in relation to:

- Matters relating to individual Council Officers, or
- Matters relating to current or pending legal proceedings

7. **ANNOUNCEMENTS**

At the discretion of the Mayor, to receive the following extraordinary announcements, which will not be subject to a time limit:

- a) Presentation of Mayor's Medal to Hash Norat, in recognition of important and significant contributions to the City of Gloucester
- b) Announcement of recipients of Council awards recognising outstanding contributions to the pandemic response by the Cabinet Member for Communities for Communities and Neighbourhoods, with comments from Group Leaders
- c) Tributes to Councillors not seeking re-election on 6 May 2021 from Group Leaders

To receive announcements from (10 Minutes):

- a) The Mayor
- b) Leader of the Council
- c) Members of the Cabinet
- d) Chairs of Committees
- e) Head of Paid Service

8. **MEMBERS' QUESTION TIME**

- a) Leader and Cabinet Members' Question Time (30 minutes)

Any member of the Council may ask the Leader of the Council or any Cabinet Member any question without prior notice, upon:

- Any matter relating to the Council's administration
- Any matter relating to any report of the Cabinet appearing on the Council's summons
- A matter coming within their portfolio of responsibilities

Only one supplementary question is allowed per question.

c) Questions to Chairs of Meetings (15 Minutes)

### **ISSUES FOR DECISION BY COUNCIL**

**9. CULTURAL STRATEGY 5 YEAR UPDATE (Pages 21 - 60)**

To consider the report of the Cabinet Member for Culture and Leisure providing an overview of progress made against the Cultural Strategy for the period 2016 – 2020 and presenting the revised version of Gloucester's Cultural Vision & Strategy for the period 2021-2026.

**10. TREASURY MANAGEMENT STRATEGY (Pages 61 - 100)**

To consider the report of the Cabinet Member for Performance and Resources seeking approval of the Treasury Management Strategy, the prudential indicators and to note the Treasury activities.

**11. CAPITAL STRATEGY (Pages 101 - 112)**

To consider the report of the Cabinet Member for Performance and Resources seeking approval of the Capital Strategy 2021/22.

**12. PAY POLICY STATEMENT 2021-22 (Pages 113 - 124)**

To consider the report of the Cabinet Member for Performance and Resources seeking approval of the Council's Pay Policy Statement for 2021/22.

**13. REVISED GLOUCESTER LOCAL DEVELOPMENT SCHEME 2021-2023 (Pages 125 - 134)**

To consider the report of the Cabinet Member for Planning and Housing Strategy concerning the adoption of the Gloucester Local Development Scheme 2021-2023, which updates the timetable for the preparation and adoption of the Gloucester City Plan and Joint Core Strategy Review.

**14. THE SAINTBRIDGE RECREATION GROUND TRUST (Pages 135 - 140)**

To consider the report of the Managing Director concerning recommendations for the governance of the Saintbridge Recreation Ground Trust.

15. **ANNUAL REPORT OF THE OVERVIEW & SCRUTINY COMMITTEE (Pages 141 - 160)**

To receive the Annual Report of the Overview & Scrutiny Committee.

16. **ANNUAL REPORT OF THE AUDIT AND GOVERNANCE COMMITTEE (Pages 161 - 176)**

To receive the Annual Report of the Audit and Governance Committee.

**MOTIONS FROM MEMBERS**

17. **NOTICES OF MOTION**

**1. PROPOSED BY COUNCILLOR HILTON**

“This council notes that the Debenhams brand has been bought by Boohoo.

That all 124 stores across the country will close with the loss of 12,000 jobs as Boohoo relaunches Debenhams as an online-only retailer later this year.

That the Gloucester department store building is currently owned by Aviva who have put it up for sale.

There is speculation that the building has been sold, but as of the 3rd March a sale hasn't been confirmed by either a buyer or Aviva.

The previous day the leader of the council confirmed that he did not know whether the building had been sold.

The Debenhams department store is listed as a positive building within the city centre conservation area, though its service yard is regarded as a negative aspect off St Aldate Street.

The department store cannot be demolished without the council's consent.

This council agrees to work closely with the new owners to retain, restore and repurpose the building.

This council also confirms that it would oppose the demolition of the Debenhams building.”

**2. PROPOSED BY COUNCILLOR STEPHENS**

“Council notes that the Covid-19 vaccination programme is having a significant impact nationally in protecting people against Covid-19 and is greatly reducing the prevalence of the virus, lowering death rates and hospital admissions.

Council further notes that Gloucestershire has consistently been the highest performer nationally in terms of delivering the vaccine to its residents. This is due



to the excellent leadership of Sarah Scott and the public health team in the county, NHS and other frontline workers, and the vast army of volunteer helpers.

Council resolves:

1. To write to Sarah Scott expressing our gratitude to her and her team on the success of the vaccination programme in Gloucester (shire).
2. Records it thanks to the NHS staff, other frontline & public sector workers and volunteers involved in delivering the vaccine programme.”

### **3. PROPOSED BY COUNCILLOR PULLEN**

“Gloucester City Council and Gloucester City Homes own a number of garages across the city. There is currently a waiting list for the garages with residents having to wait many months or even years before being offered one. Many of the garages need significant repairs and are currently unable to be let because of this.

Garages are a useful asset and if used not only generate income but also provide a valued amenity for residents taking cars off the road, easing congestion, and freeing up on-street car parking spaces.

Council resolves:

1. To carry out an audit of all garages owned by both the council and Gloucester City Homes, detailing whether they are empty or vacant and the level of disrepair.
2. To introduce a comprehensive programme of refurbishment of the garages to bring them back into use.
3. To investigate alternative uses for the sites e.g., housing where the sites are considered unviable.
4. That a report be presented to Cabinet within 6 months setting out the result of the audit and a comprehensive action plan.”

### **4. PROPOSED BY COUNCILLOR FIELD**

“This council records its disappointment with the Conservative administration over its dreadful record in keeping our streets and open spaces clear of litter and flytipping.

Our litter bins are often left overflowing for far too long, because there are not enough litter bins and they are often emptied too infrequently.

Many of our open spaces and streets are blighted by litter that isn't cleared by our streetcare contractor unless councillors or members of the public personally report it.

This council notes that Ubico will take over the streetcare contract from Amey on 1<sup>st</sup> April 2022.

That both Ubico and Urbaser quoted for improved response times for dealing with deteriorations in cleansing standards.

We therefore call on the cabinet to carry out a root and branch review (in discussion with Amey and Ubico) of our litter bin provision and emptying regime to also include a review of the litter picking schedule of our public spaces, with the view of proposing a dramatic improvement in service delivery as a matter of urgency.”

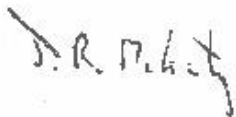
## **5. PROPOSED BY COUNCILLOR COOLE**

“Council resolves to begin the statutory process necessary to rename “Matson and Robinswood” ward as “Matson, Robinswood and White City” ward.”

## **18. WRITTEN QUESTIONS TO CABINET MEMBERS (Pages 177 - 188)**

Written questions and answers. Only one supplementary question is allowed per question.

Yours sincerely



**Jon McGinty**  
**Managing Director**

## 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**

Agendas and reports can be viewed on the Gloucester City Council website: [www.gloucester.gov.uk](http://www.gloucester.gov.uk) and are available to view five working days prior to the meeting date.

For enquiries about Gloucester City Council’s meetings please contact Democratic Services, 01452 396126, [democratic.services@gloucester.gov.uk](mailto:democratic.services@gloucester.gov.uk).

If you, or someone you know cannot understand English and need help with this information, or if you would like a large print, Braille, or audio version of this information please call 01452 396396.

#### **Recording of meetings**

Please be aware that meetings may be recorded. There is no requirement for those wishing to record proceedings to notify the Council in advance; however, as a courtesy, anyone wishing to do so is advised to make the Mayor aware before the meeting starts.



## COUNCIL

**MEETING** : Thursday, 25th February 2021

**PRESENT** : Cllrs. Haigh (Mayor), Lugg (Sheriff & Deputy Mayor), Cook, H. Norman, Gravells, Melvin, Morgan, Watkins, Hilton, Stephens, Tracey, Hanman, Lewis, Wilson, Bhaimia, Williams, D. Brown, Dee, Taylor, Field, Hansdot, Organ, Patel, Toleman, D. Norman, Pullen, Hampson, Brooker, Brazil, J. Brown, Coole, Finnegan, Hyman, Ryall, Walford and Bowkett

### Others in Attendance

Managing Director  
Corporate Director – Partnerships  
Corporate Director – Transformation  
Head of Communities  
Head of Cultural Services  
Head of Place  
Head of Policy and Resources  
Solicitor – One Legal  
Policy and Governance Manager  
Democratic and Electoral Services Team Leader

**APOLOGIES** : Cllr. Derbyshire

The Mayor informed Members of the sad news that former City and County Councillor Stephen McHale had recently passed away. Members paid tribute to his commitment to the community and to his kindness. A minute's silence was observed prior to the commencement of the meeting.

### 64. MINUTES

64.1 The minutes of the meeting held on 28 January 2021 were confirmed as a correct record.

### 65. DECLARATIONS OF INTEREST

65.1 Councillor Stephens declared a personal interest in the Final Budget Proposals by virtue of his wife's employment by the Gloucester Law Centre.

### 66. CALL OVER

66.1 Items 8 and 9 were not called over as each required a recorded vote in accordance with Regulation 2 of The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 and Council Procedure Rule 18.05.

**COUNCIL**  
**25.02.21**

**67. PUBLIC QUESTION TIME (15 MINUTES)**

- 67.1 An officer read out the following question to the Cabinet Member for Performance and Resources, Councillor Hannah Norman on behalf of a Gloucester resident:

Now we have some of our most vulnerable individuals thankfully in fixed temporary accommodation, will there be provision to get, through their support network, onto the electoral role to vote in our upcoming local elections.

- 67.2 Councillor Norman confirmed that if a person does not have a fixed or permanent address, they could still register to vote. In these circumstances, they could either give an address where they would be living if it were not for their living in temporary accommodation or an address where they had lived in the past. They could request a form to complete which would be posted to their temporary accommodation address with a pre-paid response envelope.

All residential addresses had recently received a letter informing them that there were upcoming elections and that if someone was not registered to vote, that they could contact the Council's elections team directly to register. Where there were staff employed at an address to support the residents, they could also contact the Council to inform us of individuals who are not registered.

- 67.3 An officer read out the following question to the Cabinet Member for Communities and Neighbourhoods, Councillor Watkins, on behalf of the same Gloucester resident:

With the forthcoming local elections approaching I would like to ask the council as a resident and Unite Community member of Gloucester if they would support our motion that:

"Everyone is entitled to live in a warm, safe environment and live without fear in their own home"

- 67.4 Councillor Watkins noted that housing was a primary concern for the Council as a statutory obligation and that there was both a legal and moral need to ensure that residents had access to a safe and healthy environment. It was a complex challenge for both the Council and the individuals concerned which required a tailored approach to access housing and sustain tenancies. Councillor Watkins praised and thanked members of the housing team who had achieved so much in a particularly challenging year and encouraged the resident to consider the five year Housing, Homelessness and Rough Sleeping Strategy.

**68. PETITIONS AND DEPUTATIONS (15 MINUTES)**

- 68.1 There were no petitions or deputations.

**69. ANNOUNCEMENTS**

**The Mayor**

- 69.1 The Mayor announced that the Civic Service would take place on 22 May. She also announced that she would be attending a service to commemorate the Battle of Imjin on 25 April. It would be a small private gathering and she expressed her hope that there would be a significant public event later in the year.

**COUNCIL**  
**25.02.21**

- 69.2 The Mayor informed Members that she had attended the planting of the tree of life on 19 February to commemorate victims of HIV/AIDS.

**Leader of the Council**

- 69.3 Councillor Cook, the Leader of the Council, stated that it was good news that Covid infection rates across the City were significantly lower than they had been previously. He had written to Gloucestershire's director of public health to express his thanks for their work. He also paid tribute to the public for their following the guidance.
- 69.4 Councillor Cook congratulated Councillor Taylor and his wife on the recent birth of their child.

**Members of the Cabinet**

- 69.5 The Cabinet Member for Planning and Housing Strategy, Councillor Gravells, announced that on the Monday just past, planners had submitted a bid to MCHLG to be part of a good design pilot.
- 69.6 The Cabinet Member for Culture and Leisure, Councillor Morgan informed Members that the first meeting of the marketing steering group had recently taken place. He also announced that, due to Covid restrictions, the Tall Ships Festival had been postponed and that other options were being considered.

**Chairs of Committees**

- 69.7 The Chair of the Overview and Scrutiny Committee, Councillor Coole, informed Members that a special meeting of the Committee would take place on Wednesday 3 March to examine proposals for a new waste contract.

**70. FINAL BUDGET PROPOSALS (INCLUDING MONEY PLAN AND CAPITAL PROGRAMME)**

- 70.1 The Leader of the Council, Councillor Cook moved and the Deputy Leader and Cabinet Member for Performance and Resources, Councillor Hannah Norman, seconded the Budget Proposals for 2021/22 which incorporated proposals made by the Lib Dem Group and the Labour Group.
- 70.2 Councillor Cook thanked Cabinet colleagues, particularly the Cabinet Member for Performance and Resources, for their hard work on the budget proposals. He also thanked senior officers, particularly the Head of Policy and Resources for their efforts in formulating the proposals as well as staff from across the Council in advance for the work that lies ahead in delivering them.
- 70.3 Councillor Cook commented that much of 2020 had been dominated by the Covid-19 pandemic and the response to it. Due to prudent decision making, in previous years the administration had not needed to make savings. The pandemic, however, had brought devastation on lives and livelihoods, businesses and the economy, health and general wellbeing and damaged financial stability and it was no longer possible to operate without making some savings. This was despite there being large levels of support offered by Central Government.
- 70.4 Councillor Cook commended Amey and their staff who had largely kept up the delivery of waste, recycling and grounds maintenance services throughout the

## **COUNCIL 25.02.21**

pandemic. They had been innovative in ensuring their staff were protected from the pandemic as far as was possible while performing their jobs

70.5 Councillor Cook also outlined a number of achievements the Council had accomplished in the past year, including:

- The acquisition of St Oswalds enabled options for the authority to proceed with a housing scheme;
- The purchase of the Eastgate shopping centre removed a lease liability for the council as well as presenting long term improvement opportunities for the city centre by changing the mix of uses;
- Regeneration was accelerating at pace all around the City.. Work on Kings Square continued apace and the High Street Heritage Action Zone had already commenced work and identified a number of projects to work on. Historic England was impressed with the speed and range of the projects that they were looking to identify further funds so that the Council could increase the speed and scope of the project. Long awaited improvements to the railway station, including new car park exits and improvements to the underpass and the station façade would be commencing shortly. Additionally, work had commenced on the remaining development of the Barbican site for student accommodation with a target completion date of summer 2022.
- The City Council responded quickly and decisively to the economic crisis caused by the pandemic lockdown. A new Cabinet portfolio was created to focus on Economic Recovery. A task force was formed comprising businesses and the key agencies to coordinate activities and had met on a monthly basis since.
- The Council had seen the benefits the IT investment. The pandemic had caused the entire council to need to work from home. The previous investment in IT – equipment and software enabled the council to be ready to meet that challenge. Proactive transformation investment meant that the Council was better prepared than a number of others.
- The past year had been an enormous challenge for the authority to meet the needs of the most vulnerable experiencing homelessness during a pandemic. The administration worked cross party in the production and delivery of the new Housing, Homelessness and Rough Sleeping Strategy in 2020.
- The Council had led successfully on the Next Steps Accommodation Programme application for the whole of the County securing £3.8m funding to deliver 51 new homes and support for single homeless households, of which £1.9m was being invested in Gloucester with homes available imminently.
- The Culture and Leisure portfolio had risen to the challenges of Covid 19 since March 2020 with enthusiasm and innovation. So much of what was achieved was as a result of working closely with various partners, such as Gloucester Culture Trust, and being able to embrace new ways of delivering benefits to communities across Gloucester. The Festivals and Events team were also very active in working with a number of partners to bring the ‘Of Earth and Sky’ artwork by renowned artist Luke Jerram to Gloucester - a significant first for Gloucester which attracted considerable interest.



## COUNCIL 25.02.21

- A comprehensive climate change road map has been produced by the Council, including Gloucester City hosting a county-wide climate change role, due to the Council's credentials and ability. The road map identified quick gains some of which we are already undertaking, such as: PhotoVoltaics on council buildings, Electric cars/bikes/scooters, EV charging points, tree planting projects as well as flood management projects.
- 70.6 In looking forward to the 2021/22 budget and beyond, the financial environment were operating in continued to be difficult. Over the last 7 years the council had achieved cumulative savings of £5.5m which had been undertaken whilst also generating additional income for the Council.
- 70.7 The administration proposed to increase the Council Tax for a Band D property by £5 per year which equates to 2.48%. The average increase since the council had had a Conservative administration in 2004 was 2.3% compared to the average of 10% a year for the previous 10 years when the opposition parties ran the City Council.
- 70.8 Councillor Cook stated that the Administration he led was prudent in nature, as custodians of Gloucester City Council and it being their public duty to ensure the Council could successfully operate for the benefit of all residents. He advised that the Administration did not seek to spend every penny of windfall cash, despite the obvious political benefits of doing so in an election year. He stated that there were risks in the future and it was necessary to ensure that the Council's finances were secure.
- 70.9 Councillor Cook advised that proposed revisions from opposition groups to freeze the planned increase in parking charges had been accepted. It had also been agreed that web casting the Council's meetings would be progressed. A compromise position with the Labour Group's proposal on Member grants had also been accepted.
- 70.10 In seconding the motion, Councillor Hannah Norman outlined further detail in the draft budget and Money Plan.
- 70.11 Councillor Norman stated that local government finance continued to have a difficult financial outlook, considering the continuing Covid-19 pandemic. The budget and Money Plan had been generated with prudent principles and using the best assumption on future central government changes to Business Rates baselines, New Homes Bonus and the impact of the pending three-year Fair Funding review. In December 2020, a one year settlement was detailed by Central Government which included, for Gloucester, a Lower Tier Services Grant of £157k for 2021/22 and an additional one-off New Homes Bonus of £608k.
- 70.12 The impact of COVID-19 and several cost pressures within the Council's budget had unfortunately returned the Council to the position of having to find further efficiencies and savings in both 2021/22 and 2022/23, although Gloucester City was in a better position than many other second-tier authorities.
- 70.13 In regard to her own Performance and Resources portfolio, Councillor Norman advised that the following savings or income generation had been identified:
- Reduction in the number of pool vehicles
  - Reduction in the HR shared service agreement
  - Transition of Castlemeads to a 7 day a week car park
  - And a review of the corporate management function of the council

**COUNCIL**  
**25.02.21**

- 70.14 Councillor Norman advised that, as part of the Chancellor's announcement on 4 September 2019, Council Tax could only increase by 2% or £5 annually for second tier authorities without referendum and hence, £5 was assumed annually within this plan. She further advised that details on council tax and assumptions on inflation could be found in the report. Councillor Norman informed Members that Council Tax and business rates returns (also known as the collection fund) was expected to experience a significant impact, which the council may need to manage over the first three years of the money plan.
- 70.15 Whilst in recent years, the Council had built up its earmarked reserves to a more acceptable level these reserves would be drawn upon, however, to support the expected reset of the business rates during the life of the money plan. Councillor Norman advised it was important that the Council maintained the estimated £1 million which would be required to manage the implications of the reset. Further, Councillor Norman stated that the Money Plan also ensured that the General Fund balance would not reduce to less than £1.325m and would increase to £1.536m by the end of the plan.
- 70.16 Councillor Norman outlined that a consultation on the council budget occurred throughout December and January and 305 responses were received – a summary of which could be found at Appendix 7 showing that the top five priorities identified were:
- Waste Collection and Recycling
  - Street Cleaning and Litter Collection
  - Environmental Health
  - Parks Play Areas & Open Spaces
  - Land Drainage & Flood Protection
- 70.17 In closing, Councillor Norman thanked officers within the finance team led by the S. 151 Officer for their hard work in generating the budget and Money Plan, especially whilst managing the financial pressures that Covid-19 had placed on the council.
- 70.18 Following the acceptance of proposals by the Liberal Democrat Group, Councillor Hilton moved and Councillor Wilson seconded the following amendments:
- Amendment 1 – Freeze the council tax for one year**
- Cost £190,560 paid for by maintaining balances at £1,408,000 providing a contribution of £123,000 to freezing the council tax and reducing the new (£600,000) budget equalising fund to £532,440 providing a further contribution £67,560 to fully fund the council tax freeze.
- Amendment 2 – Freeze garden waste collection charges for one year**
- Cost £40,000 paid for by reducing the (£900,000) Environmental Reserve to £860,000 providing a contribution of £40,000 to fund the freeze in garden waste collection charges.
- 70.19 Councillor Hilton thanked the finance team for assisting in providing information relevant to the drawing up on the amendments.
- 70.20 Councillor Hilton stated that given the projected levels of reserves and a future general fund balance, the amendments were affordable and that there would be no need for cuts to Council services. He outlined that the Liberal Democrat proposals

**COUNCIL**  
**25.02.21**

would mean a 0% rise in Council Tax for one year while the administration proposed a 2.5% rise.

- 70.21 Councillor Hilton also outlined that freezing garden waste charges was within the tolerance of the draft budget as tabled. He stated that, were there to be a Liberal Democrat budget, there would be further examination of the financing of Council services as well as further proposals for income generation in the City.
- 70.22 Councillor Wilson stated that many residents were seeing their income squeezed through furlough, redundancies and higher prices due to trade barriers which were not in place prior to the UK's departure from the European Single Market and Customs Union. He further stated that inflation was projected to be at 0.7% in the next financial year and that the proposed increase in Council Tax was more than three times this figure. Councillor Wilson shared his view that some of the recent funds received from Central Government be used to offset the proposed rise as so many residents were in a worse financial state than they were at the same point last year.
- 70.23 In relation to the amendment on freezing garden waste charges, Councillor Wilson stated that there was a need to increase uptake of the service and increasing the cost would likely not achieve this. He suggested that this was not the time to introduce such a measure.
- 70.24 Councillor Stephens indicated that the Labour Group would support both amendments with reservations due to the uncertainty of the position in six years time. With particular regard to the amendment on freezing garden waste charges, Councillor Stephens noted that the Council had committed to action to tackle climate change and that to increase charges would be contrary to this aim.
- 70.25 In relation to the proposed amendment to freeze Council Tax, Councillor Hannah Norman advised that if Council Tax was frozen for one year, it would have a cumulative impact of nearly £1m. This income gap would need to be resolved at some later stage and that lobbying efforts would be undermined by freezing Council Tax. She noted that Central Government had provided generous support packages for businesses and citizens across the country including rates relief, government backed loans and the furlough scheme.
- 70.26 Councillor Cook spoke specifically against the proposed amendment to freeze garden waste charges. He advised that there had been increasing costs and, whilst take up of the service had improved, it had not grown at a rate to achieve self-sufficiency. Due to collection difficulties during the first lockdown, a four month moratorium on renewal had been offered and charges had not been increased for three years.
- 70.27 Councillor Coole stated that the proposed increase in Council Tax was not sustainable for the future and that a fair settlement for councils was necessary. They further stated that the inherent nature of how Council Tax rates were calculated was outdated.
- 70.29 Councillor Hyman informed Members that a number of households in his ward had their garden waste service removed due to vehicles not being able to access properties but that a provider had stated that this could be resolved. He queried why this had not been followed up given the income that could be generated through these households.
- 70.30 Both amendments were put to the vote and were lost.

**COUNCIL**  
**25.02.21**

70.31 Following the acceptance of proposals by the Labour Group, Councillor Stephens moved and Councillor Pullen seconded the following amendments:

**Additional Borrowing Approval – Housing** **£'s**

1. <b>Private Sector Housing Acquisition Fund</b> to provide temporary accommodation for homeless households	5,000,000
2. <b>Social Housing Investment Fund</b> Provision of new social housing in partnership with registered social landlords	<u>20,000,000</u>
<b>Total Cost</b>	<b><u>25,000,000</u></b>

**Revenue Budget one-off amendments**

1. <b>Creation of new Council owned Housing Development Company</b>	10,000
2. <b>Enhanced fly-tipping and enforcement scheme:</b> 1 year pilot targeted at Barton & Tredworth, Kingsholm, Moreland & Westgate wards	
1.5 x Enforcement Officer (Grade F)	56,500
0.5 x Education Officer (Grade E)	16,500
4 x CCTV portable units (RDC)	10,000
Sundry costs promotional/ educational Materials.	27,500
Total Costs	110,500
3. <b>Voluntary Sector Covid Recovery Fund</b>	100,000
<b>Total costs</b>	<b><u>220,500</u></b>

**Reverse proposed cuts to budget**

1. Delete proposed reduction in member grant allocation	<u>19,000</u>
	<b><u>19,000</u></b>
<b>TOTAL COSTS</b>	<b><u>239,500</u></b>

**Financing**

The proposed new borrowing approvals for housing projects do not have a direct effect on the budget. All housing projects will be subject to due diligence, with agreed sustainable financial strategy that ensures they are self-financing.

70.32 Councillor Stephens outlined the amendments and thanked the administration for revising the budget to not increase parking charges and to proceed with live streaming meetings of the Council.

70.33 Councillor Stephens noted that the Conservative Group had been the administration for over a decade. He submitted that, during that time, the Conservatives had

**COUNCIL**  
**25.02.21**

presided over cuts amounting to £12m due to the policy of austerity, more than 100 jobs had been lost, services had deteriorated and that more cuts were planned.

- 70.34 In relation to the Covid-19 pandemic, Councillor Stephens stated that Central Government had said to local Councils to spend whatever it took to maintain services and support and that this would be reimbursed. He stated that the government had reneged on this and that councils would not be fully reimbursed for additional expenditure and lost income.
- 70.35 Councillor Stephens stated that the Labour Group brought the same amendments as the previous year as the problems they sought to address persisted. He further stated that, whilst there had been some success in tackling homelessness in the City, the Council was too reliant on bed and breakfast accommodation. Setting up a Housing Development Company would seek to address this. He cited examples from other parts of the country which had instigated a similar vehicle.
- 70.36 Councillor Stephens stated that not enough was being done to tackle flytipping and that this had increased during lockdown. He shared his view that the proposed amendment would do more to alleviate this issue. It would enable officers to take appropriate action to identify and deal accordingly with perpetrators of flytipping.
- 70.37 Councillor Stephens stated, in relation to the proposed amendment on a covid recovery fund for the voluntary sector, that he did not want to see any voluntary organisation cease operations because of funding issues. He further stated that, given the good work such organisations had done through the pandemic, it was right that the Council now support them. Councillor Stephens also shared his view that to reduce the Members' grant funding for local organisations would do damage to Members' work with communities.
- 70.38 Councillor Hilton indicated that the Liberal Democrat Group would abstain on borrowing for a housing development company and would support the remaining proposed amendments on the enhanced flytipping and enforcement scheme and the voluntary sector covid recovery fund.
- 70.39 Councillor Watkins stated that the Conservative Group would not support the proposed amendments. She stated that it was a previous Labour government's actions which had made austerity necessary. As good progress had been made on housing and homelessness, it was not an immediate priority to source additional temporary accommodation particularly as accommodation was coming online shortly. In relation to funding for the voluntary and community sector, Councillor Watkins highlighted that significant funds had already been made available through the County Council.
- 70.40 Councillor Pullen stated that the proposed amendment related to housing was about providing safe and secure homes. With regard to enhanced flytipping enforcement, he recounted a number of occasions where flytipping had been reported but that there was persistent offending. He stated that high quality CCTV would act as a deterrent.
- 70.41 Councillor Pullen stated that during lockdown, the voluntary sector had done an excellent job in supporting communities and that it was appropriate to assist such organisations to get back on their feet to function as they normally would have done but for lockdown.

**COUNCIL  
25.02.21**

70.42 Five Members of the Labour Group called for a recorded vote on the Enhanced fly-tipping and enforcement scheme amendment. The votes were as follows:

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTENTION</b>
Haigh Lugg	Cook H. Norman Gravells Melvin Morgan Watkins	
Hilton Stephens	Tracey Hanman Lewis	
Wilson Bhaimia	Williams	
D. Brown	Dee Taylor	
Field Hansdot	Organ Patel Toleman D. Norman	
Pullen Hampson	Brooker	
Brazil J. Brown Coole Hyman Ryall	Walford	
Bowkett		
<b>(17)</b>	<b>(18)</b>	

70.43 All amendments were lost.

70.44 In debating the proposed budget as a whole, Councillor Stephens clarified that he had raised the matter of social rent during discussions related to the City Plan. He noted that Councillor Watkins had stated that increasing the supply of temporary accommodation was not a priority but that once the ban on evictions expired, there would be a number of residents presenting as homeless or at risk of homelessness. Councillor Stephens also queried the suggestion that there was no need to have enhanced flytipping enforcement when there had been no improvement over the past year.

70.45 The Final Budget Proposals (including the Money Plan and Capital Programme) was put to a recorded vote and the votes were as follows:

**COUNCIL  
25.02.21**

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTENTION</b>
Cook H. Norman Gravells Melvin Morgan Watkins	Haigh Lugg	
Tracey Hanman Lewis	Hilton Stephens	
Williams	Wilson Bhaimia	
Dee Taylor	D. Brown	
Organ Patel Toleman D. Norman	Field Hansdot	
Brooker	Pullen Hampson	
Finnegan	Brazil J. Brown Coole	
Walford	Hyman Ryall	
	Bowkett	
<b>(19)</b>	<b>(17)</b>	

70.46 **RESOLVED that: -**

- (1) The proposals for the 2021/22 budget included in the revised report be approved; and
- (2) It be noted that consultation has been undertaken on budget proposals.

**COUNCIL  
25.02.21**

**71. COUNCIL TAX SETTING 2021/22**

71.1 Councillor Cook moved and Councillor Hannah Norman seconded the motion.

71.2 Councillor Hilton indicated that the Liberal Democrat Group would vote in favour of the motion as a matter of procedure.

71.3 A recorded vote was taken and the votes were as follows:

<b>FOR</b>	<b>AGAINST</b>	<b>ABSTENTION</b>
Haigh		
Lugg		
Cook		
H. Norman		
Gravells		
Melvin		
Morgan		
Watkins		
Hilton		
Stephens		
Tracey		
Hanman		
Lewis		
Wilson		
Bhaimia		
Williams		
D. Brown		
Dee		
Taylor		
Field		
Hansdot		
Patel		
Toleman		
D. Norman		
Pullen		
Hampson		
Brooker		
Brazil		
J. Brown		
Coole		
Hyman		
Ryall		
Walford		
Bowkett		

**72. NOTICES OF MOTION**

72.1 There were no notices of motion.

**Time of commencement: 6.00 pm hours**

**Time of conclusion: 8.25 pm hours**

**Chair**





<b>Meeting:</b>	<b>Cabinet Council</b>	<b>Date:</b>	<b>10 March 2021 18 March 2021</b>
<b>Subject:</b>	<b>Cultural Strategy 5 Year Update</b>		
<b>Report Of:</b>	<b>Cabinet Member for Culture and Leisure</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Philip Walker, Head of Culture</b>		
	<b>Email: Philip.walker@gloucester.gov.uk</b>	<b>Tel:</b>	<b>39-6355</b>
<b>Appendices:</b>	<b>1. Gloucester’s Cultural Vision and Strategy Revised (2021-26)</b> <b>2. Changes to the Original Strategy</b> <b>3. Gloucester’s Cultural Vision and Strategy 2016-2026</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

- 1.1 To provide an overview of progress made against the Cultural Strategy for the period 2016-2020.
- 1.2 To present the revised version of Gloucester’s Cultural Vision & Strategy for the period 2021-2026.

**2.0 Recommendations**

- 2.1 Cabinet is asked to **RESOLVE** that:
  - (1) the report is accepted and progress against the objectives and actions noted
  - (2) the changes to the original strategy are noted
  - (3) the updated Cultural Strategy for the next five years is accepted and recommended to Council for adoption.
- 2.2 Council is asked to **RESOLVE** that the revised Cultural Strategy is welcomed and adopted.

**3.0 Background and Key Issues**

**3.1 Need for a Cultural Strategy for Gloucester**

In 2015, the Council with a group of individuals and organisations including Gloucester Cathedral, University of Gloucestershire and Arts Council South West took on a

consultant, Nick Dodds of FEI to help develop a Cultural Strategy. The work of the Consultant was part-funded by the Arts Council England (ACE). Extensive consultation with stakeholders and citizens resulted in the production of **Gloucester's Vision and Strategy for Culture 2016 – 2026** (Appendix 3). This strategy was endorsed by Arts Council England's SW Regional Director (Phil Gibby) and the Cabinet Member for Culture and Leisure (Councillor Lise Noakes) who jointly provided the foreword to introduce the strategy. The strategy was formally adopted by the council in March 2016.

### **3.2 The vision for the strategy was;**

***Putting Culture at the Heart Of Gloucester for the Good of All. We are committed to making Gloucester a better place to live, work and play by engaging and empowering local communities and leaders to transform the city. Gloucester will be known for its distinctive culture; which will be innovative and excellent, quirky and edgy, diverse and community-based with a strong focus on young people.***

The strategy identified 6 key objectives and 20 actions to deliver the objectives.

The initial 6 objectives were to;

1. Develop artists and arts organisations so as to build the cultural and creative industries.
2. Broaden the cultural offer to support social and economic development.
3. Develop a vibrant city centre full of cultural activity and things to do.
4. Develop audiences who enjoy the new cultural opportunities being created.
5. Put Gloucester on the cultural map by developing high profile events.
6. Make things happen to continue the momentum for change.

### **3.3 The establishment of Gloucester Culture Trust**

The initial strategy identified the need for a Culture Board which began on an informal basis and consisted of representatives of the local authority, the University of Gloucester, Gloucester Cathedral and others. In order to deliver the strategy, Gloucester City Council made a bold and distinctive move: and acted to devolve the strategic delivery to an independent body and so Gloucester Culture Trust (GCT) was established in 2016 as an independent charitable incorporated organization (registered charity number 1177489). [www.gloucesterculture.org.uk](http://www.gloucesterculture.org.uk) . This was one of the key actions identified in the original strategy. The Culture Trust has been the driving force to ensure that the actions and objectives of the cultural strategy are met.

### **3.4 Reporting on progress**

The Cultural Strategy is a strategy for the whole city, not just the City Council and is delivered in partnership with GCT and others. Since GCT was established the council and GCT have worked closely to ensure that progress could be monitored and actions progressed. Progress is reported both to the city council (bi-annually) and the GCT board (quarterly) to ensure that the city council, GCT and partners jointly hold accountability for the successful delivery of the strategy.

### **3.5 Key Achievements in 2016 -2020**

Much has been done to progress the actions in the cultural strategy between 2016 and 2020 - which has helped to deliver the vision of putting culture at the heart of Gloucester

for the good of all. The objectives are being delivered by having a focused strategy, clearly identified resource, leadership and ambition from the Culture Trust and the city council. It has been achieved through funding and commitment from other partners across the city and beyond - resulting in a city where culture connects and enables people and culture is championed. Some of these achievements include;

- Establishment of **Gloucester Culture Trust**
- Gloucester success in winning Arts Council/ National Lottery Heritage Fund/ Historic England **Great Place funding of £1.49m** to deliver a £3.1m, seven-strand, Great Place Programme 2017-2021. Managed by Gloucester Culture Trust, this has funded more than 30 arts and heritage organisations and initiatives over the past four years; hundreds of artists and creative entrepreneurs have been supported through commissions, training, mentoring and performance fees.
- **Successful delivery of the Great Place** programme. The independent evaluator noted: “Changing the cultural landscape of a city is a long-term endeavour and Gloucester has made exceptional progress in a short amount of time.”
- **Increase of inward investment** into the city’s cultural development, in addition to Great Place – including an exceptional £500,000 grant from **Paul Hamlyn Foundation** to support investment in young people as participants, emerging artists, performers, producers and audiences.
- **Partnership** with the Roundhouse London – **Gloucester Roundhouse Exchange**
- Significant financial and professional support of artists and organisations, festivals and events – including Strike A Light, GL4, Culture Matson and more
- The development of **Kings House** into a cultural hub with JOLT studios providing artists studios in central Gloucester and a home for The Music Works – whose mission is to transform young lives through music, from first access to talent development opportunities.
- **Strategic commissioning** and partnership development to bring popular, high quality creative projects to the city (eg. Of Earth and Sky – which raised an additional £1.60 for every £1 invested by Gloucester City Council)
- Commissioning a well-received and insightful **Cultural Venues Demand Analysis report** (AEA report) which sets out a practical roadmap of what Gloucester needs to do if it wants a successful, sustainable, 1,000+ capacity venue in the city
- Systemic growth and development of the **Gloucester History Festival** as a signature event in the City’s calendar and support and development for **Tall Ships, Carnival, Gloucester Goes Retro, Rooftop Festival and Kings Jam**. This investment represented 23% of the Great Place budget, as well as significant match funding from a range of grants and earned income.
- Gloucester’s first ten-year **Heritage Strategy** written and greater collaboration between heritage organisations as seen through the city-wide Looking Up programme in 2020, and an active Heritage Forum
- Gloucester Volunteer Scheme – **Engage in Gloucester** created and hosted by Gloucester Culture Trust as a hub for volunteering – aimed to diversify and pool opportunities for volunteers across the city’s arts, heritage venues and cultural organisations. The site hosted average of 150 volunteering opportunities at any one time (before lock-down; 54 during Summer 2020 lockdown). As at June 2020, there were eight organisations and 353 open individual accounts on the site: 68% female, 30% male; 66% GL1 postcodes; and 51% of individuals were under 30 – a remarkable shift in diversifying volunteering for arts and heritage.
- **Community arts** organisations supported – including Culture Matson and GL4

- **Health and well-being** of families supported during national lockdowns through co-ordination and distribution of art and well-being packs to communities. 1,500 being distributed through to February 2021, coordinated by Gloucester Culture Trust, supported by Museum of Gloucester and Gloucester Community Building Collective and funded through Barnwood Trust, We Can Move and Gloucestershire County Council, with contributions from many creative and activity partners.
- Contribution to the city's **Cultural and Visitor Economy recovery** activity

### 3.6 The case for updating the strategy at the half-way point

By 2020, the incoming Head of Cultural Services identified that whilst the Vision and Objectives were still relevant, many of the actions stated in the original strategy were either completed or no longer relevant. In addition, the landscape of Gloucester had changed and was continuing to change with major developments in the city centre – the cultural strategy needed to be updated to reflect these changes as well as the wider societal changes. With little mention nor reference to other strategies and policies such as the environment, the strategy the document needed some refinement and updating.

### 3.7 Process to revise the strategy

It was agreed that the GCT Board of Trustees would undertake a review of the Cultural Strategy at its Away Day for staff and trustees in October 2020 which was to be facilitated by an external consultant, the same person who had worked with the council and others on the Strategy in 2015. GCT then brought back suggestions to a joint strategy working group of city council and GCT members who have held several meetings to develop the final draft of the updated strategy. Part of the process has been for Philip Walker, Head of Cultural Services and Hollie Smith-Charles, CEO of GCT to lead a consultation with a diverse group of people. Over 100 people from across Gloucester and beyond participated in consultations on a new set of actions and one new objective via a series of four focused (virtual) sessions and an online questionnaire. The survey and virtual consultation sessions were open to all. The results of this consultation told us that the strategy was on the right tracks, that the additional objective to embed culture within other city strategies was supported, that there should be a continued focus on young people and that the strategy should ensure representation from Gloucester's diverse communities. The proposed updated version **Gloucester's Cultural Vision and Strategy Revised (2021-26)** is at Appendix 1.

### 3.8 The changes made to the original strategy

The initial six objectives (as above in para 3.2) are now updated in the revised strategy to the following eight objectives:

1. Embed culture in the city's future plans. **(New objective)**
2. Build the cultural and creative industries by developing artists and arts organisations. **(Reworded from;** Develop artists and arts organisations so as to build the cultural and creative industries)
3. Broaden the cultural offer to support social and economic development. **(Unchanged)**
4. Develop a vibrant city centre full of cultural activity and things to do. **(Unchanged)**
5. Develop audiences for all the cultural opportunities being created. **(Reworded from:** Develop audiences who enjoy the new cultural opportunities being created).

6. Put Gloucester on the cultural map by developing high profile events. (Unchanged)
7. Make things happen to continue the momentum for change. (Unchanged)
8. Empower young people to create, experience and participate in culture (New objective)

Changes made to the detailed list of actions associated with the Objective are shown in Appendix 2.

### 3.9 New objectives

**3.10 The new objective 1** is to; *Embed culture in the city's future plans* with the aim being to “ensure cultural policy runs through the heart of the city's wider strategies, recognising the role of arts, heritage and creativity as fundamental drivers of Gloucester's economic, social and community development, as well as health and wellbeing – especially in post-COVID recovery plans.”

The proposed two new actions linked to the new Objective 1 are to;

1. Integrate this Cultural Strategy into the city's future plans for regeneration, environmental sustainability, place-making and community well-being.
2. Work with the city's artists, arts and heritage organisations to integrate environmental sustainability into cultural planning and delivery, and to use creative activity to support and promote a green agenda.

**3.11 The new objective 8** is to: *Empower young people to create, experience and participate in culture* and has the following 3 associated actions;

1. Support young people to develop skills and leadership in arts and cultural production – identifying and providing training opportunities
2. Amplify the voices of young people, through encouraging youth-led publications, support on Youth boards and more widely
3. Ensure there are opportunities for young people to participate in and create culture, through supporting, marketing and investing in youth-led programming

### 3.12 Responsibility for delivery of the revised strategy

There is significant strategic advantage in continuing to devolve delivery of the actions and outcomes set out in the strategy to a broad coalition of engaged partners led and co-ordinated by GCT. This arrangement helps to pool resource, energy, expertise and experience and, whilst possibly not unique, is noticeably rare and is being watched, commended and supported by key funders and potential partners. The city council has a critical role to play in supporting this strategic devolvement; providing or enabling much of the cultural infrastructure; ensuring the right level of support is provided and the conditions are created in order for culture to thrive. A Cultural Strategy working group consisting of members of GCT and GCC will develop an action plan and track progress against this.

## **4.0 Social Value Considerations**

- 4.1 Social value is integral to the delivery of the Cultural Strategy and this will continue to be a focus for the strategy in future. Culture and cultural activity in the city can provide far-reaching benefits to citizens' health, well-being, skills and help develop social cohesion and a sense of place. Cultural participation in activities such as events and festivals can bring disparate communities together to celebrate and collaborate.
- 4.2 A residents survey, which garnered a statistically valid response, with respondents from every ward – and helps us understand local residents' views has shown that 6% of residents feel that there is more to do than in previous years and 7% feel that the city's festivals, arts and culture make Gloucester a better place to live, resulting in an increased (+9%) level of pride in the city.
- 4.3 The updated strategy aims to increase participation in the cultural life of the city – from all areas and communities. A continued focus upon young people and the development of young people as cultural leaders is a central aim of the strategy.
- 4.4 There is an additional ambition to ensure that there is greater representation from diverse communities (BAME, young people, older people and disabled people) both producing and consuming culture in the city. The new objective to embed culture within the city's plans will include connecting where relevant to the work being undertaken by the Race Equality Commission and making links with others within the Voluntary Community Sector.

## **5.0 Environmental Implications**

- 5.1 The original Cultural Strategy does not reference environment nor climate change. The updated version includes actions linked to the environment and a new strategic objective. The inclusion of this within the strategy should ensure that culture plays its role in combatting the climate emergency.

## **6.0 Alternative Options Considered**

- 6.1 The original cultural strategy (2016-26) is still a functioning strategy and could be left unchanged for the remainder of the 10-year period, however, it will become increasingly out of date. There is a small risk of reputational damage with this approach. The larger risk is that an up-to-date strategy will be required in order to field successful bids for the government funding schemes such as the Cultural Development Fund (CDF) and other cultural funding schemes the city may wish to apply for.

## **7.0 Reasons for Recommendations**

- 7.1 The current Cultural Strategy (2016-2026) is half-way through the 10-year period. Significant progress has been made, but changes have occurred that require the Strategy to be updated and refreshed.

7.2 There is little reference to the environment in the original strategy, and other city strategies have been published since 2016, so these also need to be taken into account and referenced where relevant.

7.3 Outdated or completed actions could be removed and/or replaced with new actions relevant to the next 5 years.

## **8.0 Future Work and Conclusions**

8.1 Publish a revised and updated Cultural Vision and Strategy action plan for 2021 – 2026 by end March 2021.

8.2 GCT and the council will regularly review and report on progress against the action plan.

## **9.0 Financial Implications**

9.1 By having a cultural strategy in place has supported the case for investment and funding from strategic bodies including Arts Council England, Historic England, Paul Hamlyn Foundation and other trusts, foundations and businesses investing in Gloucester.

9.2 The city council's cultural budgets are used to deliver services that support the cultural strategy and any additional budget required will be sought from external funding bodies, such as those mentioned above – and by working in partnerships and collaboratively across the city.

## **10.0 Legal Implications**

10.1 The delivery of the objectives of the Cultural Strategy 2016-2026 are the responsibility of the Council and its partners. Any collaboration or new delivery models with outside bodies will need to ensure compliance with relevant legislative requirements and the Council's Contract Rules.

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

## **11.0 Risk & Opportunity Management Implications**

11.1 Risks of not renewing the Strategy – Low-Medium in terms of operations. The strategy is still operable, but there is a low-level reputational risk of not renewing this. GCT has strong governance and leadership and has a good and growing reputation with stakeholders nationally and regionally, as well as within the city.

11.2 Risk of not renewing the Strategy – Medium to High in terms of attracting additional funding. There is a medium-to-high risk that the city will fail in attempts to draw external funding and will be at a disadvantage if it does not update its cultural strategy to ensure ongoing relevance and for the city to continue to demonstrate progress, ambition and commitment.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

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

### **13.0 Community Safety Implications**

13.1 None

### **14.0 Staffing & Trade Union Implications**

14.1 None

**Background Documents:** Gloucester's Cultural Vision and Strategy 2016 – 2026  
<https://www.gloucester.gov.uk/media/1372/cultural-strategy.pdf>



# UPDATE TO GLOUCESTER'S CULTURAL VISION & STRATEGY, 2021-2026

GLOUCESTER CULTURE TRUST  
GLOUCESTER CITY COUNCIL







**WELCOME**

**Rooftop Festival 2019**

### **Gloucester's Cultural Vision & Strategy 2016-2026**

is at its midway point. A lot has happened in the last five years, including the hugely successful Great Place project which helped us to achieve many of the strategy's early objectives.

By working in partnership, these included: setting up Jolt, a new creative hub in Kings House; growing a diverse City Voices programme within Gloucester History Festival; increasing creative opportunities for young people by linking The Music Works, Strike A Light, Gloucester Guildhall, Your Next Move and London's Roundhouse; working alongside Create Gloucestershire to connect residents, artists and community partners through Culture Matson; and investing in Gloucester's signature and growth events, such as Tall Ships, Carnival and Kings Jam.

Throughout this first phase, we have invested in and supported opportunities for artists, participants and audiences of all ages. But there has been a particular focus on children and young people, running as a thread throughout all we do. This is because our consultation, back in 2015, identified that young people had not always been well-served by the city's cultural offer. To tackle this, we aim to enable young people to take part in cultural activities (such as dance, poetry, drama, and music), develop their creative talents to a high standard, enjoy the growing offer as audiences and become our future creative leaders. We now look to the next five years, to build on this hard-won progress.

To refresh the Strategy, we have spoken to over a hundred people from a range of backgrounds. They told us that while the Strategy is on the right track, more needs to be done to diversify representation amongst cultural leaders, artists and participants; that Gloucester's growing cultural offer needs better promotion; and that the offer for young people needs more investment.

**Respondents strongly supported the new Objective 1 and wished for the Cultural Strategy to inform other key plans, such as the city's Heritage, Environmental and Regeneration Strategies.**

This process happened during the COVID pandemic, which has presented huge challenges for the city's arts and heritage organisations, artists and audiences – but which has also connected people with one another and with creativity in new ways. It has therefore been an opportunity to pause, reflect and come up with new ideas, focusing on what we as a city can achieve in the future, working collaboratively and inclusively.





Gloucester has so many interesting, fun and unique qualities that everyone should be able to enjoy, participate in and be proud of. This Cultural Strategy aims to enrich the lives of as many people as possible, especially young people, by expanding Gloucester’s cultural life and making it as accessible and inclusive as possible.

There is significant strategic advantage in continuing to devolve delivery of the actions and outcomes set out in the strategy to a broad coalition of engaged partners. This arrangement helps to pool resource, energy, expertise and experience and, whilst possibly not unique, is noticeably rare and is being watched, commended and supported by key funders and potential partners. But however good a strategy is, it is only words on a page; successful delivery of this strategy will depend on the commitment of a broad coalition of engaged partners and individuals led and co-ordinated by Gloucester Culture Trust.

Gloucester Culture Trust acts as the city’s cultural lodestar helping to pool resource, energy, expertise and experience. Whilst this devolved model is not unique, it is noticeably rare and is being watched, commended and supported by key funders and potential partners.

The City Council has a critical role to play in supporting this strategic devolvement; providing or enabling much of the cultural infrastructure; ensuring the right level of support is provided and the conditions are created in order for culture to thrive.

A joint working group consisting of members of the council and Gloucester Culture Trust will develop an action plan and track progress against this strategy.

**We look forward to working with you all to make the next five years the second successful part of this journey.**

**Councillor Steve Morgan**

Cabinet Member, Culture & Leisure  
Gloucester City Council  
steve.morgan@gloucester.gov.uk

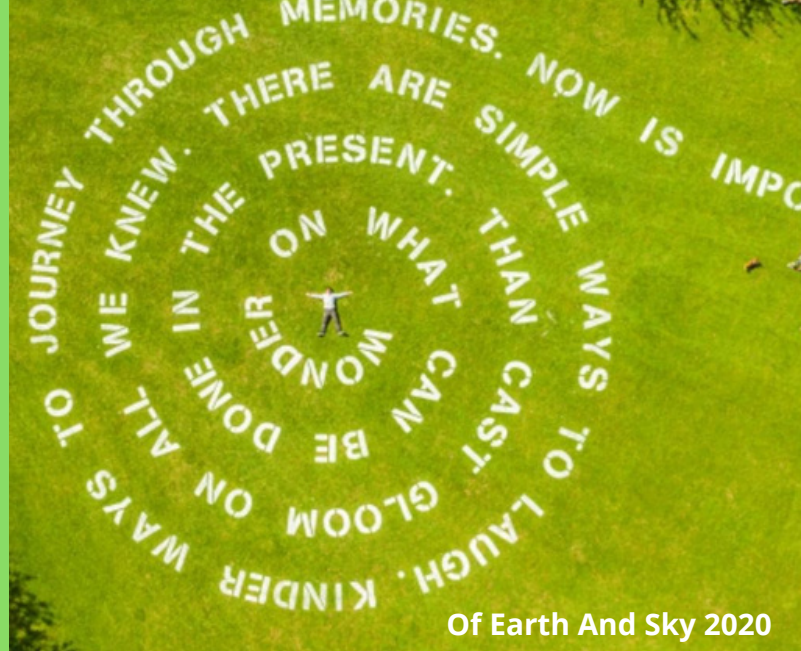
**Neil Hopwood**

Chair  
Gloucester Culture Trust  
c/o hello@gloucesterculture.org.uk

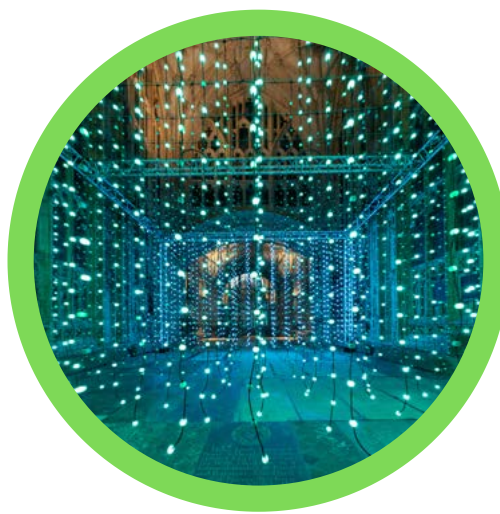


# WHAT DO WE MEAN BY CULTURE?

For the purpose of this strategy the term Culture focuses on arts and heritage.



Of Earth And Sky 2020



It is used to describe **activities** such as the visual arts, music, performing arts, crafts, creative writing, literature and poetry, the wider creative industries and the arts–science interface.

Also the provision of **facilities and services** such as theatres, museums and galleries, cinemas, community halls and archives.

As well as exploring and animating the city's heritage and historic environment, public art and telling Gloucester's collective story.

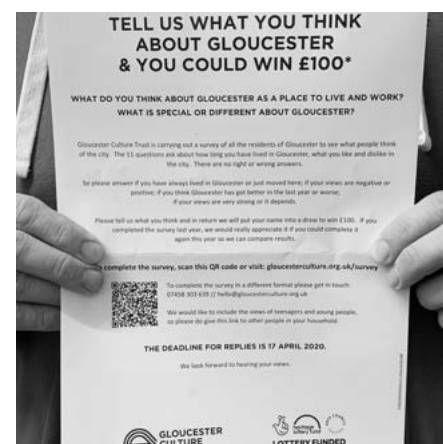
Sports and leisure are not included in this current strategy.

# OUR VISION:

Rooftop Festival 2019

## PUTTING CULTURE AT THE HEART OF GLOUCESTER FOR THE GOOD OF ALL

- We are committed to making Gloucester a better place to live, work and play by engaging and empowering local communities and leaders to transform the city.
- Gloucester is known for its distinctive heritage. Our aims are to build on that reputation and to provide conditions that will allow innovation and excellence to flourish and Gloucester's quirky and edgy nature to shine across the many communities in the city. There will be a particular focus on providing creative opportunities for young people.





# OBJECTIVES, AIMS & ACTIONS FOR 2021-2026

## OBJECTIVE 1

### EMBED CULTURE IN THE CITY'S FUTURE PLANS

Ensure cultural policy runs through the heart of the city's wider strategies, recognising the role of arts, heritage and creativity as fundamental drivers of Gloucester's economic, social and community development, as well as health and wellbeing – especially in post-COVID recovery plans.



### Proposed Actions

1. Integrate this Cultural Strategy into the city's future plans for regeneration, environmental sustainability, place-making and community well-being.
2. Work with the city's artists, arts and heritage organisations to integrate environmental sustainability into cultural planning and delivery, and to use creative activities to support and promote a green agenda.

## OBJECTIVE 2

### BUILD THE CULTURAL AND CREATIVE INDUSTRIES BY DEVELOPING ARTISTS AND ARTS ORGANISATIONS

Attract creative people to the city, and nurture those creatives who already work here, by developing a creative talent pipeline that increases artistic opportunity at all levels, catalysing growth in the creative industries locally.

Create affordable workplaces for artists and micro-arts organisations to develop new work in the City as equally important to big bricks and mortar projects.

Support young people to develop their musical talent and participation by investing in a place for them to develop, rehearse and record new work and learn new skills.

Develop the Guildhall and Museum's programmes to attract a broader audience and realise the potential of Gloucester City Council-run cultural venues.

Invest in and champion those Gloucester artists and independent cultural organisations who produce high quality work and the leaders who can deliver.

#### Proposed Actions

3.

Continue developing Kings House into an exemplar arts, and creative industries' hub and incubator to build and support a thriving, diverse creative community at the heart of Gloucester.

4.

Develop and implement a business transformation and creative development plan for Gloucester City Council-owned cultural venues, to realise their potential.

*(This action links with the goals of the City's [Heritage Strategy 2019-2029](#))*

5.

Invest in talent development programmes and networks across Gloucester to develop cultural leaders, existing and emerging, and nurture future generations of artists and creatives.

6.

Invest in and champion the city's independent cultural sector, to boost the professional skills, qualifications and employability of people who lead, manage, work in or aspire to work in, the creative and cultural sector.





### OBJECTIVE 3

#### BROADEN THE CULTURAL OFFER TO SUPPORT SOCIAL AND ECONOMIC DEVELOPMENT

Improve Gloucester residents' quality of life through increased cultural provision and participation, leading to better social cohesion, civic pride, confidence and ambition, as well as improved health and wellbeing.

Ensure that the City's cultural plans match the ambition of its bricks and mortar regeneration and are embedded at the heart of the Regeneration and Economic Development Strategy and the G-First Local Enterprise Partnership.

Think long-term cultural infrastructure to enable the City to enjoy the full economic and social benefits that cultural regeneration can achieve, for decades to come.

Build partnerships with national cultural organisations, artists and producers to bring large-scale projects to the city whilst home-grown infrastructure matures and to complement the home-grown cultural programme.

Proposed Actions
<p>7. Ensure a unified approach to cultural planning by aligning Gloucester Culture Trust and independent cultural organisations with the local authorities, Covid-19 recovery groups and other economic and social policy-makers.</p>
<p>8. Develop a cultural and creative industries infrastructure masterplan and investment plan for the city, to ensure the city's built infrastructure becomes industry-leading, supports this Cultural Vision &amp; Strategy and is as ambitious as the rest of the city's bricks and mortar regeneration.</p> <p><i>(This builds upon the recommendations of the independent <a href="#">2019 Report into the feasibility of a major new venue for Gloucester.</a>) <a href="#">To read the report click here</a></i></p>
<p>9. Continue to build partnerships with national cultural organisations, artists and producers to inspire the sector's ambitions and drive up audience demand for cultural experiences.</p>
<p>10. Empower local people through investment in grassroots arts activity. Deliver against mutually agreed health and wellbeing outcomes for residents, especially those who are particularly culturally disengaged, by working closely with them, as well as the NHS, Active Gloucestershire, Community Builders and others.</p>
<p>11. Invest in Gloucester-based arts and heritage organisations to diversify and develop their participation and talent development programmes.</p>



## OBJECTIVE 4

### DEVELOP A VIBRANT CITY CENTRE FULL OF CULTURAL ACTIVITY AND THINGS TO DO

Help all communities, and particularly young people and families, feel that the city centre is theirs - a safe and enjoyable focal point in their lives, somewhere to find belonging, community, and place.

Find a better way of telling Gloucester's collective story involving the city's Heritage Strategy, the museums, tourist information centre and other attractions, including the Cathedral's Project Pilgrim.

#### Proposed Actions

12.  
Work with local businesses, economic development bodies, arts and heritage organisations to commission and effectively promote a regular and diverse programme of high quality outdoor arts events, including street arts and parades, using the city centre's fantastic array of outdoor spaces.

13.  
Work with the city's many heritage destinations and historic 'spaces' to develop a high profile, contemporary creative programme unique to Gloucester, regularly bringing together arts, heritage and local communities.

14.  
Animate Kings Square as a revamped, lively, year-round cultural and public space, integrated into and a proud exhibitor of the cultural life of the city.

## OBJECTIVE 5

### DEVELOP AUDIENCES FOR ALL THE CULTURAL OPPORTUNITIES BEING CREATED

Build audiences for new cultural developments by listening to and understanding the audiences on our doorstep.

Stimulate local demand for diverse cultural experiences through a long-term audience development strategy.

Attract visitors to Gloucester's new high quality cultural activity.

#### Proposed Actions

15.  
Promote Gloucester's cultural offer more effectively: First, by researching, listening to and understanding current audiences to map demand, opportunities and gaps, and second, by raising investment for a long-term audience development action plan that addresses these findings.

16.  
Work with the city's and county's destination marketing organisations to develop a cultural tourism marketing strategy and campaign, collaborating with neighbouring towns and regions as appropriate, to attract visitors nationally and internationally.

## OBJECTIVE 6

### PUT GLOUCESTER ON THE CULTURAL MAP BY DEVELOPING HIGH PROFILE EVENTS

Develop distinctive Signature Events that raise the image and profile of the city to attract visitors, building on our strengths in heritage and music.

Consider bidding for major national and international events, programmes and opportunities to inspire the sector and the City, acting as beacons to signal the cultural regeneration of Gloucester.

#### Proposed Actions

17. Building on existing local strengths, invest in and develop a portfolio and regular programme of regionally or nationally significant Signature Events, including Three Choirs Festival, Tall Ships, Gloucester History Festival, Kings Jam, Carnival and working with other programming partners such as Strike A Light.

*(This builds upon the recommendations of the 2017 review of Gloucester's Festivals & Events)*

18. Coordinate the city's calendar of festivals and events to facilitate better city-wide and long-term planning, as well as coordinated promotion of ambitious, high quality cultural festivals and events.

19. Monitor the funding model for festivals and events supported by the Council, to ensure it meets the needs of this Strategy, supports the growth of the local independent cultural sector and maximises the artistic, social and economic impact of those events.

20. Building on the successes of the first five years of the Cultural Strategy, evaluate the potential impact and return on investment of a bid for UK City of Culture, if and when the conditions are right for the city, and the structure for delivering this goal.







## OBJECTIVE 8

### EMPOWER YOUNG PEOPLE TO CREATE, EXPERIENCE AND PARTICIPATE IN CULTURE

Young people are critical to the cultural vitality of Gloucester today and as the creators of the cultural forms of the future.

In order for the cultural scene in Gloucester to continue to thrive investment needs to be made into training, apprenticeships, placements and mentoring opportunities to develop young people's skills. Young people should be supported and invested in for them to become the city's future cultural leaders.

Building on the legacies of the Gloucester Roundhouse Exchange and Great Place programmes, youth-led programming across cultural venues, such as First Fridays should be encouraged and supported, providing opportunities for new activity to emerge.

Young People need to know what cultural offer is available to them and know what's going on in the city. This will be done through targeted marketing and encouraging young-people-led publications/channels/networks, supporting and encouraging youth networks.



#### Proposed Actions

24. Support young people to develop skills and leadership in arts and cultural production – identifying and providing training opportunities.
25. Amplify the voices of young people, through encouraging youth-led publications, support on Youth boards and more widely.
26. Ensure there are opportunities for young people to participate in and create culture, through supporting, marketing and investing in youth-led programming.

## KEY PERFORMANCE INDICATORS

In order to judge whether the Strategy is a success, we will check it against the following:

- Gloucester residents know about and participate in a range of cultural activities
- Gloucester's cultural organisations, artists and creative businesses are confident, diverse, resilient and creatively ambitious
- More investment is coming into the city for culture
- Gloucester is viewed as a culturally exciting city
- Culture is valued in Gloucester for its regeneration, place-making, health and wellbeing benefits

We will measure this via continual audience research, including ticket sales, an annual residents' survey, annual sector survey, feedback from attendees at festivals & events, economic impact assessment, collecting data about who takes part in workshops, activities etc.

There will be a delivery plan that tracks the progress of these actions and Key Performance Indicators, overseen by a cross-organisational steering group. Each action will have a clearly identified owner or lead partner. The progress will be regularly presented to and monitored by both Gloucester Culture Trust and Gloucester City Council.



Photo credits to be added once final approval of document confirmed by Gloucester City Council – by 31st March



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## Appendix 2 – The Changes to the initial Cultural Strategy action plan

The initial version of the strategy (on the left-hand column of the table) had 6 objectives and 20 actions.

The updated 2021 version has eight objectives and 26 actions.

Actions are shown as bullet points.

Objectives are in shown in bold in **green** sections.

Original 2016 Version	Updated 2021 Version
	<b>NEW OBJECTIVE: Embed culture in the city’s future plans</b>
	<ul style="list-style-type: none"> <li>• Integrate this Cultural Strategy into the city’s future plans for regeneration, environmental sustainability, place-making and community well-being.</li> <li>• Work with the city's artists, arts and heritage organisations to integrate environmental sustainability into cultural planning and delivery, and to use creative activity to support and promote a green agenda.</li> </ul>
<b>Develop artists and arts organisations so as to build the cultural and creative industries</b>	<b>Build the cultural and creative industries by developing artists and arts organisations</b>
<ul style="list-style-type: none"> <li>• Develop an arts, culture and creative industries hub and incubator in one of the City’s many underutilised buildings</li> <li>• Consider an alternative delivery model such as a charitable Trust for the Council-run cultural venues - the Guildhall, Blackfriars Priory, the City Museum and Art Gallery, the Folk Museum - to release their potential for innovation, entrepreneurial development and fundraising</li> </ul>	<ul style="list-style-type: none"> <li>• Continue developing Kings House into an exemplar arts, and creative industries’ hub and incubator to build and support a thriving, diverse creative community at the heart of Gloucester.</li> <li>• Develop and implement a business transformation and creative development plan for Gloucester City Council-owned cultural venues, to realise their potential.</li> <li>• Invest in talent development programmes and networks across Gloucester to develop cultural leaders, existing and</li> </ul>

<ul style="list-style-type: none"> <li>• Encourage grass-roots community arts activity that works with the NHS and others to deliver health and wellbeing outcomes</li> <li>• Develop a Cultural Leadership Group to ensure a future generation of cultural leaders in the city</li> <li>• Fundraise to support investment in high quality projects and fundraising capacity building in the sector</li> </ul>	<p>emerging, and nurture future generations of artists and creatives.</p> <ul style="list-style-type: none"> <li>• Invest in and champion the city's independent cultural sector, to boost the professional skills, qualifications and employability of people who lead, manage, work in or aspire to work in, the creative and cultural sector.</li> </ul>
<p><b>Broaden the cultural offer to support social and economic development</b></p>	<p><b>Broaden the cultural offer to support social and economic development</b></p>
<ul style="list-style-type: none"> <li>• Work closely with the Council's Economic Development team, the Media and Culture Group of G-First LEP and Marketing Gloucester to ensure that cultural planning is aligned</li> <li>• Scope the potential for a new large-scale arts and cultural venue in the city centre that could also be used as space for other commercial activity</li> <li>• Make contact with national cultural organisations that have the potential to bring substantial projects to the city, particularly for young people and in the areas of music and heritage</li> <li>• Support the development of Gloucester Carnival as the most inclusive carnival in the UK and create a greater sense of community ownership and quality</li> <li>• Support Gloucester based arts organisations like G-Dance and ArtShape to collaborate further, making inclusive art and dance programmes for the community</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure a unified approach to cultural planning by aligning Gloucester Culture Trust and independent cultural organisations with the local authorities, Covid-19 recovery groups and other economic and social policy-makers</li> <li>• Develop a cultural and creative industries infrastructure masterplan and investment plan for the city, to ensure the city's built infrastructure becomes industry-leading, supports this Cultural Vision &amp; Strategy and is as ambitious as the rest of the city's bricks and mortar regeneration. <i>(This builds upon the recommendations of the independent <a href="#">2019 Report into the feasibility of a major new venue for Gloucester</a>)</i></li> <li>• Continue to build partnerships with national cultural organisations, artists and producers to inspire the sector's ambitions and drive up audience demand for cultural experiences.</li> <li>• Empower local people through investment in grassroots arts activity. Deliver against mutually agreed health and wellbeing outcomes for residents, especially those who are particularly culturally disengaged, by working closely with them, as well as the NHS, Active Gloucestershire, Community Builders and others.</li> </ul>



	<ul style="list-style-type: none"> <li>Invest in Gloucester-based arts and heritage organisations to diversify and develop their participation and talent development programmes</li> </ul>
<b>Develop a vibrant city centre full of cultural activity and things to do</b>	<b>Develop a vibrant city centre full of cultural activity and things to do</b>
<ul style="list-style-type: none"> <li>Commission a regular programme of high quality outdoor arts events, including street arts and parades, using the city's fantastic outdoor spaces</li> <li>Review the current programme of events and festivals supported by Marketing Gloucester and the Council to ensure they meet the objectives of this strategy, including economic impact, pride in the city and community cohesion</li> <li>Scope the potential for a new visitor orientation centre in the city centre that could include the Tourist Information Centre and heritage interpretation involving the museums</li> </ul>	<ul style="list-style-type: none"> <li>Work with local businesses, economic development bodies, arts and heritage organisations to commission and effectively promote a regular and diverse programme of high quality outdoor arts events, including street arts and parades, using the city centre's fantastic array of outdoor spaces.</li> <li>Work with the city's many heritage destinations and historic 'spaces' to develop a high profile, contemporary creative programme unique to Gloucester, regularly bringing together arts, heritage and local communities</li> <li>Animate Kings Square as a revamped, lively, year-round cultural and public space, integrated into and a proud exhibitor of the cultural life of the city.</li> </ul>
<b>Develop audiences who enjoy the new cultural opportunities being created</b>	<b>Develop audiences for all the cultural opportunities being created</b>
<ul style="list-style-type: none"> <li>Map out and raise investment for a long term audience development strategy that sits alongside the developing cultural infrastructure</li> <li>Work with Marketing Gloucester to develop a cultural tourism marketing strategy and campaign, collaborating with neighbouring towns and regions, to promote the existing and newly developed, quality, heritage and cultural attractions of the City</li> </ul>	<ul style="list-style-type: none"> <li>Promote Gloucester's cultural offer more effectively: First, by researching, listening to and understanding current audiences to map demand, opportunities and gaps, and second, by raising investment for a long-term audience development action plan that addresses these findings.</li> <li>Work with the city's and county's destination marketing organisations to develop a cultural tourism marketing strategy and campaign, collaborating with neighbouring towns and regions as appropriate, to attract visitors nationally and internationally.</li> </ul>

<p><b>Put Gloucester on the cultural map by developing high profile events</b></p>	<p><b>Put Gloucester on the cultural map by developing high profile events</b></p>
<ul style="list-style-type: none"> <li>• Invest in and develop one or two existing Growth Events, and encourage the creation of new events with potential, into a small portfolio of nationally significant Signature Events. Examples include the existing Strike a Light Festival, the Gloucester History Festival and a potential Folk Festival</li> <li>• Evaluate the potential investment required and return on investment to develop a bid for UK City of Culture in 2025 as a Major Event to inspire the sector and the City, acting as a beacon to signal the cultural regeneration of Gloucester</li> </ul>	<ul style="list-style-type: none"> <li>• Building on existing local strengths, invest in and develop a portfolio and regular programme of regionally or nationally significant Signature Events, including Three Choirs Festival, Tall Ships, Gloucester History Festival, Kings Jam, Carnival and working with other programming partners such as Strike A Light. <i>(This builds upon the recommendations of the 2017 review of Gloucester's Festivals &amp; Events)</i></li> <li>• Coordinate the city's calendar of festivals and events to facilitate better city-wide and long-term planning, as well as coordinated promotion of ambitious, high quality cultural festivals and events.</li> <li>• Monitor the funding model for festivals and events supported by the Council, to ensure it meets the needs of this Strategy, supports the growth of the local independent cultural sector and maximises the artistic, social and economic impact of those events.</li> <li>• Building on the successes of the first five years of the Cultural Strategy, evaluate the potential impact and return on investment of a bid for UK City of Culture, if and when the conditions are right for the city, and the structure for delivering this goal.</li> </ul>
<p><b>Make things happen to continue the momentum for change</b></p>	<p><b>Make things happen to continue the momentum for change</b></p>
<ul style="list-style-type: none"> <li>• Set up a Cultural Partnership consisting of a wide Cultural Forum and led by a Culture Board acting as a Taskforce to make things happen</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the innovative Cultural Partnership that has been set up between Gloucester City Council and Gloucester Culture Trust to ensure this strategy is delivered, building on</li> </ul>

<ul style="list-style-type: none"> <li>• Develop an online platform to support and advocate for the development of the cultural and creative sector to engage and build creative and art based communities and to promote cultural activity in Gloucester similar to the Creative Assembly websites of Torbay, Swindon and others</li> <li>• Apply for funding from Arts Council England and other fundraising to support the strategy</li> </ul>	<p>the achievements of the first five years. To do this, support the further strategic devolvement of culture to Gloucester Culture Trust, allowing the City Council to focus on its vital role in creating the conditions for culture to thrive.</p> <ul style="list-style-type: none"> <li>• Connect this Cultural Partnership to networks and organisations across the city and beyond, to ensure a broad range of residents, artists and organisations can shape the city’s cultural future. This will include developing the range of Cultural Forums and co-creation networks.</li> <li>• Work with a wide range of strategic and funding partners who share our Vision (such as Arts Council England, University of Gloucestershire, NHS, GFirst LEP and major local businesses), to pool resources, generate greater investment in culture and ensure this strategy is resilient.</li> </ul>
	<p><b>NEW OBJECTIVE: Empower young people to create, experience and participate in culture</b></p>
	<ul style="list-style-type: none"> <li>• Support young people to develop skills and leadership in arts and cultural production – identifying and providing training opportunities</li> <li>• Amplify the voices of young people, through encouraging youth-led publications, support on Youth boards and more widely</li> <li>• Ensure there are opportunities for young people to participate in and create culture, through supporting, marketing and investing in youth-led programming</li> </ul>

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Gloucester City Council

# GLOUCESTER'S CULTURAL VISION AND STRATEGY 2016 - 2026



**PUTTING CULTURE  
AT THE HEART OF  
GLOUCESTER FOR  
THE GOOD OF ALL**





# CONTENTS

FOREWORD

OUR VISION

KEY FACTS ABOUT GLOUCESTER

CULTURE IN GLOUCESTER

THE STRATEGY

DELIVERING OUR CULTURAL STRATEGY

Page 50





# FOREWORD



Gloucester is clearly a city 'on the up' but we still have a long way to go to have the cultural offering that residents deserve, not just for their own enjoyment and wellbeing but also for the economic benefit of the city.

That is why the City Council has been instrumental in setting up a Culture Board. It knows that it can't act alone to develop culture in our city. It is also vital that we develop culture alongside the bricks and mortar regeneration which is already underway.

I'd like to thank the key players who worked so hard to produce this updated cultural strategy which will help continue the cultural growth in Gloucester. The new Culture Board will have a lot of work to do to deliver the aspirations identified, but by continuing to work in partnership with the support from Arts Council England as well as so many local organisations, then surely culture will be at the heart of the city for the good of all. I'm sure you're as excited about the future as I am.

---

**Lise Noakes**  
Cabinet Member for Culture and Leisure  
Gloucester City Council



Gloucester is a city with a famous history: what this strategy aims to do is ensure that it also enjoys a famous future.

The city council understands the transformative role culture can play in our lives: it creates jobs and economic growth; it builds stronger communities; it offers hope and aspiration to children and young people; it puts places on the map.

The key to this strategy will be effective partnerships. As well as the city council, the university, the cathedral, the business community, the city's arts organisations and its schools and colleges – all have a role to play in making Gloucester an exceptional place to live, work and play. We look forward to playing our part in making those partnerships, and that exciting future, become a reality.

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**Phil Gibby**  
Area Director, South West, Arts Council England





# OUR VISION

## Putting Culture at the Heart Of Gloucester for the Good of All.

We are committed to making Gloucester a better place to live, work and play by engaging and empowering local communities and leaders to transform the city.

Gloucester will be known for its distinctive culture; which will be innovative and excellent, quirky and edgy, diverse and community-based with a strong focus on young people.

### DEVELOPING OUR STRATEGY

Gloucester is changing, things are happening, but we have not yet realised our cultural potential; too often seen as a cultural desert and poor relation to our neighbours, we recognise that we have a long way to go. This ten-year cultural plan is a positive statement of our ambition, building on the strengths of our diverse communities and pointing to the opportunities for development of culture in the City.

This strategy is integrated with the City Council's other strategic plans, particularly the City Vision 2012-2022 and the Regeneration and Economic Development Strategy whose vision is that 'Gloucester will be a flourishing, modern and ambitious City which all residents can enjoy'.

A cultural plan cannot be delivered by the City Council alone and we have developed our vision and strategy after consultation with a wide range of artists, arts organisations, community leaders and the public. Without these people, groups and organisations the scale of change envisaged will be impossible to achieve. We need to develop new ways of working which will ensure that the whole community is engaged in developing culture in Gloucester.

### OUR DEFINITION OF CULTURE

For the purpose of this strategy the term Culture focuses on arts and heritage and is used to describe activities such as the visual arts, music, the performing arts, crafts, the creative industries, the arts-science interface and the provision of facilities and services such as theatres, museums and galleries, cinemas, community halls and archives in addition to the protection of the historic environment and the inclusion of artworks in the public

realm. Sports and leisure, whilst vitally important are not so underdeveloped, and are not therefore included in this current strategy.

### WHY CULTURE MATTERS TO GLOUCESTER

*Culture should never be a privilege; it is a birth right that belongs to us all ... and if you believe in publicly-funded arts and culture, as I passionately do, then you must also believe in equality of access, attracting all, and welcoming all.*  
- David Cameron, Prime Minister, January 2016

Great cities are defined by their culture. They are defined by their history; through their local heritage, museums and archives, historic buildings, festivals, food and local traditions. But a great city is also defined by its contemporary culture; its artists and arts venues, film and music, photography and crafts, fashion and design, and its buzzing restaurants, pubs and night clubs.

Great cities are also defined by their ambitions for the future.

The arts, culture, and creative industries are widely acknowledged for their positive impact on the economy and society. Employment in the the creative industries is recognised by the Department for Culture Media and Sport (DCMS) as one of our most powerful tools in driving growth. The latest economic growth figures released by DCMS confirm that the creative industries are booming, growing by 8.9 per cent in 2014, almost double the wider UK economy's growth as a whole. The creative industries were worth £84.1bn to the UK economy in the year 2013-2014, up from nearly £77bn the year before, with employment also up by 5.5 per cent to 1.8 million jobs.





## Economic development

Culture is a vital component of economic growth. The number of jobs in the creative and digital sector elsewhere in the country is well documented and often strongly connected to the cultural sector. Culture helps to attract visitors and investment, creates jobs and generates economic activity. Culture is important as a means of attracting and retaining talent and as part of a high quality education experience that helps to attract further and higher education students.

## Community regeneration

Culture can be an important tool in community regeneration projects. It can bring communities together, attract investment and help to foster a strong sense of place and identity. Culture can also improve health and education and whilst enhancing the economic profile of an area, can

help ensure that these changes are sustainable. Increasingly, the arts and culture are also used to foster social inclusion, promote mental health and wellbeing, and inspire children and young people. Across all public services from education to health, from inward investment to community, culture can act as a catalyst for human and city regeneration and growth.

## A way of life

We believe there is a real opportunity for culture to increase the liveability of Gloucester, from providing entertainment and intellectual pursuits, to expertise in areas such as heritage and inclusion. We also want the intrinsic value of culture and creative learning to be at the heart of our community. We believe that culture should be integral to the way we do things in Gloucester as part of the core fabric of our city; we believe in culture as a way of life.

*When I arrived in Gloucester in 1981, I thought it was a cultural desert. How things have changed in recent years with the introduction of concerts and festivals (Tall Ships, History, Food, Street performances etc.) throughout the year. Keep going Gloucester and make our city a centre of cultural excellence!*

**John Smith, Resident of Longlevens**



# KEY FACTS ABOUT GLOUCESTER

## HISTORY

- Gloucester has been variously described as "The Gateway to the West" and "The Crossroads of England"
- It is the cathedral city and county town of Gloucestershire located in the South West of England. The City lies close to the Welsh border, and is on the River Severn, approximately 32 miles (51 km) north-east of Bristol, and 45 miles (72 km) south-southwest of Birmingham
- In 1827 Gloucester became a port city following the completion of the Gloucester and Sharpness canal. On completion it was then the longest, deepest and widest ship canal in Britain. The Docks contains fifteen Victorian warehouses which make up what is Britain's most inland port and are now a major tourist attraction
- Gloucester was home to iconic manufacturing firms including the Gloucester Aircraft Company and Fielding & Platt
- The City contains 707 listed buildings including 37 Grade I's
- The City is the birth place of Robert Raikes, the founder of the Sunday School Movement and John Stafford Smith, who composed the American National Anthem
- The historic Roman streets, magnificent Norman Cathedral and Victorian Docks have been used for various films and TV productions including Harry Potter and Doctor Who. Disney recently shot scenes for the sequel to Alice in Wonderland at the Docks.

## DEMOGRAPHICS

- The City has a population of 123,439 (ONS Mid-Year Population Estimates 2012). It is the most populated conurbation within the County of Gloucestershire and has the highest population density
- Gloucester will experience the greatest population growth of all county districts, expected to increase by 20.1% or 23,800 people between 2010 and 2035
- Gloucester is a relatively young city with 25% of the population aged 19 and under (highest in the South West) and 39% under 30. The City is expected to experience the greatest increase of Gloucestershire's

districts in the number of children and young people between 2010 and 2035, with an increase of 16.4%

- It is a diverse City, the black and minority ethnic population (BME) stands at 9.8% with approximately 100 languages and dialects spoken.

## EDUCATION

- The City boasts high performing schools and over 17,000 college and university students
- It is home to top education providers including further and higher education campuses for the University of Gloucestershire, the University of the West of England and Gloucestershire College
- Over 30% of Gloucester's working age population has achieved NVQ level 4 or higher.

## ECONOMY

- Gloucester is home to world leading advanced engineering companies providing cutting edge technical products and services e.g. Prima Dental
- Gloucester has a strong finance and insurance cluster including being the location for the HQ of the specialist insurance company Ecclesiastical Insurance Group
- Gloucester has the headquarters of EDF Energy, one of the largest energy companies in the UK
- The City supports a growing cluster of information security, web hosting, CAD/CAM development, defence communications and security, ICT infrastructure development and IT content management businesses
- The City has a strong independent retail and leisure sector with over 100 independent city centre shops
- Gloucester attracts 5.9 million visitor trips each year. Annually, visitor spend is £207 million
- The City's physical regeneration continues apace, having secured over £700 million of private sector investment, and Objective 7 of the Council's 2016 Regeneration and Economic Development Strategy is to 'Recognise and Improve the City's cultural offer; hand in hand with the successful regeneration of the city'.



# CULTURE IN GLOUCESTER

Gloucester is, in many ways, a vibrant progressive city that is forging ahead with an exciting redevelopment and regeneration programme. The Gloucester Docks development has been largely successful and is now attracting 5 million visitors a year. Further regeneration projects are in train, notably the redevelopment of the areas known as Blackfriars, the Kings Quarter, the University's Oxstalls Campus and the Cathedral's Project Pilgrim.

However, with respect to cultural provision, Gloucester lags behind cities of similar size and status, nor does it compare especially well with regional neighbours. This is evidenced, in part, by not having any organisation, venue or performing company that is included in Arts Council England's National Portfolio. There is, despite some new and notable exceptions, a real lack of high quality arts and cultural provision in the City; the night-time economy, outside the new Docks, is generally underdeveloped; heritage interpretation, despite some outstanding assets and investment, does not yet provide an exciting visitor experience; and the cultural sector generally is underdeveloped, fragmented and feels undervalued.

The extensive research and consultation exercise, undertaken as part of our planning, has confirmed this assessment and a willingness to help lead the required change. It has also identified a very positive range of activity, organisations and community events on which to build for the future, including:

- Gloucester's Music Scene: one of the City's strengths ranging from the Three Choirs Festival, the Gloucester Blues Festival, the SportBeat Music Festival to a diverse pubs and clubs sector. Music training and development is delivered strongly by organisations like Music Works and Gloucester Academy of Music
- History and Heritage: with its 700 listed buildings, historic Roman streets, magnificent Norman cathedral and Victorian docks, Gloucester has some of the best heritage assets in the country, many the subject of successful Heritage Lottery Fund bids. The annual History Festival and Heritage Open Days are growing significantly and the City has four main museums with potential to develop
- Festivals and Events: Gloucester has some extraordinary public spaces in which to stage events and Marketing Gloucester and Gloucester Quays organize a large range

of successful events, supported with funds from the Council, including the biennial Tall Ships and the Victorian Christmas Market

- Strike a Light Festival: of new, cutting edge theatre and dance is now staging its sixth edition and runs two festivals a year (April and October). Developing as a producer that supports artists, recently supported Marketing Gloucester in the delivery of the cultural programme of the Rugby World Cup in Gloucester
- Inclusive Art and Dance: championed by G-Dance and Art Shape through initiatives like the Arts Inc Academy, designed for disabled and disadvantaged young people, giving them access to an exciting arts programme alongside their non-disabled peers
- Gloucester Cathedral: for many the heart of the City, the Cathedral stages over 110 cultural events a year including the hugely popular Crucible sculpture exhibition organised by Pangolin Gallery. It is currently embarking on a 10 year programme of regeneration and community engagement
- University of Gloucestershire: has recently opened a new performing arts and events venue at its Oxstalls campus and plays an active part in the cultural life of the city. It plans a significant increase in the number of students based in Gloucester's Oxstalls Campus
- Gloucester Guildhall and Blackfriars Priory: managed by the City Council these two venues present an increasingly vibrant programme of music, comedy, film, visual arts, dance, theatre and events at capacities up to 400
- Create Gloucestershire: made up of over 130 members and associate members from across the county's arts and cultural sector who think, research, test and share ideas to encourage arts to become "everyday" in Gloucestershire
- Gloucestershire Arts Council: a thriving creative community, including individual practitioners, small businesses, small professional organisations, amateur and voluntary groups making use of community venues like the King's Theatre, the Olympus Theatre and St Barnabas Hall.





# THE STRATEGY

## OBJECTIVE 1 DEVELOP ARTISTS AND ARTS ORGANISATIONS

Develop artists and arts organisations so as to build the cultural and creative industries

- Attract and nurture creative people to the city, developing a creative factory of talent whilst acting as a catalyst for growth in the hospitality sector and the creative industries
- Create affordable workplaces for artists and micro-arts organisations to develop new work in the City as equally important to big bricks and mortar projects
- Develop the quality of the Guildhall and Museum's programmes to attract a broader audience and releasing the potential of our cultural venues for innovation, entrepreneurial development and fundraising
- Invest in Gloucester's existing artists and arts organisations who can produce high quality work and the leaders who can deliver

### ACTION

1. Develop an arts, culture and creative industries hub and incubator in one of the City's many underutilised buildings
2. Consider an alternative delivery model such as a charitable Trust for the Council-run cultural venues - the Guildhall, Blackfriars Priory, the City Museum and Art Gallery, the Folk Museum - to release their potential for innovation, entrepreneurial development and fundraising
3. Encourage grass-roots community arts activity that works with the NHS and others to deliver health and wellbeing outcomes
4. Develop a Cultural Leadership Group to ensure a future generation of cultural leaders in the city
5. Fundraise to support investment in high quality projects and fundraising capacity building in the sector

*Gloucester has so much to offer culturally. To see people working collaboratively and to see artists making work from Gloucester and touring it nationally is so exciting. Gloucester is on the cusp of becoming a city with a high cultural offer, where work is programmed, where festivals are common place, where young people have consistent and high quality activities in their city and Gloucester residents are able to affordably access brilliant arts on their doorstep.*

Sarah Blowers, Strike a Light

## OBJECTIVE 2 BROADEN THE CULTURAL OFFER

Broaden the cultural offer to support social and economic development

- Improve the quality of life of the people of Gloucester by increasing cultural provision and participation, leading to increased social cohesion, civic pride, confidence and ambition and ultimately improved health and wellbeing
- Ensure that the City's cultural plans match the ambition of its physical regeneration and are embedded at the heart of the Regeneration and Economic Development Strategy and the G-First Local Enterprise Partnership
- Ensure that proper cultural infrastructure is in place for the long-term to enable the City to benefit fully from the regeneration improvements, thereby realising the full economic and social benefits that cultural regeneration can achieve
- Support young people to develop their musical talent and participation by investing in a place for them to develop, rehearse and record new work and learn new skills
- Build partnerships with national cultural organisations that have the potential to bring large-scale projects to the city whilst home grown infrastructure matures

### ACTION

6. Work closely with the Council's Economic Development team, the Media and Culture Group of G-First LEP and Marketing Gloucester to ensure that cultural planning is aligned
7. Scope the potential for a new large-scale arts and cultural venue in the city centre that could also be used as space for other commercial activity
8. Make contact with national cultural organisations that have the potential to bring substantial projects to the city, particularly for young people and in the areas of music and heritage
9. Support the development of Gloucester Carnival as the most inclusive carnival in the UK and create a greater sense of community ownership and quality
10. Support Gloucester based arts organisations like G-Dance and ArtShape to collaborate further, making inclusive art and dance programmes for the community

# THE STRATEGY

## OBJECTIVE 3 DEVELOP A VIBRANT CITY CENTRE

Develop a vibrant city centre full of cultural activity and things to do

- Encourage all communities, and particularly young people and families, to use the city centre as a safe and enjoyable focal point to their lives, building a sense of place and community
- Find a better way of telling Gloucester's heritage and history story involving our museums, tourist information centre and other attractions, including consolidating the expected impact of Project Pilgrim

### ACTION

11. Commission a regular programme of high quality outdoor arts events, including street arts and parades, using the city's fantastic outdoor spaces
12. Review the current programme of events and festivals supported by Marketing Gloucester and the Council to ensure they meet the objectives of this strategy, including economic impact, pride in the city and community cohesion
13. Scope the potential for a new visitor orientation centre in the city centre that could include the Tourist Information Centre and heritage interpretation involving the museums



## OBJECTIVE 4 DEVELOP AUDIENCES

Develop audiences who enjoy the new cultural opportunities being created

- Build audiences for new cultural developments by stimulating local appetite and demand for quality cultural experiences through a long term audience development strategy
- Attract visitors to Gloucester's new high quality cultural activity

### ACTION

14. Map out and raise investment for a long term audience development strategy that sits alongside the developing cultural infrastructure
15. Work with Marketing Gloucester to develop a cultural tourism marketing strategy and campaign, collaborating with neighbouring towns and regions, to promote the existing and newly developed, quality, heritage and cultural attractions of the City

## OBJECTIVE 5 PUT GLOUCESTER ON THE CULTURAL MAP

Put Gloucester on the cultural map by developing high profile events

- Develop distinctive Signature Events that raise the image and profile of the city to attract visitors, building on our strengths in heritage and music
- Consider bidding for UK City of Culture 2025 as a Major Event to inspire the sector and the City, acting as a beacon to signal the cultural regeneration of Gloucester

### ACTION

16. Invest in and develop one or two existing Growth Events, and encourage the creation of new events with potential, into a small portfolio of nationally significant Signature Events. Examples include the existing Strike a Light Festival, the Gloucester History Festival and a potential Folk Festival
17. Evaluate the potential investment required and return on investment to develop a bid for UK City of Culture in 2025 as a Major Event to inspire the sector and the City, acting as a beacon to signal the cultural regeneration of Gloucester



## OBJECTIVE 6 MAKE THINGS HAPPEN

Make things happen to continue the momentum for change

- Develop a new way of making things happen where people feel involved and create the right level of cultural leadership in the city who can deliver
- Bring together Gloucester's thriving creative community, empowering them to collaborate effectively and take charge of developing their own cultural future
- Develop and implement a fundraising plan to support the initiatives in this strategy, commissioning and funding local arts organisations to deliver

### ACTION

18. Set up a Cultural Partnership consisting of a wide Cultural Forum and led by a Culture Board acting as a Taskforce to make things happen
19. Develop an online platform to support and advocate for the development of the cultural and creative sector to engage and build creative and art based communities and to promote cultural activity in Gloucester similar to the Creative Assembly websites of Torbay, Swindon and others
20. Apply for funding from Arts Council England and other fundraising to support the strategy



This cultural strategy cannot be delivered by the City Council alone and must involve a wide range of artists, arts organisations, partner organisations and community leaders if it is to be successful.

It is these people, groups and organisations who will have to bring about the change to which we aspire and a new way of working which we believe will engage the whole community in developing culture in Gloucester.

We intend to set up a new cultural partnership to bring together all of these groups and to delegate delivery of this Strategy to them. This will be a strategic development organisation, facilitating and fundraising for projects and then creating partnership or commissioning for delivery. This partnership will consist of two distinct elements; the Cultural Forum and the Culture Board.

### THE CULTURAL FORUM

The Cultural Forum will be a vital part of the partnership whose purpose is to support the development of culture in Gloucester; contribute to the strategy of the Culture Board and to receive updates on its delivery. This will be an open, self-selecting group of those with an interest in the success of culture in Gloucester. It will involve representatives from the broad culture sector and the public. The Forum will meet twice a year with meetings organised and chaired by the Culture Board. One of these will be an annual meeting, open to the public, where the Culture Board provides a progress report to the Forum.

### THE CULTURE BOARD

This will be the leadership group tasked with delivering this strategy by identifying partners and holding them to account to deliver what has been agreed. This will include working with such organisations as the City Council, Marketing Gloucester, the Cathedral and University as well as a whole range of smaller organisations. A group of approximately twelve people with an Independent Chair and a nominated representative of the Council, they will act as the trustees of a proposed new charitable organisation that will manage the cultural partnership. An open call for trustees will be made with a formal appointments process. A key role of the Board will be fundraising, from both the



public and private sectors, to support the development of this Strategy with delivery commissioned from existing and new cultural organisations in Gloucester.

Having undertaken an appraisal of the options for delivery of this cultural partnership we have concluded that a new Charitable Incorporated Organisation or CIO is the right vehicle to achieve our aims of leadership by the sector; focusing on the City of Gloucester; effective fundraising and rapid progress towards our goal of putting culture at the heart of Gloucester for the good of all.

### DIRECTOR

The partnership will engage a full-time Director to raise funds directly, support the fundraising work of the Board, develop cultural activity through partnership and oversee the day to day administration of the Forum and Board. It is expected that one of the members of the new partnership will host the Directorship and a small office.

## RESOURCES

This strategy has been prepared on the basis that there will be limited funding available from the local authority and partnership funding will be essential if the strategy is to be successful. Ultimately the partnership will be self-financing, raising substantial funds for delivery of the strategy's development projects, and supporting its own core costs. Seed funding will be required for the first three years and Arts Council England (ACE) have indicated that this might be available. Gloucester City Council and other partners will need to match fund any investment from ACE, some of which can be value-in-kind support.

Potential partners and those involved in the Interim Culture Board to date include:

- Arts Council England
- Gloucester Cathedral
- University of Gloucestershire
- G-First Local Enterprise Partnership
- Gloucestershire County Council
- Developers and major employers

It is also important to support cultural developments through the planning system by taking note of the National Planning Policy Framework which seeks to support local strategies that deliver community and cultural facilities in response to demand, and by using instruments like Section 106 agreements and the Community Infrastructure Levy.

A Business Plan for delivery has been prepared.

## MONITORING AND REVIEW

This is a long-term plan for the successful cultural regeneration of Gloucester. We will monitor activity on an on-going basis against the Objectives and Actions from a formal review carried out annually by the Cultural Forum and Culture Board. These reviews will also examine the local, regional, national and international context to make sure that the vision and strategy remain valid.

## PROGRAMME

Given the long-term nature of some of the projects and our starting point, this strategy is defined over a 10 year period, although it will be important to deliver a significant amount of activity in the first three years. Setting up the partnership and recruiting the director are important first steps. The strategy will be assessed against the following milestones to ensure progress is made to deliver the cultural regeneration of Gloucester:

*Coordinating and having shared responsibility for a joined up cultural strategy is something that has been missing from Gloucester. Art and culture creates social cohesion, bringing people together from a wide range of backgrounds and abilities. It's crucially important for the city to have cultural events and activities continue. It lifts peoples' spirits and creates pride in the city.*

Cath Wilkins, Director Of GDance



Activity and Year (April to March)	Year 1 2016/17	Year 2 17/18	Year 3 18/19	Year 4 19/20	Year 5 20/21	Year 6 21/22	Year 7 22/23	Year 8 23/24	Year 9 24/25	Year 10 25/26		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 Develop an arts, culture and creative industries hub and incubator	█											
2 Consider an alternative delivery model for the Council run cultural venues												
3 Encourage grass-roots community arts activity to deliver health and wellbeing outcomes	█	█	█	█	█	█	█	█	█	█	█	█
4 Develop a Cultural Leadership Group to ensure a future generation of cultural leaders in the city												
5 Fundraise to support investment in high quality projects from Gloucester artists and organisations	█	█	█	█	█	█	█	█	█	█	█	█
6 Work closely with economic development colleagues to ensure that planning is aligned												
7 Scope the potential for a new large-scale arts and cultural venue												
8 Make contact with national cultural organisations that have the potential to bring projects to the city												
9 Support the Carnival Arts Partnership in its vision to develop Gloucester Carnival												
10 Support Gloucester based arts organisations making inclusive art and design programmes for the community	█	█	█	█	█	█	█	█	█	█	█	█
11 Commission a regular programme of high quality outdoor arts events, including street arts and parades												
12 Review the current programme of events and festivals to ensure they meet the objectives of this strategy												
13 Scope the potential for a new visitor orientation centre in the city centre												
14 Map out and implement a long term audience development strategy												
15 Work with Marketing Gloucester to develop a cultural tourism marketing strategy and campaign												
16 Invest in and develop a small portfolio of nationally significant Signature Events												
17 Evaluate and develop a bid for UK City of Culture in 2025												
18 Set up a cultural partnership consisting of a wide Cultural Forum and Culture Board												
19 Develop an online platform to support and advocate for the development of the cultural and creative sector												
20 Apply for funding from Arts Council England and other fundraising to support the strategy												

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<b>Meeting:</b>	<b>Cabinet Council</b>	<b>Date:</b>	<b>10 March 2021 18 March 2021</b>
<b>Subject:</b>	<b>Treasury Management Strategy 2021/22</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>Yes</b>
<b>Contact Officer:</b>	<b>Jon Topping, Head of Policy and Resources</b>		
	<b>Email: jon.topping@gloucester.gov.uk</b>	<b>Tel: 396242</b>	
<b>Appendices:</b>	<b>1. Treasury Management Strategy 2021/22</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

1.1 To formally recommend that Council approves the attached Treasury Management Strategy, the prudential indicators and note the Treasury activities.

**2.0 Recommendations**

2.1 Cabinet is asked to **RECOMMEND** that the Treasury Management Strategy be approved.

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

- (1) the Treasury Management Strategy at Appendix 1 be approved;
- (2) the authorised borrowing limit be approved at:-
  - a) 2021/22 £265m
  - b) 2022/23 £260m
  - c) 2023/24 £255m
- (3) the prudential indicators set out in section two of the strategy be approved.

**3.0 Background and Key Issues**

3.1 Since the acquisitions of major property investments within Gloucester, the Council increased its borrowing requirements, but receives rental income which more than matches the charge on the debt. These long term investments will significantly change the treasury position of the Council over the life of the investments, creating investable cashflow streams.

- 3.2 The Council has continued to support partners to further its strategic objectives. In 2020-21, the Council arranged additional funding to Gloucestershire Airport which will continue the development of the Airport and surrounding areas. The Council will continue to look at these social investments as a delivery mechanism to support its wider strategic objectives.
- 3.3 The 2021/22 treasury management strategy recommends to continue operating within an under-borrowing position. This position reflects that the Council uses internal resources, such as reserves, to fund the borrowing need rather than invest those funds for a return. This strategy is sensible, at this point in time, for two reasons. Firstly, the lost interest on those funds is significantly less than the costs of borrowing money for the capital programme. In addition, using the resources to reduce debt the Council will reduce exposure to investment counterparty risk.
- 3.4 There will be cash flow balances that will be invested for short periods within the year. Section 4 of the strategy outlines the Annual Investment Strategy; in particular it outlines the creditworthiness policy through the use of credit ratings.
- 3.5 The borrowing strategy is to utilise investments to reduce short term borrowing. Once investments have been applied it is anticipated that the majority of new debt will be short term as the current market rates are attractive. Where the capital programme, or investment strategy, requires the creation of long-term investment need then some long term borrowing is likely to be undertaken to take advantage of low rates and mitigate the risk presented by having all borrowing on short-term deals.
- 3.6 The strategy allows flexibility for either debt rescheduling or new long term fixed rate borrowing while allowing the Council to benefit from lower interest rates on temporary borrowing at the current time.
- 3.7 The strategy also includes the minimum revenue provision (MRP) policy statement. This policy continues with the practice approved last year. MRP is the revenue charge to reduce debt by placing a charge on the General Fund each year. The preferred option is to provide for the borrowing need created over the approximate life of the asset purchased. This is achieved with an annuity calculation which provides a consistent overall annual borrowing charge with the level of principal (MRP) increasing each year, much like a repayment mortgage.

#### **4.0 Alternative Options Considered**

- 4.1 The following option has been considered:

There is the potential to “lock in” borrowing for capital purposes on longer term rather than the current short term approach. This remains an option as long term borrowing rates are at historically low levels. However, there remains a significant difference between the cost of short term loans at approximately 0.1% whereas long term rates are approximately 2.17% (25 years plus).

## **5.0 Reasons for Recommendations**

- 5.1 As outlined in the legal implications the recommendations require Council approval. The Treasury and Investment Strategies recommended provide the best platform for financing the long-term capital programme and managing daily cash flow whilst protecting Council funds.

## **6.0 Future Work and Conclusions**

- 6.1 The Treasury Management Strategy provides a logical basis to fund the Council's capital financing requirement and long-term Capital Programme. The Council will continue to monitor the strategy and is prepared to adapt this strategy if there is changes within the markets.

## **7.0 Financial Implications**

- 7.1 The expenditure and income arising from treasury management activities are included within the Council Money Plan.

## **8.0 Social Value Considerations**

- 8.1 This report notes the Treasury Strategy of the Council. There are no anticipated Social Value implications from this report.

## **9.0 Legal Implications**

- 9.1 The Council is required to have a Treasury Management Strategy to meet the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG Minimum Revenue Provision Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

## **10.0 Risk & Opportunity Management Implications**

- 10.1 There is a risk that short term and long term interest rates could increase and this will be monitored both in-house and by the Council Treasury Management Advisor, Link Asset Services. In this event the risk will be managed through the opportunities either to reschedule debt or new long term fixed rate borrowing in place of short term borrowing.
- 10.2 The risk of deposits not being returned by the counterparty is minimised by only investing short term cash flow monies with counterparties on the approved lending list. All counterparties on this list meet minimum credit rating criteria, ensuring the risk is kept extremely low although not eliminated.

## **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

**Background Documents:**

Local Government Act 2003  
CIPFA Treasury Management Code  
CIPFA Prudential Code  
MHCLG MRP Guidance

## Appendix 1

### Treasury Management Strategy 2021/22

#### 1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.

CIPFA defines treasury management as:

*“The management of the local authority’s borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

#### 1.2 Reporting requirements

##### 1.2.1 Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the



separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:

- The corporate governance arrangements for these types of activities;
- Any service objectives relating to the investments;
- The expected income, costs and resulting contribution;
- The debt related to the activity and the associated interest costs;
- The payback period (MRP policy);
- For non-loan type investments, the cost against the current market value;
- The risks associated with each activity.

Where a physical asset is being bought, details of market research, advisers used, (and their monitoring), ongoing costs and investment requirements and any credit information will be disclosed, including the ability to sell the asset and realise the investment cash.

Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.

If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

To demonstrate the proportionality between the treasury operations and the non-treasury operation, high-level comparators are shown throughout this report.

### **1.2.2 Treasury Management reporting**

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

**Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

**A mid-year treasury management report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies require revision.

**An annual treasury report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken at Gloucester by the Audit and Governance Committee.

### **1.3 Treasury Management Strategy for 2021/22**

The strategy for 2021/22 covers two main areas:

#### **Capital issues**

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

#### **Treasury management issues**

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

### **1.4 Training**

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Finance training for members, including Treasury Management, is scheduled to feature in the member development programme during 2021/22

The training needs of treasury management officers are periodically reviewed and staff have attended training and seminars during 2020/21 and will continue to do so in the upcoming year.

### **1.5 Treasury management consultants**

The Council uses Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The scope of investments within the Council's operations now includes both conventional treasury investments, (the placing of residual cash from the Council's functions), and more commercial type investments, such as investment properties. The commercial type investments require specialist advisers, and the Council uses such advisors on a case by case basis in relation to this activity.

## 2 THE CAPITAL PRUDENTIAL INDICATORS 2021/22 – 2023/24

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

### 2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts. These forecasts have had £10m added in 2020/21 to reflect the impact of the Property Investment Strategy.

Capital expenditure £m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Policy & Resources	72.234	2.287	1.858	0.195	0.150
Place	2.477	12.880	104.623	2.582	1.057
Communities	0.721	0.621	0.737	0.494	0.494
Culture & Trading	0.021	0.000	0.000	0.000	0.000
<b>Total</b>	<b>75.453</b>	<b>15.788</b>	<b>107.218</b>	<b>3.271</b>	<b>1.701</b>

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a borrowing need.

Financing of capital expenditure £m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Capital receipts	0.290	1.052	4.550	0.921	0.841
Capital grants	3.703	0.955	3.853	2.350	0.860
Capital reserves	0.000	0.000	0.000	0.000	0.000
Revenue	0.000	0.145	0.000	0.000	0.000
<b>Net borrowing need for the year</b>	<b>71.460</b>	<b>13.781</b>	<b>98.865</b>	<b>0.000</b>	<b>0.000</b>

### 2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes. The Council currently has £20.17m of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
<b>Capital Financing Requirement</b>					
<b>Total CFR</b>	<b>118.425</b>	<b>130.095</b>	<b>226.780</b>	<b>222.998</b>	<b>219.141</b>
<b>Movement in CFR</b>	<b>70.759</b>	<b>11.670</b>	<b>96.685</b>	<b>(3.782)</b>	<b>(3.857)</b>

<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	71.460	13.781	98.865	0.000	0.000
Less MRP/VRP and other financing movements	(0.701)	(2.111)	(2.180)	(3.782)	(3.857)
<b>Movement in CFR</b>	<b>70.759</b>	<b>11.670</b>	<b>96.685</b>	<b>(3.872)</b>	<b>(3.857)</b>

### 2.3 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources £m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Fund balances / reserves	5.534	6.075	6.798	6.592	6.656
Capital receipts	0.192	0.990	4.500	1.000	0.500
Provisions	1.589	2.000	2.000	2.000	2.000
Other (Grants)	1.01	2.000	2.000	2.000	2.000
<b>Total core funds</b>	<b>8.325</b>	<b>11.065</b>	<b>15.298</b>	<b>11.592</b>	<b>11.156</b>
Working capital*	(11.295)	(4.000)	(4.000)	(4.000)	(4.000)
Under/over borrowing**	24.094	(0.366)	(0.592)	(0.869)	(4.436)
<b>Expected investments</b>	<b>21.124</b>	<b>6.699</b>	<b>10.706</b>	<b>6.723</b>	<b>2.720</b>

\*Working capital balances shown are estimated year-end; these will vary in year

### 2.4 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

MHCLG regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement):

For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- **Existing practice** - MRP will follow the existing practice outlined in former MHCLG regulations (option 1) This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

From 1 April 2008 for all unsupported borrowing (including finance leases) the MRP policy will be

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations

Repayments included in finance leases and loan principal are applied as MRP.

**MRP Overpayments** - A change introduced by the revised MHCLG MRP Guidance was the allowance that any charges made over the statutory minimum revenue provision (MRP), voluntary revenue provision or overpayments, can, if needed, be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Up until the 31 March 2020 the total VRP overpayments were £1.359m.



### 3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

#### 3.1 Current portfolio position

The Council's treasury portfolio position at 31 March 2020 with forward projections, is summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
<b>External Debt</b>					
Debt at 1 April	37.542	142.519	129.729	226.058	221.929
Expected change in Debt	104.977	(4.330)	96.329	(4.129)	(4.194)
<i>Other long-term liabilities (OLTL)</i>	<i>20.170</i>	<i>20.540</i>	<i>20.903</i>	<i>21.259</i>	<i>21.606</i>
<i>Expected change in OLTL</i>	<i>0.370</i>	<i>0.363</i>	<i>0.356</i>	<i>0.347</i>	<i>0.337</i>
Actual gross debt at 31 March	<b>142.519</b>	<b>129.729</b>	<b>226.058</b>	<b>221.929</b>	<b>217.735</b>
The Capital Financing Requirement	<b>118.425</b>	<b>130.095</b>	<b>226.780</b>	<b>222.998</b>	<b>219.141</b>
Under / (over) borrowing	<b>(24.094)</b>	<b>0.366</b>	<b>0.722</b>	<b>1.069</b>	<b>1.406</b>

The Council was over borrowed at 31/3/20 as a result of securing long term borrowing while still holding temporary borrowing. Securing long term borrowing at preferential rates ensures long term stability to the Council's borrowing portfolio. Temporary borrowing has since been repaid, resulting in a return to an under borrowed position.

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2021/22 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Head of Policy and Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

### 3.2 Treasury Indicators: limits to borrowing activity

**The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt	115	215	210	205
Other long term liabilities	30	30	30	30
Total	145	245	240	235

**The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £m	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Debt	125	230	225	220
Other long term liabilities	35	35	35	35
Total	160	265	260	255

### 3.3 Prospects for interest rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 11.8.20. However, following the conclusion of the review of PWLB margins over gilt yields on 25.11.20, all forecasts below have been reduced by 1%. These are forecasts for certainty rates, gilt yields plus 80bps:

Link Group Interest Rate View		9.11.20											
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
BANK RATE	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60

*Additional notes by Link on this forecast table: -*

- *Please note that we have made a slight change to our interest rate forecasts table above for forecasts for 3, 6 and 12 months. Traditionally, we have used LIBID forecasts, with the rate calculated using market convention of 1/8th (0.125%) taken off the LIBOR figure. Given that all LIBOR rates up to 6m are currently running below 10bps, using that convention would give negative figures as forecasts for those periods. However, the liquidity premium that is still in evidence at the short end of the curve means that the rates actually being achieved by local authority investors are still modestly in positive territory. While there are differences between counterparty offer rates, our analysis would suggest that an average rate of around 10 bps is achievable for 3 months, 10bps for 6 months and 20 bps for 12 months.*
- *During 2021, Link will be continuing to look at market developments in this area and will monitor these with a view to communicating with clients when full financial market agreement is reached on how to replace LIBOR. This is likely to be an iteration of the overnight SONIA rate and the use of compounded rates and Overnight Index Swap (OIS) rates for forecasting purposes.*
- *We will maintain continuity by providing clients with LIBID investment benchmark rates on the current basis.*

The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it left Bank Rate unchanged at its subsequent meetings to 16<sup>th</sup> December, although some forecasters had suggested that a cut into negative territory could happen. However, the Governor of the Bank of England has made it clear that he currently thinks that such a move would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected in the near-term as economic recovery is expected to be only gradual and, therefore, prolonged. These forecasts were based on an assumption that a Brexit trade deal would be agreed by 31.12.20: as this has now occurred, these forecasts do not need to be revised.

### **Gilt yields / PWLB rates**

There was much speculation during the second half of 2019 that bond markets were in a bubble which was driving bond prices up and yields down to historically very low levels. The context for that was a heightened expectation that the US could have been heading for a recession in 2020. In addition, there were growing expectations of a downturn in world economic growth, especially due to fears around the impact of the trade war between the US and China, together with inflation generally at low levels in most countries and expected to remain subdued. Combined, these conditions were conducive to very low bond yields. While inflation targeting by the major central banks has been successful over the last thirty years in lowering inflation expectations, the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers. This means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. The consequence of this has been the gradual lowering of the overall level of interest rates and bond yields in financial markets over the last 30 years. Over the year prior to the coronavirus crisis, this has seen many bond yields up to 10 years turn negative in the Eurozone. In addition, there has, at times, been an inversion of bond yields in the US whereby 10 year yields have fallen below shorter term yields. In the past, this has been a precursor of a recession. The other side of this coin is that bond prices are elevated as investors would be expected to be moving out of riskier assets i.e. shares, in anticipation of a downturn in corporate earnings and so selling out of equities.

Gilt yields had therefore already been on a generally falling trend up until the coronavirus crisis hit western economies during March 2020. After gilt yields spiked up during the financial crisis in March, we have seen these yields fall sharply to unprecedented lows as investors panicked during March in selling shares in anticipation of impending recessions in western economies, and moved cash into safe haven assets i.e. government bonds. However, major western central banks took rapid action to deal with excessive stress in financial markets during March, and started massive quantitative easing purchases of government bonds: this also acted to put downward pressure on government bond yields at a time when there has been a huge and quick expansion of government expenditure financed by issuing government bonds. Such unprecedented levels of issuance in “normal” times would have caused bond yields to rise sharply. Gilt yields and PWLB rates have been at remarkably low rates so far during 2020/21.

As the interest forecast table for PWLB certainty rates above shows, there is expected to be little upward movement in PWLB rates over the next two years as it will take economies, including the UK, a prolonged period to recover all the momentum they have lost in the sharp recession caused during the coronavirus shut down period. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment, (as shown on 9<sup>th</sup> November when the first results of a successful COVID-19 vaccine trial were announced). Such volatility could occur at any time during the forecast period.

### **Investment and borrowing rates**

- **Investment returns** are likely to remain exceptionally low during 2021/22 with little increase in the following two years.
- **Borrowing interest rates** fell to historically very low rates as a result of the COVID crisis and the quantitative easing operations of the Bank of England: indeed, gilt yields up to 6 years were negative during most of the first half of 20/21. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. The unexpected increase of 100 bps in PWLB rates on top of the then current margin over gilt yields of 80 bps in October 2019, required an initial major rethink of local authority treasury management strategy and risk management. However, in March 2020, the Government started a consultation process for reviewing the margins over gilt rates for PWLB borrowing for different types of local authority capital expenditure. *(Please note that*

*Link has concerns over this approach, as the fundamental principle of local authority borrowing is that borrowing is a treasury management activity and individual sums that are borrowed are not linked to specific capital projects.)* It also introduced the following rates for borrowing for different types of capital expenditure: -

- **PWLB Standard Rate** is gilt plus 200 basis points (G+200bps)
  - **PWLB Certainty Rate** is gilt plus 180 basis points (G+180bps)
  - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
  - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
  - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
- As a consequence of these increases in margins, many local authorities decided to refrain from PWLB borrowing unless it was for HRA or local infrastructure financing, until such time as the review of margins was concluded.
  - On 25.11.20, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital programme. The new margins over gilt yields are as follows: -
    - **PWLB Standard Rate** is gilt plus 100 basis points (G+100bps)
    - **PWLB Certainty Rate** is gilt plus 80 basis points (G+80bps)
    - **PWLB HRA Standard Rate** is gilt plus 100 basis points (G+100bps)
    - **PWLB HRA Certainty Rate** is gilt plus 80bps (G+80bps)
    - **Local Infrastructure Rate** is gilt plus 60bps (G+60bps)
  - **Borrowing for capital expenditure.** As Link's long-term forecast for Bank Rate is 2.00%, and all PWLB rates are under 2.00%, there is now value in borrowing from the PWLB for all types of capital expenditure for all maturity periods, especially as current rates are at historic lows. However, greater value can be obtained in borrowing for shorter maturity periods so the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.
  - While this authority will not be able to avoid borrowing to finance new capital expenditure, and to replace maturing debt, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

### 3.4 Borrowing strategy

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2021/22 treasury operations. The Head of Policy and Resources will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in long and short term rates (e.g. due to a marked increase of risks around relapse into recession or of risks of deflation),*



then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.

- *if it was felt that there was a significant risk of a much sharper RISE in long and short term rates than that currently forecast*, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised. Most likely, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

### 3.5 Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### 3.6 Debt rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020.

All rescheduling will be reported to Cabinet at the earliest meeting following its action. The Council has recently taken long term loans and there is no current rescheduling planned.

### 3.7 New financial institutions as a source of borrowing and / or types of borrowing

Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following sources for the following reasons:

- Local authorities (primarily shorter dated maturities out to 3 years or so – still cheaper than the Certainty Rate).
- Financial institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a “cost of carry” or to achieve refinancing certainty over the next few years).
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time).

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

### 3.8 Approved Sources of Long and Short term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●

Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

## 4 ANNUAL INVESTMENT STRATEGY

### 4.1 Investment policy

The MHCLG and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. There are two lists in appendix 5.4 under the categories of 'specified' and 'non-specified' investments.
  - **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year.
  - **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
5. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 4.2.
6. **Transaction limits** are set for each type of investment in 4.2.

7. This authority will set a limit for the amount of its investments which are invested for **longer than 365 days**, (see paragraph 4.4).
8. Investments will only be placed with counterparties from countries with a specified minimum **sovereign rating**, (see paragraph 4.3).
9. This authority has engaged **external consultants**, (see paragraph 1.5), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
10. All investments will be denominated in **sterling**.
11. As a result of the change in accounting standards for 2020/21 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23

However, this authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 4.5). Regular monitoring of investment performance will be carried out during the year.

#### 4.2 Creditworthiness policy

This Council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- "watches" and "outlooks" from credit rating agencies; credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow            5 years \*
- Dark pink       5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink       5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple            2 years
- Blue              1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange           1 year
- Red               6 months
- Green            100 days
- No colour        not to be used

This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard & Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- "watches" and "outlooks" from credit rating agencies;
- CDS spreads that may give early warning of changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, and any assigned Watches and Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads. The end product of this is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will, therefore, use counterparties within the following durational bands:

- Yellow            5 years \*
- Dark pink       5 years for Ultra-Short Dated Bond Funds with a credit score of 1.25
- Light pink       5 years for Ultra-Short Dated Bond Funds with a credit score of 1.5
- Purple            2 years
- Blue             1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange          1 year
- Red              6 months
- Green            100 days
- No colour        not to be used

The Link creditworthiness service uses a wider array of information other than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically, the minimum credit ratings criteria the Council use will be a short-term rating (Fitch or equivalents) of F1 and a long-term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances, consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Link creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap spreads against the iTraxx European Financials benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, as well as information on any external support for banks to help support its decision making process.

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

	Colour (and long term rating where applicable)	Money and/or % Limit	Time Limit
Banks *	yellow	£10m	5yrs
Banks	purple	£10m	2 yrs
Banks	orange	£10m	1 yr
Banks – part nationalised	blue	£10m	1 yr
Banks	red	£10m	6 mths
Banks	green	£10m	100 days
Banks	No colour	Not to be used	
Limit 3 category – Council’s banker (where “No Colour”)	Barclays Bank	100 %	1 day
Other institutions limit	A-	£10m	6 months
DMADF	UK sovereign rating	unlimited	6 months
Local authorities	n/a	100%	1yrs
	Fund rating	Money and/or % Limit	Time Limit
Money Market Funds CNAV	AAA	£10m	liquid
Money Market Funds LVNAV	AAA	£10m	liquid
Money Market Funds VNAV	AAA	£10m	liquid



<b>Ultra-Short Dated Bond Funds with a credit score of 1.25</b>	<b>Dark pink / AAA</b>	<b>£10m</b>	<b>liquid</b>
<b>Ultra-Short Dated Bond Funds with a credit score of 1.50</b>	<b>Light pink / AAA</b>	<b>£10m</b>	<b>liquid</b>

### **Creditworthiness.**

Although the credit rating agencies changed their outlook on many UK banks from Stable to Negative during the quarter ended 30.6.20 due to upcoming risks to banks' earnings and asset quality during the economic downturn caused by the pandemic, the majority of ratings were affirmed due to the continuing strong credit profiles of major financial institutions, including UK banks. However, during Q1 and Q2 2020, banks made provisions for expected credit losses and the rating changes reflected these provisions. As we move into future quarters, more information will emerge on actual levels of credit losses. (Quarterly earnings reports are normally announced in the second half of the month following the end of the quarter.) This has the potential to cause rating agencies to revisit their initial rating adjustments earlier in the current year. These adjustments could be negative or positive, although it should also be borne in mind that banks went into this pandemic with strong balance sheets. This is predominantly a result of regulatory changes imposed on banks following the Great Financial Crisis. Indeed, the Financial Policy Committee (FPC) report on 6th August revised down their expected credit losses for the UK banking sector to "somewhat less than £80bn". It stated that in its assessment, "banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC's central projection". The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC's projection, with unemployment rising to above 15%.

All three rating agencies have reviewed banks around the world with similar results in many countries of most banks being placed on Negative Outlook, but with a small number of actual downgrades.

### **CDS prices**

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards at the end of March / early April 2020 due to the heightened market uncertainty and ensuing liquidity crisis that affected financial markets, they have returned to more average levels since then. Nevertheless, prices are still elevated compared to end-February 2020. Pricing is likely to remain volatile as uncertainty continues. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Council has access to this information via its Link-provided Passport portal.

### 4.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 6.4. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

### 4.4 Investment strategy

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

#### Investment returns expectations.

Bank Rate is unlikely to rise from 0.10% for a considerable period. It is very difficult to say when it may start rising so it may be best to assume that investment earnings from money market-related instruments will be sub 0.50% for the foreseeable future.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):

Average earnings in each year	
2020/21	0.10%
2021/22	0.10%
2022/23	0.10%
2023/24	0.10%
2024/25	0.25%
Long term later years	2.00%

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is subject to major uncertainty due to the virus and how quickly successful vaccines may become available and widely administered to the population. It may also be affected by what, if any, deal the UK agrees as part of Brexit.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, or a return of investor confidence in equities, could impact gilt yields, (and so PWLB rates), in the UK.

## Negative investment rates

While the Bank of England said in August / September 2020 that it is unlikely to introduce a negative Bank Rate, at least in the next 6 -12 months, and in November omitted any mention of negative rates in the minutes of the meeting of the Monetary Policy Committee, some deposit accounts are already offering negative rates for shorter periods. As part of the response to the pandemic and lockdown, the Bank and the Government have provided financial markets and businesses with plentiful access to credit, either directly or through commercial banks. In addition, the Government has provided large sums of grants to local authorities to help deal with the COVID crisis; this has caused some local authorities to have sudden large increases in cash balances searching for an investment home, some of which was only very short term until those sums were able to be passed on.

As for money market funds (MMFs), yields have continued to drift lower. Some managers have already resorted to trimming fee levels to ensure that net yields for investors remain in positive territory where possible and practical. Investor cash flow uncertainty, and the need to maintain liquidity in these unprecedented times, has meant there is a surfeit of money swilling around at the very short end of the market. This has seen a number of market operators, now including the DMADF, offer nil or negative rates for very short term maturities. This is not universal, and MMFs are still offering a marginally positive return, as are a number of financial institutions for investments at the very short end of the yield curve.

Inter-local authority lending and borrowing rates have also declined due to the surge in the levels of cash seeking a short-term home at a time when many local authorities are probably having difficulties over accurately forecasting when disbursements of funds received will occur or when further large receipts will be received from the Government.

**Investment treasury indicator and limit** - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

<b>Maximum principal sums invested over 365 days</b>			
<b>£m</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Principal sums invested over 365 days	£30m	£30m	£30m

## 4.5 Investment risk benchmarking

These benchmarks are simple guides to maximum risk, so they may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy to manage risk as conditions change. Any breach of the benchmarks will be reported, with supporting reasons in the mid-year or Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- **5% historic risk of default when compared to the whole portfolio.**

Liquidity – in respect of this area the Council seeks to maintain:

- Bank overdraft - £0m
- Liquid short term deposits of at least £5m available with a week's notice.

- Weighted average life benchmark is expected to be 25 years, with a maximum of 40 years.

Yield - local measures of yield benchmarks are:

- Investments – internal returns above the 7 day LIBID rate
- Investments – external fund managers - returns 110% above 7 day compounded LIBID.

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
<b>Maximum</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>	<b>5%</b>

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

#### 4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### 5.1 THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2021/222 – 2023/24

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

#### 5.1.1 Capital expenditure

Capital expenditure £m	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Policy & Resources	72.234	2.287	1.858	0.195	0.150
Place	2.477	12.880	104.623	2.582	1.057
Communities	0.721	0.621	0.737	0.494	0.494
Culture & Trading	0.021	0.000	0.000	0.000	0.000
<b>Total</b>	<b>75.453</b>	<b>15.788</b>	<b>107.218</b>	<b>3.271</b>	<b>1.701</b>

#### 5.1.2 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

##### a. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2019/20 Actual	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
	<b>12.08%</b>	<b>20.08%</b>	<b>20.42%</b>	<b>28.88%</b>	<b>29.15%</b>



The estimates of financing costs include current commitments and the proposals in this budget report.

The current figures are largely the result of the Kings Walk investment, rental payments for the King's Walk lease are counted as financing expenditure as they pay off the lease liability included within the CFR. Rental payments received from retailers within Kings Walk will cover these financing costs.

The increases from 2020/21 are related to sums borrowed for the Investment Strategy and include the purchase of St Oswald's retail park.

### 5.1.3 Maturity structure of borrowing

Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

<b>Maturity structure of fixed and variable interest rate borrowing 2018/19</b>		
	<b>Lower</b>	<b>Upper</b>
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years and above	0%	100%

### 5.1.4. Control of interest rate exposure

Please see paragraphs 3.3, 3.4 and 4.4.

## 6 APPENDICES

1. Interest rate forecasts
2. Economic background
3. Treasury management practice 1 – credit and counterparty risk management (option 1)
4. Approved countries for investments
5. Treasury management scheme of delegation
6. The treasury management role of the section 151 officer

### 6.1 INTEREST RATE FORECASTS 2020 – 2024

Link Group Interest Rate View		9.11.20				(The Capital Economics forecasts were done 11.11.20)							
These Link forecasts have been amended for the reduction in PWLB margins by 1.0% from 26.11.20													
	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
<b>BANK RATE</b>	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
6 month ave earnings	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
12 month ave earnings	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
5 yr PWLB	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
10 yr PWLB	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
25 yr PWLB	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
50 yr PWLB	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
<b>Bank Rate</b>													
Link	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Capital Economics	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
<b>5yr PWLB Rate</b>													
Link	0.80	0.80	0.80	0.80	0.90	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00
Capital Economics	0.90	0.90	0.90	0.90	0.90	0.90	0.90	0.90	-	-	-	-	-
<b>10yr PWLB Rate</b>													
Link	1.10	1.10	1.10	1.10	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30
Capital Economics	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	-	-	-	-	-
<b>25yr PWLB Rate</b>													
Link	1.50	1.60	1.60	1.60	1.60	1.70	1.70	1.70	1.70	1.80	1.80	1.80	1.80
Capital Economics	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	-	-	-	-	-
<b>50yr PWLB Rate</b>													
Link	1.30	1.40	1.40	1.40	1.40	1.50	1.50	1.50	1.50	1.60	1.60	1.60	1.60
Capital Economics	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	-	-	-	-	-

The PWLB rates are based on the new margins over gilts announced on 26th November 2020. PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012. There are no changes to these forecasts as at 5.1.21.

### 6.2 ECONOMIC BACKGROUND

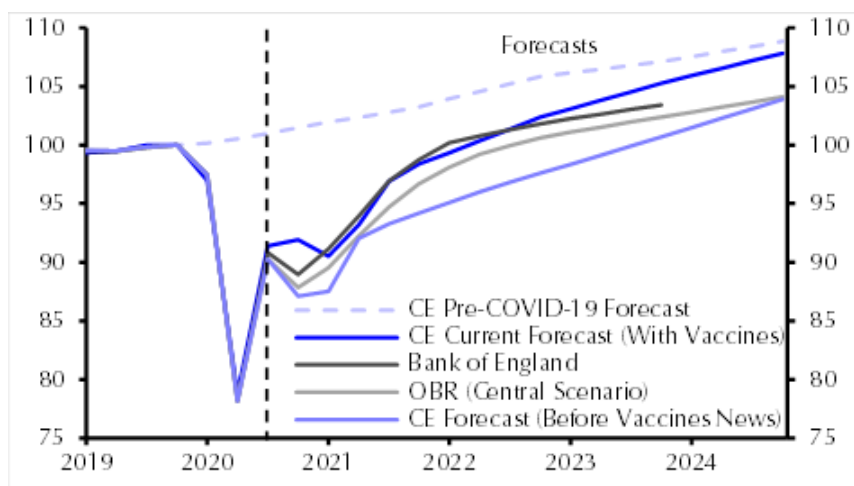
- **UK.** The key quarterly meeting of the Bank of England Monetary Policy Committee kept **Bank Rate** unchanged on 5.11.20. However, it revised its economic forecasts to take account of a second national lockdown from 5.11.20 to 2.12.20 which is obviously going to put back economic recovery and do further damage to the economy. It therefore decided to do a further tranche of **quantitative easing (QE) of £150bn**, to start in January when the current programme of £300bn of QE, announced in March to June, runs out. It did this so that “announcing further asset purchases now should support the economy and

help to ensure the unavoidable near-term slowdown in activity was not amplified by a tightening in monetary conditions that could slow the return of inflation to the target”.

- Its forecasts appeared, at that time, to be rather optimistic in terms of three areas:
  - The economy would recover to reach its pre-pandemic level in Q1 2022
  - The Bank also expected there to be excess demand in the economy by Q4 2022.
  - CPI inflation was therefore projected to be a bit above its 2% target by the start of 2023 and the “inflation risks were judged to be balanced”.
- Significantly, there was no mention of **negative interest rates** in the minutes or Monetary Policy Report, suggesting that the MPC remains some way from being persuaded of the case for such a policy, at least for the next 6 -12 months. However, rather than saying that it “stands ready to adjust monetary policy”, the MPC this time said that it will take “whatever additional action was necessary to achieve its remit”. The latter seems stronger and wider and may indicate the Bank’s willingness to embrace new tools.
- One key addition to **the Bank’s forward guidance in August** was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate. Our Bank Rate forecast currently shows no increase, (or decrease), through to quarter 1 2024 but there could well be no increase during the next five years as it will take some years to eliminate spare capacity in the economy, and therefore for inflationary pressures to rise to cause the MPC concern. **Inflation** is expected to briefly peak at just over 2% towards the end of 2021, but this is a temporary short lived factor due to base effects from twelve months ago falling out of the calculation, and so is not a concern. Looking further ahead, it is also unlikely to be a problem for some years as it will take a prolonged time for spare capacity in the economy, created by this downturn, to be used up.
- **Public borrowing** was forecast in November by the Office for Budget Responsibility (the OBR) to reach £394bn in the current financial year, the highest ever peace time deficit and equivalent to 19% of GDP. In normal times, such an increase in total gilt issuance would lead to a rise in gilt yields, and so PWLB rates. However, the QE done by the Bank of England has depressed gilt yields to historic low levels, (as has similarly occurred with QE and debt issued in the US, the EU and Japan). This means that new UK debt being issued, and this is being done across the whole yield curve in all maturities, is locking in those historic low levels through until maturity. In addition, the UK has one of the longest average maturities for its entire debt portfolio, of any country in the world. Overall, this means that the total interest bill paid by the Government is manageable despite the huge increase in the total amount of debt. The OBR was also forecasting that the government will still be running a budget deficit of £102bn (3.9% of GDP) by 2025/26. However, initial impressions are that they have taken a pessimistic view of the impact that vaccines could make in the speed of economic recovery.
- Overall, **the pace of recovery** was not expected to be in the form of a rapid V shape, but a more elongated and prolonged one. The initial recovery was sharp after quarter 1 saw growth at -3.0% followed by -18.8% in quarter 2 and then an upswing of +16.0% in quarter 3; this still left the economy 8.6% smaller than in Q4 2019. While the one month second national lockdown that started on 5<sup>th</sup> November caused a further contraction of 5.7% m/m in November, this was much better than had been feared and showed that the economy is adapting to new ways of working. This left the economy ‘only’ 8.6% below the pre-crisis level.

- Vaccines – the game changer.** The Pfizer announcement on 9<sup>th</sup> November of a successful vaccine has been followed by approval of the Oxford University/AstraZeneca and Moderna vaccines. The Government has a set a target to vaccinate 14 million people in the most at risk sectors of the population by 15th February; as of mid-January, it has made good, and accelerating progress in hitting that target. The aim is to vaccinate all adults by September. This means that the national lockdown starting in early January, could be replaced by regional tiers of lighter restrictions, beginning possibly in Q2. At that point, there would be less reason to fear that hospitals could become overwhelmed any more. Effective vaccines have radically improved the economic outlook so that it may now be possible for GDP to recover to its pre-virus level as early as Q1 2022. These vaccines have enormously boosted confidence that **life could largely return to normal during the second half of 2021**. With the household saving rate having been exceptionally high since the first lockdown in March, there is plenty of pent-up demand and purchasing power stored up for when life returns to normal.
- Provided that both monetary and fiscal policy are kept loose for a few years yet, then it is still possible that in the second half of this decade, the economy may be no smaller than it would have been if COVID-19 never happened. The significant risk is if another mutation of COVID-19 appears that defeats the current batch of vaccines. However, now that science and technology have caught up with understanding this virus, new vaccines ought to be able to be developed more quickly to counter such a development, and vaccine production facilities are being ramped up around the world.

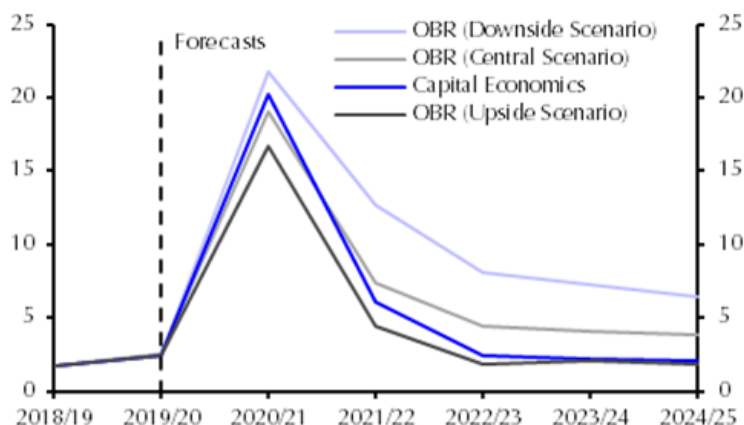
Chart: Level of real GDP (Q4 2019 = 100)



*(if unable to print in colour..... the key describing each line in the above graph is in sequential order from top to bottom in parallel with the lines in the graph.*

This recovery of growth which eliminates the effects of the pandemic by about the middle of the decade, would have major repercussions for public finances as it would be consistent with the government deficit falling to around 2.5% of GDP without any tax increases. This would be in line with the OBR's most optimistic forecast in the graph below, rather than their current central scenario which predicts a 4% deficit due to assuming much slower growth. However, Capital Economics forecasts assumed that politicians do not raise taxes or embark on major austerity measures and so, (perversely!), depress economic growth and recovery.

Chart: Public Sector Net Borrowing (as a % of GDP)



*(if unable to print in colour..... the key describing each line in the above graph is in sequential order from top to bottom in parallel with the lines in the graph.*

- There will still be some **painful longer term adjustments** as e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever, even if vaccines are fully successful in overcoming the current virus. There is also likely to be a **reversal of globalisation** as this crisis has exposed how vulnerable long-distance supply chains are. On the other hand, **digital services** are one area that has already seen huge growth.
- **Brexit.** The final agreement of a trade deal on 24.12.20 has eliminated a significant downside risk for the UK economy. The initial agreement only covers trade so there is further work to be done on the services sector where temporary equivalence has been granted in both directions between the UK and EU; that now needs to be formalised on a permanent basis. As the forecasts in this report were based on an assumption of a Brexit agreement being reached, there is no need to amend these forecasts.
- **Monetary Policy Committee meeting of 17 December.** All nine Committee members voted to keep interest rates on hold at +0.10% and the Quantitative Easing (QE) target at £895bn. The MPC commented that the successful rollout of vaccines had reduced the downsides risks to the economy that it had highlighted in November. But this was caveated by it saying, "Although all members agreed that this would reduce downside risks, they placed different weights on the degree to which this was also expected to lead to stronger GDP growth in the central case." So, while vaccines are a positive development, in the eyes of the MPC at least, the economy is far from out of the woods in the shorter term. The MPC, therefore, voted to extend the availability of the Term Funding Scheme, (cheap borrowing), with additional incentives for small and medium size enterprises for six months from 30.4.21 until 31.10.21. (The MPC had assumed that a Brexit deal would be agreed.)
- **Fiscal policy.** In the same week as the MPC meeting, the Chancellor made a series of announcements to provide further support to the economy: -
  - An extension of the COVID-19 loan schemes from the end of January 2021 to the end of March.
  - The furlough scheme was lengthened from the end of March to the end of April.
  - The Budget on 3.3.21 will lay out the "next phase of the plan to tackle the virus and protect jobs". This does not sound like tax rises are imminent, (which could hold back the speed of economic recovery).
- The **Financial Policy Committee** (FPC) report on 6.8.20 revised down their expected credit losses for the banking sector to "somewhat less than £80bn". It stated that in its



assessment, “banks have buffers of capital more than sufficient to absorb the losses that are likely to arise under the MPC’s central projection”. The FPC stated that for real stress in the sector, the economic output would need to be twice as bad as the MPC’s projection, with unemployment rising to above 15%.

- **US.** The Democrats gained the presidency and a majority in the House of Representatives in the November elections: after winning two key Senate seats in Georgia in elections in early January, they now also have a very slim majority in the Senate due to the vice president’s casting vote. President Biden will consequently have a much easier path to implement his election manifesto. However, he will not have a completely free hand as more radical Democrat plans may not be supported by all Democrat senators. His initial radical plan for a fiscal stimulus of \$1.9trn, (9% of GDP), is therefore likely to be toned down in order to get through both houses.
- **The economy** had been recovering quite strongly from its contraction in 2020 of 10.2% due to the pandemic with GDP only 3.5% below its pre-pandemic level and the unemployment rate dropping below 7%. However, the rise in new cases during quarter 4, to the highest level since mid-August, suggests that the US could be in the early stages of a fourth wave. The latest upturn poses a threat that the recovery in the economy could stall. This is **the single biggest downside risk** to the shorter term outlook – a more widespread and severe wave of infections over the winter months, which is compounded by the impact of the regular flu season and, as a consequence, threatens to overwhelm health care facilities. Under those circumstances, individual states might feel it necessary to return to more draconian lockdowns.
- The restrictions imposed to control the spread of the virus are once again weighing on the economy with employment growth slowing sharply in November and declining in December, and retail sales dropping back. The economy is set for further weakness into the spring. **GDP growth** is expected to rebound markedly from the second quarter of 2021 onwards as vaccines are rolled out on a widespread basis and restrictions are loosened.
- After Chair Jerome Powell unveiled the **Fed’s adoption of a flexible average inflation target** in his Jackson Hole speech in late August 2020, the mid-September meeting of the Fed agreed by a majority to a toned down version of the new inflation target in his speech - that *“it would likely be appropriate to maintain the current target range until labour market conditions were judged to be consistent with the Committee’s assessments of maximum employment and inflation had risen to 2% and was on track to moderately exceed 2% for some time.”* This change was aimed to provide more stimulus for economic growth and higher levels of employment and to avoid the danger of getting caught in a deflationary “trap” like Japan. It is to be noted that inflation has actually been under-shooting the 2% target significantly for most of the last decade, (and this year), so financial markets took note that higher levels of inflation are likely to be in the pipeline; long-term bond yields duly rose after the meeting. The FOMC’s updated economic and rate projections in mid-September showed that officials expect to leave the fed funds rate at near-zero until at least end-2023 and probably for another year or two beyond that. There is now some expectation that where the Fed has led in changing its inflation target, other major central banks will follow. The increase in tension over the last year between the US and China is likely to lead to a lack of momentum in progressing the initial positive moves to agree a phase one trade deal.
- The Fed’s meeting on **5 November** was unremarkable - but at a politically sensitive time around the elections. At its **16 December** meeting the Fed tweaked the guidance for its monthly asset quantitative easing purchases with the new language implying those purchases could continue for longer than previously believed. Nevertheless, with officials

still projecting that **inflation** will only get back to 2.0% in 2023, the vast majority expect the Fed funds rate to be still at near-zero until 2024 or later. Furthermore, officials think the balance of risks surrounding that median inflation forecast are firmly skewed to the downside. The key message is still that policy will remain unusually accommodative – with near-zero rates and asset purchases – continuing for several more years. This is likely to result in keeping Treasury yields low – which will also have an influence on gilt yields in this country.

- **EU.** In early December, the figures for Q3 GDP confirmed that the economy staged a rapid rebound from the first lockdowns. This provides grounds for optimism about growth prospects for next year. In Q2, GDP was 15% below its pre-pandemic level. But in Q3 the economy grew by 12.5% q/q leaving GDP down by “only” 4.4%. That was much better than had been expected earlier in the year. However, growth is likely to stagnate during Q4 and in Q1 of 2021, as a second wave of the virus has seriously affected many countries. The €750bn fiscal support package eventually agreed by the EU after prolonged disagreement between various countries, is unlikely to provide significant support, and quickly enough, to make an appreciable difference in the countries most affected by the first wave.
- With **inflation** expected to be unlikely to get much above 1% over the next two years, **the ECB** has been struggling to get inflation up to its 2% target. It is currently unlikely that it will cut its central rate even further into negative territory from -0.5%, although the ECB has stated that it retains this as a possible tool to use. The ECB’s December meeting added a further €500bn to the PEPP scheme, (purchase of government and other bonds), and extended the duration of the programme to March 2022 and re-investing maturities for an additional year until December 2023. Three additional tranches of TLTRO, (cheap loans to banks), were approved, indicating that support will last beyond the impact of the pandemic, implying indirect yield curve control for government bonds for some time ahead. The Bank’s forecast for a return to pre-virus activity levels was pushed back to the end of 2021, but stronger growth is projected in 2022. The total PEPP scheme of €1,850bn of QE which started in March 2020 is providing protection to the sovereign bond yields of weaker countries like Italy. There is therefore unlikely to be a euro crisis while the ECB is able to maintain this level of support. However, as in the UK and the US, the advent of highly effective vaccines will be a game changer, although growth will struggle before later in quarter 2 of 2021.
- **China.** After a concerted effort to get on top of the virus outbreak in Q1, economic recovery was strong in Q2 and then into Q3 and Q4; this has enabled China to recover all of the contraction in Q1. Policy makers have both quashed the virus and implemented a programme of monetary and fiscal support that has been particularly effective at stimulating short-term growth. At the same time, China’s economy has benefited from the shift towards online spending by consumers in developed markets. These factors help to explain its comparative outperformance compared to western economies. However, this was achieved by major central government funding of yet more infrastructure spending. After years of growth having been focused on this same area, any further spending in this area is likely to lead to increasingly weaker economic returns in the longer term. This could, therefore, lead to a further misallocation of resources which will weigh on growth in future years.
- **Japan.** A third round of fiscal stimulus in early December took total fresh fiscal spending this year in response to the virus close to 12% of pre-virus GDP. That’s huge by past standards, and one of the largest national fiscal responses. The budget deficit is now likely to reach 16% of GDP this year. Coupled with Japan’s relative success in containing the virus without draconian measures so far, and the likelihood of effective vaccines being

available in the coming months, the government's latest fiscal effort should help ensure a strong recovery and to get back to pre-virus levels by Q3 2021 – around the same time as the US and much sooner than the Eurozone.

- **World growth.** World growth will have been in recession in 2020 and this is likely to continue into the first half of 2021 before recovery in the second half. Inflation is unlikely to be a problem for some years due to the creation of excess production capacity and depressed demand caused by the coronavirus crisis.
- Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy. The Chinese government has targeted achieving major world positions in specific key sectors and products, especially high tech areas and production of rare earth minerals used in high tech products. It is achieving this by massive financial support, (i.e. subsidies), to state owned firms, government directions to other firms, technology theft, restrictions on market access by foreign firms and informal targets for the domestic market share of Chinese producers in the selected sectors. This is regarded as being unfair competition that is putting western firms at an unfair disadvantage or even putting some out of business. It is also regarded with suspicion on the political front as China is an authoritarian country that is not averse to using economic and military power for political advantage. The current trade war between the US and China therefore needs to be seen against that backdrop. It is, therefore, likely that we are heading into a period where there will be a **reversal of world globalisation and a decoupling of western countries** from dependence on China to supply products. This is likely to produce a backdrop in the coming years of weak global growth and so weak inflation.

## Summary

**Central banks are, therefore, likely to support growth by maintaining loose monetary policy through keeping rates very low for longer. Governments could also help a quicker recovery by providing more fiscal support for their economies at a time when total debt is affordable due to the very low rates of interest. They will also need to avoid significant increases in taxation or austerity measures that depress demand and the pace of recovery in their economies.**

**If there is a huge surge in investor confidence as a result of successful vaccines which leads to a major switch out of government bonds into equities, which, in turn, causes government debt yields to rise, then there will be pressure on central banks to actively manage debt yields by further QE purchases of government debt; this would help to suppress the rise in debt yields and so keep the total interest bill on greatly expanded government debt portfolios within manageable parameters. It is also the main alternative to a programme of austerity.**

## INTEREST RATE FORECASTS

**Brexit.** The interest rate forecasts provided by Link in paragraph 3.3 were predicated on an assumption of a reasonable agreement being reached on trade negotiations between the UK and the EU by 31.12.20. There is therefore no need to revise these forecasts now that a trade deal has been agreed. Brexit may reduce the economy's potential growth rate in the long run. However,

much of that drag is now likely to be offset by an acceleration of productivity growth triggered by the digital revolution brought about by the COVID crisis.

### The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably now skewed to the upside, but is still subject to some uncertainty due to the virus and the effect of any mutations, and how quick vaccines are in enabling a relaxation of restrictions.
- There is relatively little UK domestic risk of increases or decreases in Bank Rate and significant changes in shorter term PWLB rates. The Bank of England has effectively ruled out the use of negative interest rates in the near term and increases in Bank Rate are likely to be some years away given the underlying economic expectations. However, it is always possible that safe haven flows, due to unexpected domestic developments and those in other major economies, could impact gilt yields, (and so PWLB rates), in the UK.

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

- **UK government** takes too much action too quickly to raise taxation or introduce austerity measures that depress demand and the pace of recovery of the economy.
- **UK - Bank of England** takes action too quickly, or too far, over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the **Eurozone sovereign debt crisis**. The ECB has taken monetary policy action to support the bonds of EU states, with the positive impact most likely for “weaker” countries. In addition, the EU agreed a €750bn fiscal support package. These actions will help shield weaker economic regions for the next two or three years. However, in the case of Italy, the cost of the virus crisis has added to its already huge debt mountain and its slow economic growth will leave it vulnerable to markets returning to taking the view that its level of debt is unsupportable. There remains a sharp divide between northern EU countries favouring low debt to GDP and annual balanced budgets and southern countries who want to see jointly issued Eurobonds to finance economic recovery. This divide could undermine the unity of the EU in time to come.
- Weak capitalisation of some **European banks**, which could be undermined further depending on extent of credit losses resultant of the pandemic.
- **German minority government & general election in 2021**. In the German general election of September 2017, Angela Merkel’s CDU party was left in a vulnerable minority position dependent on the fractious support of the SPD party, as a result of the rise in popularity of the anti-immigration AfD party. Angela Merkel has stepped down from being the CDU party leader but she will remain as Chancellor until the general election in 2021. This then leaves a major question mark over who will be the major guiding hand and driver of EU unity when she steps down.
- **Other minority EU governments**. Italy, Spain, Austria, Sweden, Portugal, Netherlands, Ireland and Belgium also have vulnerable minority governments dependent on coalitions which could prove fragile.
- **Austria, the Czech Republic, Poland and Hungary** now form a strongly anti-immigration bloc within the EU, and they had threatened to derail the 7 year EU budget until a compromise was thrashed out in late 2020. There has also been a rise in anti-immigration sentiment in Germany and France.
- **Geopolitical risks**, for example in China, Iran or North Korea, but also in Europe and other Middle Eastern countries, which could lead to increasing safe haven flows.

### Upside risks to current forecasts for UK gilt yields and PWLB rates

- **UK** - a significant rise in inflationary pressures e.g. caused by a stronger than currently expected recovery in the UK economy after effective vaccines are administered quickly to the UK population, leading to a rapid resumption of normal life and return to full economic activity across all sectors of the economy.

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly within the UK economy, which then necessitates a rapid series of increases in Bank Rate to stifle inflation.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.



### 6.3 TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT OPTION 1

**SPECIFIED INVESTMENTS:** All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' quality criteria where applicable.

**NON-SPECIFIED INVESTMENTS:** These are any investments which do not meet the specified investment criteria. A maximum of 100% will be held in aggregate in non-specified investment

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	** Max % of total investments/ £ limit per institution	Max. maturity period
<b>DMADF – UK Government</b>	N/A	<b>100%</b>	<b>6 months</b>
UK Government gilts	UK sovereign rating	50%	12 months
UK Government Treasury bills	UK sovereign rating	50%	12 months
Bonds issued by multilateral development banks	AAA (or state your criteria if different)	50%	6 months
Money Market Funds (CNAV, LNAV and VNAV)	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.25	AAA	100%	Liquid
Ultra-Short Dated Bond Funds with a credit score of 1.5	AAA	100%	Liquid
Local authorities	N/A	100%	12 months
Gloucestershire Airport	N/A	£9.5m	
Marketing Gloucester	N/A	£0.24m	
Rokeby Merchant	N/A	£0.6m	
Ladybellegate Estates	N/A	£1.8m	

Gloucestershire Wildlife Trust	N/A	£0.55m	
Cheltenham YMCA	N/A	£1.5m	31 years
Term deposits with banks and building societies	Blue Orange Red Green No Colour	£10m £10m £10m £10m £0	12 months 12 months 6 months 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	£1m £1m £1m £1m £0	12 months 12 months 6 months 100 days Not for use
Gilt funds	UK sovereign rating	Nil	
CCLA Property/DIF Funds		£10m	10 years

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

#### 6.4 APPROVED COUNTRIES FOR INVESTMENTS

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

##### ***Based on lowest available rating***

###### AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

###### AA+

- Canada

- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- U.K.

## 6.5 TREASURY MANAGEMENT SCHEME OF DELEGATION

### (i) Council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

### (ii) Audit and Governance Committee

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

### (iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

## 6.6 THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

### The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;

- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following
  - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
  - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
  - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
  - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
  - Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.

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<b>Meeting:</b>	<b>Cabinet Council</b>	<b>Date:</b>	<b>10 March 2021 18 March 2021</b>
<b>Subject:</b>	<b>Capital Strategy 2021/22</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>Yes</b>
<b>Contact Officer:</b>	<b>Jon Topping, Head of Policy and Resources</b>		
	<b>Email: jon.topping@gloucester.gov.uk</b>	<b>Tel: 396242</b>	
<b>Appendices:</b>	<b>1. Capital Strategy 2021/22</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

1.1 To formally recommend that Council approves the attached Capital Strategy.

**2.0 Recommendations**

2.1 Cabinet is asked to **RECOMMEND** that the Capital Strategy be approved.

2.2 Council is asked to **RESOLVE** that the Capital Strategy at Appendix 1 be approved;

**3.0 Background and Key Issues**

3.1 The Capital Strategy attached at appendix 1 to this report was a new requirement for Council's to produce from April 2018 following the publication of the revised Prudential Code for Capital Finance in Local Authorities 2017.

3.2 The Capital Strategy focuses on core principles that underpin the Council's five year capital programme, providing a position statement of progress (capital expenditure) and the resources available (funding). The Strategy projects the Capital programme while setting out how the programme will be achieved focusing on key issues and risks that will impact on the delivery of the Capital strategy and the governance framework required to ensure the Strategy is delivered.

3.3 The Strategy maintains a strong and current link to the Council's priorities and to its key strategy documents, notably the Treasury Management Strategy, Asset Management Strategy, Property Investment Strategy, Medium Term Financial Plan and the Corporate Plan.

#### **4.0 Alternative Options Considered**

4.1 The Capital Strategy is a requirement of the Prudential Code for Capital Finance 2017, no alternatives considered as this is a code requirement.

#### **5.0 Reasons for Recommendations**

5.1 To ensure the Council adopts the Prudential Code for Capital Finance 2017.

#### **6.0 Future Work and Conclusions**

6.1 The Capital Strategy will be monitored and reviewed annually.

#### **7.0 Financial Implications**

7.1 There are no direct financial implications arising from this report. The Capital Strategy provides a position statement with regards to capital expenditure and the resources available in terms of funding.

#### **8.0 Social Value Considerations**

8.1 This report notes the Capital Strategy of the Council. This is a requirement of the CIPFA Prudential Code for Capital Finance 2017 - There are no anticipated Social Value implications from this report.

#### **9.0 Legal Implications**

9.1 The Council is required to have a Capital Strategy to meet the requirements of the CIPFA Prudential Code for Capital Finance 2017.

#### **10.0 Risk & Opportunity Management Implications**

10.1 The Council must have reviewed its Capital Strategy by 31<sup>st</sup> March 2021.

#### **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

**Background Documents:**

Local Government Act 2003  
CIPFA Prudential Code

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## **Introduction**

This capital strategy sets out how Gloucester City Council intend to spend capital to provide services and meet the strategic aims in the Council plan. This strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance members', residents and other stakeholders understanding of these areas.

## **Background**

The Capital Strategy demonstrates that the authority takes capital investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability. The Capital Strategy also sets out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. Decisions around capital expenditure, investment and borrowing should align with the processes established for the setting and revising of the budget for the local authority.

The Capital Strategy should also be tailored to the authority's individual circumstances and should include capital expenditure, investments and liabilities and treasury management. For Gloucester, the Treasury Management Strategy drawn up in line with the Treasury Management Code will continue to be published as a separate document and this will remain separate to differentiate between the demand and assessment of capital expenditure and the management of the investment and borrowing portfolio.

## **Policy Context**

The Council plan 2017 – 21 (extended) defines the Council's vision:

**“A city that works for everyone”**

The priorities to support this vision are:

- Working to create a vibrant and prosperous city
- Working to maintain a safe and attractive city
- Working to build strong and resilient communities
- Working to provide great services that ensure value for money

The vision and priorities are underpinned by our core values.

For full details of the Council Plan see: **Council Plan**

The Capital Strategy is an important policy document in delivering the Council's Vision in terms of maintaining and extending the Council's asset base but needs to



take a longer-term view to reflect the life cycle of capital assets. The life cycle of capital assets, often known as non-current assets, will range between 5-60 years or even longer if land is acquired. Decisions made now will affect residents, business and other stakeholders for many years to come.

### **Capital Expenditure and Financing**

Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £6,000 are not capitalised and are charged to revenue in year.

- For details of the Council's policy on capitalisation, see: Statement of Accounts 2019/20 page 21, Accounting Policies point 19 - Statement of Accounts

In 2021/22, the Council is planning capital expenditure of £107.219m as summarised below:

*Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions*

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
General Fund services	75.453	15.788	107.218	3.271	1.701
<b>TOTAL</b>	75.453	15.788	107.218	3.271	1.701

The capital programme includes a variety of projects from large regeneration to smaller individual projects, the main capital projects are detailed below:

The project to regenerate Kings Quarter is moving forward, the Council approved the project in January 2021. The project will see significant investment by the Council in both the physical, economic, and cultural redevelopment of this part of the city. The plans include retail, office and residential areas which will see this part of the City completely redeveloped. The required investment will be £107m and will be a long-term investment of up to 50 years. Significant due diligence has been undertaken with financial, property and legal advisors to confirm the projects long term viability.

The redevelopment of Kings Square has commenced and is part of the Kings Quarter regeneration. This significant project in the Councils regeneration plans is expected to be completed in 2021. Costs will be funded from borrowing, initially borrowing costs will be met from the VAT shelter income, then offset against the overall income of the Kings Quarter development.

The Council continues to upgrade the Kings Walk site. Work is ongoing on the conversion of the former BHS store following previous improvements to the car park and the Mall. The next phase will look to make further enhancements to the Mall in line with the Council's investment in Kings Square and will explore further opportunities for the development of the centre. The Council anticipates initially borrowing to facilitate this project, with borrowing costs being met by the forecast income.

Work with partners is ongoing as part of the wider regeneration plans. Redevelopment of the Railway Station will ultimately see it link to the Transport Hub and City Centre supporting the Kings Quarter regeneration. The redevelopment work is ongoing with the project funded via the LEP.

The Fleece – The Council continues to explore opportunities for the redevelopment of this iconic part of the City. The Council will support the redevelopment, but this project is to be developer led with the requirement for public investment being explored in the development of a commercial business case.

Housing Projects – The purchase of St Oswald's and approval of revised Housing Strategy will bring a number of housing projects forward. As these projects are developed any required investment for delivery will be analysed to seek affordable solutions.

**Governance:** The Major Projects Steering group and/or the Property Investment Board review significant projects for inclusion within the Council's capital programme. Projects are collated by finance who calculate the financing cost (which can be nil if the project is fully externally financed). The groups appraise all bids based on a comparison of service priorities against financing costs and makes recommendations for the capital programme. The final capital programme is then presented to Cabinet and Council in February each year.

- For full details of the Council's capital programme see: [Money Plan](#)

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

*Table 2: Capital financing in £ millions*

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
External sources	3.703	0.955	3.853	2.350	0.860
Own resources	0.290	1.052	4.550	0.921	0.841
Debt	71.460	13.781	98.865	0.000	00.000
<b>TOTAL</b>	<b>75.453</b>	<b>15.788</b>	<b>107.218</b>	<b>3.271</b>	<b>1.701</b>

Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

Table 3: Replacement of debt finance in £ millions

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Own resources	0.701	2.111	2.180	3.782	3.857

- The Council's full minimum revenue provision statement is available here: [Treasury Management Strategy - MRP](#)

The Council's cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The CFR is expected to increase by £96.685m during 21/22. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
General Fund services	118.425	130.095	226.780	222.998	219.141
<b>TOTAL CFR</b>	<b>118.425</b>	<b>130.095</b>	<b>226.780</b>	<b>222.998</b>	<b>219.141</b>

**Asset management:** To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place. Gloucester City Council has a diverse estate from ancient monuments to commercial property. The asset management strategy details our approach to managing our diverse assets including our acquisitions and disposals, planned maintenance, governance and performance.

- The Council's asset management strategy can be read here: [Asset Management Strategy](#)

**Asset disposals:** When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2023/24. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £4.5m of capital receipts in the coming financial year as follows:

Table 5: Capital receipts in £ millions

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Asset sales	0.192	0.990	4.500	1.000	0.500
Loans repaid	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>0.192</b>	<b>0.990</b>	<b>4.500</b>	<b>1.000</b>	<b>0.500</b>

- The Council's Flexible Use of Capital Receipts Policy is available here: [Flexible Use of Capital Receipts Policy](#)

## **Treasury Management**

Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

**Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 0.10%) and long-term fixed rate loans where the future cost is known but higher (currently 1.25 to 1.68%).

Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities, leases) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

	31.3.2020 actual	31.3.2021 forecast	31.3.2022 budget	31.3.2023 budget	31.3.2024 budget
Debt (incl. PFI & leases)	142.425	129.729	226.058	221.929	217.735
Capital Financing Requirement	118.425	130.095	226.780	222.998	219.141

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

**Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with

statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit.

Table 7: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

	2020/21 limit	2021/22 limit	2022/23 limit	2023/24 limit
Authorised limit - borrowing	£125	£230	£225	£220
Authorised limit - PFI and leases	£35	£35	£35	£35
Authorised limit - total external debt	£160	£265	£260	£255
Operational boundary - borrowing	£115	£215	£210	£205
Operational boundary - PFI and leases	£30	£30	£30	£30
Operational boundary - total external debt	£145	£245	£240	£235

- Further details on borrowing are in pages 11 to 15 of the treasury management strategy  
Treasury Management Strategy

**Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

- Further details on treasury investments are in pages 16 to 21 of the treasury management strategy - Treasury Management Strategy

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Head of Policy and Resources and staff, who must act in line with the treasury management strategy approved by Council. Half yearly reports on treasury management activity are presented to Audit and Governance Committee which is responsible for scrutinising treasury management decisions.

### **Investments for Service Purposes**

The Council makes investments to assist local public services, including making loans to local service providers, businesses to promote economic growth, the Council’s subsidiaries that provide services. In light of the public service objective, the Council is



willing to take more risk than with treasury investments, however it still plans for such investments to generate a profit after all costs.

**Governance:** Decisions on service investments are made by the relevant service manager in consultation with the Head of policy and Resources and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

### **Liabilities**

In addition to debt of £142.425m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £56.134m). It has also set aside £1.6m to cover risks of provisions, this mainly relates to NNDR appeals, where the Council has estimated the costs arising from appeals by ratepayers. The Council did not have any contingent liabilities in 2019/20.

**Governance:** Decisions on incurring new discretionary liabilities are taken by service managers in consultation with head of Policy and Resources. The risk of liabilities crystallising and requiring payment is monitored by finance.

- Further details on provisions (page 50), liabilities and guarantees are on page 65 of the 2019/20 statement of accounts - [Statement of Accounts](#)

### **Revenue Budget Implications**

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

*Table 9: Prudential Indicator: Proportion of financing costs to net revenue stream*

	2019/20 actual	2020/21 forecast	2021/22 budget	2022/23 budget	2023/24 budget
Financing costs (£m)	0.701	2.111	2.180	3.782	3.857
Proportion of net revenue stream	12.08%	20.08%	20.42%	28.88%	29.15%

- Further details on the revenue implications of capital expenditure are noted within the 2021/22 revenue budget - [Money Plan](#)

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. The Head of Policy and Resources is satisfied that the proposed capital programme is prudent, affordable and sustainable.

## **Knowledge and Skills**

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Head of Policy and Resources is a qualified accountant with 25 years' experience, the Accountancy Managers are both qualified accountants with 25 and 15 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, ACT (treasury) and CIMA.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Link Group as treasury management advisers, the Council employs property consultants on a case by case basis. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.



<b>Meeting:</b>	<b>Cabinet Council</b>	<b>Date:</b>	<b>10 March 2021 18 March 2021</b>
<b>Subject:</b>	<b>Pay Policy Statement 2021/22</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Jon Topping, Head of Policy &amp; Resources</b>		
	<b>Email: jon.topping@gloucester.gov.uk</b>	<b>Tel:</b>	<b>396242</b>
<b>Appendices:</b>	<b>1. Pay Policy Statement for 2021/22</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

- 1.1 The purpose of this report is to consider and approve the Council’s Pay Policy Statement for 2021/22.
- 1.2 Section 38 of the Localism Act 2011 requires local authorities to produce an annual pay policy statement from 2012/13 onwards, which must be agreed annually by full council.

**2.0 Recommendations**

- 2.1 Cabinet is asked to **RECOMMEND** to Council that the Pay Policy Statement for 2021/22 attached as Appendix 1 be approved.
- 2.2 Council is asked to **RESOLVE** that the Pay Policy Statement for 2021/22 attached as Appendix 1 be approved.

**3.0 Background and Key Issues**

- 3.1 The Council’s proposed pay policy for 2021/22 is attached to this report. The statement has been developed in response to the requirements of the Localism Act 2011 and follows guidance which accompanied the Act.

**4.0 Social Value Considerations**

- 4.1 None

**5.0 Environmental Implications**

- 5.1 None

## **6.0 Alternative Options Considered**

6.1 The council is required to produce the statement in accordance with the Localism Act 2011; there is no alternative option on this matter.

## **7.0 Reasons for Recommendations**

7.1 To demonstrate transparency in publication of the Council's pay policy arrangements in accordance with the principles of the Localism Act.

## **8.0 Future Work and Conclusions**

8.1 None.

## **9.0 Financial Implications**

9.1 None.

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

## **10.0 Legal Implications**

10.1 Production of an annual pay policy statement is a requirement of the Localism Act 2011.

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

## **11.0 Risk & Opportunity Management Implications**

11.1 The Council must have a current Pay Policy Statement in place in accordance with the legal requirements above.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

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

## **13.0 Community Safety Implications**

13.1 None

## **14.0 Staffing & Trade Union Implications**

14.1 The policy will be shared with the Trade Unions at one of the routine monthly meetings

**Background Documents:** None

**Gloucester City Council****Pay Policy Statement 2021/22****Introduction and Purpose**

Gloucester City Council employs approximately 227 staff which equates to 199.41 Full Time Equivalent staff (FTEs). Please note that this figure excludes casual and zero hours staff and is as at 1 January 2021. The provision of many of the Council's services is outsourced to the private or third sectors and some others are carried out by partner councils through shared service arrangements. Gloucester City Council remains responsible for these services. The Council's annual turnover is approximately £90m (gross expenditure as per Comprehensive Income and Expenditure Statement for 2020/21).

Under section 112 of the Local Government Act 1972, the Council has the "power to appoint officers on such reasonable terms and conditions as the authority thinks fit". This Pay Policy Statement (the 'statement') sets out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees by identifying:

- the methods by which salaries of all employees are determined;
- the detail and level of remuneration of its most senior staff i.e. 'Chief Officers', as defined by the relevant legislation.
- the arrangements for ensuring the provisions set out in this statement are applied consistently throughout the Council.

An original version of this policy statement was approved by the Council in 2012. This policy statement will come into immediate effect and will be subject to review on a minimum of an annual basis in accordance with the relevant legislation prevailing at that time.

**Legislative Framework**

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Employment) Regulations 2006. With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed Job Evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.



## Pay Structure

The Council's pay and grading structure comprises Grades A-H as 'Green Book' staff and 'Job Size 1 - 5' for posts as Chief Officer's roles. Director positions are paid at Job Size 5 (SMT1) with the Managing Director being paid at SMT2. Within each grade there are a number of salary / pay points. The Council uses a structure based around the nationally determined pay spine for grades A to H with all posts being evaluated under the HAY job evaluation scheme. For salary points above this, i.e. for Job Size 1 and above, grades are determined following evaluation under the HAY job evaluation scheme and are approved by the General Purposes Committee.

The Council's 'Green Book' Pay Structure (grades A-H) for 2020/21 is as set out in the table below.

The tables and salary scales in following paragraphs are 2020/21 and will be updated once pay settlement is confirmed.

Grade	Spinal Column Points		Pay Scale	
	From	To	Minimum £	Maximum £
A	1	3	17,842	18,562
B	4	5	18,933	19,312
C	6	8	19,698	20,493
D	10	14	21,322	23,080
E	16	20	24,012	25,991
F	21	25	26,511	29,577
G	26	29	30,451	32,910
H	31	35	34,728	38,890

The Chief Officer pay scale for 2020/21 is as set out below.

Grade	Job Size	Pay Scale	
		Minimum £	Maximum £
I	1	39,882	44,865
J	1	45,861	48,801
K	2	49,788	52,737
L	2	53,913	57,762
M	3	58,554	64,275
N	3	65,547	71,415
Job Size 4	4	74,115	81,915
Job Size 5 (SMT1)	5	87,708	96,939

The Council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases nationally determined in the pay spine.

Council posts are allocated to a grade within the Pay Structure based on the application of the Hay Job Evaluation scheme.

In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

In relation to progression within a post grade, with the exception of career grades which will usually require the achievement of some criterion before progression occurs, employees generally progress from the minimum spinal column point of their grade at April each year until they reach the maximum of their post grade. This is not the policy for posts at Chief Officer level (job size 1 and above), where progression within grades is subject to performance.

New appointments will normally be made at the minimum of the relevant grade, although this can be varied if necessary to secure the best candidate as per the Council's Starting Salary

Policy. From time to time it may prove appropriate to take account of the external pay market such as where difficulties in attracting applicants or retaining employees with particular experience, skills and capacity occur. Where necessary, the Council will ensure the requirement for such market forces supplements is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate and timely data sources available from within and outside the local government sector.

Other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy.

## **Pay Awards**

The Council's policy is to apply any nationally negotiated pay awards to employees at all levels of the Council. This will cover conditions of service in respect of both NJC for Local Government Services (Green Book) and NJC for Chief Officers (Blue Book).

An exception to this will be where employees have transferred to the Council under the Transfer of Undertaking (Protection of Employment) Regulations 2006 ('TUPE'), retaining statutory protection of the pay and conditions that applied with their previous employer. Any post-transfer local government pay award in such circumstances will not be automatically applied, but will be considered on a case-by-case basis and with due regard to equal pay legislation, including the Public Sector Equality Duty.

## **Chief Officers' Remuneration**

The term 'Chief Officer' as used in this policy refers to those defined as such within the Localism Act 2011. The Chief Officer posts covered by this policy are therefore the Chief Executive and those posts which report directly to the Chief Executive, and also the next management tier below (excluding any secretarial, clerical or administrative support roles), as set out in the Council's constitution.

***All references to 'Chief Officers' in this policy statement are therefore in respect of the above definition (i.e. to be distinguished from the potentially wider group of senior staff employed by the Council in posts subject to National Joint Council (NJC) for Chief Officers national conditions of service (also known as the Blue Book) – where this wider group of staff are referred to elsewhere in this policy they are not therefore to be construed as 'Chief Officers' as defined under the Localism Act).***

The Chief Officer posts falling within the statutory definition are set out below, with details of their basic full-time equivalent (FTE) salary as at 1 April 2021.

### a) Managing Director

The current salary of the post is £122,050 per annum. This is a joint role, with the Managing Director spending 50% of their time as a Commissioning Director for Gloucestershire County Council.

In addition to this, payments for returning officer duties are made to the Managing Director. For local elections (Parish, District and County) this remains in accordance with the scale of fees agreed by all authorities in Gloucestershire. Fees for Parliamentary, European and national referenda are set nationally.

b) Corporate Directors

The salaries of posts designated as Corporate Directors fall within a range between £87,708 rising to a maximum of £96,939. Progression through the range is subject to performance.

**Management Posts currently members of the Senior Management Team also defined as 'Chief Officers' for pay policy purposes:**

c) Heads of Place and Policy & Resources. Heads of Communities and Culture

The salaries of the posts are designated "Head of" are job size 4 and fall within the range of £74,115 to £81,915. Progression through the range is subject to performance.

**Other Management posts reporting to the Senior Management Team**

The salaries of posts reporting to the Senior Management Team include posts at job size 1 (grades I to J SCP 42-51) and upwards. Progression through grades at Chief Officer level (job size 1 to job size 5) is not automatic and is based on performance.

**Recruitment of Chief Officers**

The Council's policy and procedures with regard to recruitment of Directors and Statutory Officers is set out within part 5 - section 10 and part 2 Article 8 of the Council's Constitution.

When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Vacancy Management and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the Pay Structure and relevant policies in place at the time of recruitment in addition to external market advice and the HAY job evaluation process. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.

Where the Council remains unable to recruit Chief Officers under a contract of service, or there is a need for interim support to provide cover for a vacant substantive Chief Officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money and the benefits from competition in securing the relevant service. The Council does not currently have any Chief Officers engaged under such arrangements.

## **Interim appointments**

For these purposes an 'interim' appointment will be an engagement other than through a regular contract of employment on standard Council terms and conditions of service (e.g. engagement through an agency or consultancy arrangement).

The Council is conscious of the need to secure value for money in the contractual arrangements for all appointments, including the need to ensure no one is inappropriately enabled to achieve a more favourable position in respect of their tax liabilities ('tax avoidance') than might otherwise apply. The Council will therefore have proper regard to this principle in applying the HMRC test for tax status under the IR35 tax provisions for 'off-payroll' engagements.

## **Additions to Salaries of Chief Officers**

In addition to basic salary, set out below are details of other elements of current 'additional pay' provisions which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

- Fees paid for returning officer duties where identified and paid separately (see above);
- Market forces supplements in addition to basic salary where identified and paid separately (see above);
- Professional subscriptions are not normally paid for any staff;
- Honoraria or ex-gratia payments may only be made to staff including Chief Officers for undertaking additional duties outside of their substantive role for which they receive an amount reflective of the duration and nature of the work they undertake. For Chief Officers, such payments are rare and will only be made in accordance with the Council's relevant policy.

Subject to qualifying conditions, employees have a right to join the Local Government Pension Scheme.

The employee contribution rates are set nationally through the LGPS regulations whereas the employer contribution rates are set by Actuaries advising the Gloucestershire Pension Fund and are reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The employer's contribution rate for Gloucester City Council, set at the last triennial review, is 19.4%.

## **Payments on Termination**

The Council's approach to discretionary payments on termination of employment of Chief Officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

Redundancy payments are based upon an employee's actual weekly salary and, in accordance with the approved policy, will be up to 60 weeks' pay, depending upon length of service and age.

Furthermore, the Council will not re-employ Chief Officers either directly or under a contract for service (e.g.: in a consulting or advisory capacity) who have previously been made redundant by the Council.

### **Any other allowances arising from employment**

The following allowances apply to all employees:

#### **Payment for acting up or additional duties**

Chief Officers are expected to be flexible in managing changing requirements. Therefore honoraria would only be paid in exceptional circumstances at this senior level.

In limited situations where an employee may be required to complete work of a higher graded post or undertake duties outside the scope of their role, the Council may consider a payment consistent with job evaluation principles. Any such payments are subject to review and are only for limited periods.

#### **Unsocial hours payments**

The Council does not make unsocial hours payments to Chief Officers

For other employees, the Council recognises that certain roles and services require employees to work unsocial hours, or be available to work and therefore on standby. In these circumstances the Council has a policy to provide additional payments or time off in lieu for eligible employees.

#### **Recruitment and retention allowances**

Whilst the Council does not currently apply any recruitment or retention allowances it has the scope to locally agree such payments if necessary. The General Purposes Committee would agree any such payments for post above Job Size 4 and for all other employees the decision would be made by the Head of Paid Service.

#### **Car and motor cycle allowances**

Reimbursement of approved business mileage is made in accordance with the Council's locally agreed mileage rates. These rates, which mirror the HMRC mileage allowance payments, are reviewed annually

#### **Lowest Paid Employees**

The Council has a commitment to pay no employee (excluding apprentices) less than scale point 3 of the 'Green Book' pay scale (£18,562 per annum, £9.62 per hour) and remains committed to paying above the foundation living wage rate.

Apprentices do not fall within the definition of 'lowest paid employees', as they are not part of the Council's approved staffing establishment and are employed under separate terms. In 2020, the Council increased the rate of pay for apprentices as follows:



- Level 2 Apprentices- £6.20 per hour
- Level 3 Apprentices- £7.70 per hour or National Minimum Wage if this is higher for their age

The relationship between the rate of pay for the lowest paid and Chief Officers is determined by the HAY job evaluation process used for determining pay and grading structures as set out earlier in this policy statement.

**The relationship between the remuneration of Chief Officers and employees who are not Chief Officer.**

The Council does not have a policy on pay multiples but recognises that the Hutton Review of Fair Pay in the Public Sector recommends a maximum ratio of the highest remunerated post compared with the lowest remunerated post of 1: 20.

In accordance with the Local Government Transparency Code (2014), the Council uses the principle of pay multiples to provide a wider understanding of the relationship between its highest and lowest paid employees. It recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the Council’s workforce.

The multiples are as follows:

	Annual salary FTE	Multiplier
Highest paid taxable earnings	£94,343	
Median earnings	£38,813	2.43
Lowest earnings	£17,364	5.43

\* Data is accurate as of the 1 March 2020 (*to be updated following confirmation of the 2021-22 national pay awards*).

As part of its overall and ongoing monitoring of alignment with external pay markets - both within and outside the sector, the Council will use available benchmarking information as appropriate. This will include the pay multiples as set out above.

**Publication**

Upon approval by the full Council, this statement will be published on the Council’s Website. In addition, for posts where the full time equivalent salary is at least £50,000, the Council’s Annual Statement of Accounts will include a note on Officers Remuneration setting out the total amount of:

- Salary, fees or allowances paid to or receivable by the person in the current and previous year;
- Any bonuses so paid or receivable by the person in the current and previous year;
- Any sums payable by way of expenses allowance that are chargeable to UK income tax;
- Any compensation for loss of employment and any other payments connected with termination;

- Any benefits received that do not fall within the above.

In addition to this pay policy statement, the key roles and responsibilities and employment benefits for each of our Senior Management Team members will be available on the Council's website [www.gloucester.gov.uk](http://www.gloucester.gov.uk).

### **Accountability and Decision Making**

In accordance with the Constitution of the Council, the General Purposes Committee has delegated powers to monitor employment legislation and ensure that personnel procedures and guidelines in respect of recruitment, grievance and discipline are in place and up to date. The committee is also responsible for the contractual terms and conditions of the Managing Director, the Corporate Directors and the Monitoring Officer.

Appointment of the Managing Director is made by full council. Appointments of Corporate Directors and the Monitoring Officer are made by a councillor level selection committee of the Appointments Committee. All other appointments are made at Corporate Director level, delegated where appropriate to Heads of Service and Service Managers.

### **Policy review**

This policy will be reviewed no later than 31 March 2022 and thereafter on an annual basis.

The Council may amend the policy at any time with Full Council approval. If any amendments are made the revised version will be published on the Council's website.

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<b>Meeting:</b>	<b>Cabinet Council</b>	<b>Date:</b>	<b>10 March 2021 18 March 2021</b>
<b>Subject:</b>	<b>Revised Gloucester Local Development Scheme 2021 - 2023</b>		
<b>Report Of:</b>	<b>Cllr Andrew Gravells - Cabinet Member for Strategic Housing and Planning</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>Yes</b>	<b>Budget/Policy Framework:</b>	<b>Yes</b>
<b>Contact Officer:</b>	<b>Adam Gooch, Planning Policy Team Leader</b>		
	<b>Email: adam.gooch@gloucester.gov.uk</b>	<b>Tel:</b>	<b>396836</b>
<b>Appendices:</b>	<b>1. Local Development Scheme 2021- 2023</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

1.1 To seek adoption of the Gloucester Local Development Scheme 2021 - 2023, which updates the timetable for the preparation and adoption of the Gloucester City Plan and Joint Core Strategy Review.

**2.0 Recommendations**

2.1 Cabinet is asked to **RESOLVE TO RECOMMEND TO COUNCIL** that:

(1) The revised Gloucester Local Development Scheme (Appendix 1) is adopted by the Council and takes effect immediately.

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

(1) The revised Gloucester Local Development Scheme (Appendix 1) is adopted by the Council and takes effect immediately.

**3.0 Background and Key Issues**

3.1 Local authorities are legally required to prepare, publish and maintain a Local Development Scheme. The purpose of the LDS is to set out the Development Plan Documents (DPD) that that the local authority will produce, give details of what they will contain and the timetable for their preparation and revision.

3.2 Progress in delivering against the LDS is reported in the Council’s Annual Monitoring Report (AMR). The City Council last adopted an LDS in 2017 and it is necessary to update this for the next three-year period. Furthermore. following the submission of the Gloucester City Plan to the Secretary of State, the Inspector has asked the City Council to adopt a new, up-to-date LDS, setting out the anticipated timescales from here-on-in.

3.3 The revised LDS updates the timetable for two DPDs. These are:

- **Gloucester City Plan (GCP):** The GCP sits underneath and Adopted Joint Core Strategy (JCS), covering the period up to 2031. It delivers the JCS locally and addresses any issues and opportunities specific to the city. It will provide criteria that will be applied when considering planning applications for different forms of development. It will make smaller-scale site allocations in the city to contribute towards development needs. Geographically the GCP covers the administrative area of Gloucester City Council only. The GCP has now reached an advanced stage, having been submitted to the Secretary of State for examination in public in November 2020.
- **Joint Core Strategy Review (JCSR):** Following on from the adoption of the JCS in December 2017 by Gloucester City Council, Cheltenham Borough Council and Tewkesbury Borough Council, the authorities have now commenced its review. The JCSR is a strategic level, cross-boundary DPD, which will allocate large scale housing and employment sites and set out planning policies. To date, one stage of consultation has been held, 'Issues and Options', between November 2018 and January 2019.

3.4 The timetable for the next stages in the preparation of the GCP and JCSR are set out below. Please note that once the Plans are submitted the timetables are indicative, as it is set by the Planning Inspectorate

#### Gloucester City Plan

Milestone	Date
Examination in Public	May 2021
Adoption	Winter 2021/22

#### Joint Core Strategy Review

Milestone	Date
Issues and Options consultation	Winter 2018/19 (complete)
Preferred Options consultation	Summer 2021
Publication of Plan (Pre-Submission)	Winter 2022
Submission of Plan	Spring 2023
Examination in Public	Summer 2023
Adoption	Winter 2023

3.5 The full revised LDS is provided at Appendix 1 of this report.

#### 4.0 Social Value Considerations

4.1 Not applicable to this report.

## **5.0 Environmental Implications**

5.1 Not applicable to this report.

## **6.0 Alternative Options Considered**

6.1 The timetable for the GCP and JCSR review have been considered in light of legal and regulatory requirements, the scope of the plans and available resources.

## **7.0 Reasons for Recommendations**

7.1 The LDS represents an appropriate timetable for the preparation and adoption of both the GCP and JCSR for the reasons set out above.

## **8.0 Future Work and Conclusions**

8.1 Officers will work to complete the various stages of plan making as set out in the LDS. If any future amendment to the timetable is necessary, a revised LDS will be brought to Council for approval.

## **9.0 Financial Implications**

9.1 The LDS has been prepared having regard to the available resources necessary to complete the work. This includes planning and other staff resource, the collation of an evidence base as well as consultation and community involvement.

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

## **10.0 Legal Implications**

10.1 The Planning and Compulsory Purchase Act 2004 requires Local Planning Authorities to prepare and maintain an LDS which must specify (among other matters) the DPDs which will comprise the Local Plan for the area and the timetable for the preparation and revisions of those documents.

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

## **11.0 Risk & Opportunity Management Implications**

11.1 The main risk relates to the resources required to deliver the timetable outlined in the LDS. However, the timetable has been prepared particularly as regards the JCSR in the context of resources available to the JCS authorities.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

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

## **13.0 Community Safety Implications**



13.1 Not applicable to this report.

**14.0 Staffing & Trade Union Implications**

14.1 Not applicable to this report.

# **Gloucester City Local Development Scheme**

**2021 – 2023**

(Adopted March 2021)



## **1. Introduction**

- 1.1 Gloucester City Council has a statutory responsibility to prepare and maintain a Local Plan for its area. This sets the planning vision for the city and is used to determine planning applications.
- 1.2 As part of its ongoing responsibility the City Council must prepare and maintain a Local Development Scheme (LDS) which outlines the timetable for the preparation and review of Local Development Documents (LDD) which are Development Plan Documents (DPD). Specifically, the Planning and Compulsory Purchase Act 2004 (as amended), sets out that an LDS must:
- Contain a brief description of all LDDs which are to be prepared as DPDs and the content and geographic area to which they relate;
  - Identify which documents are to be prepared jointly with one or more other local planning authorities; and
  - Set out a timetable for producing and the revision of DPDs, with key milestones.
- 1.4 The City Council last adopted an LDS in October 2017 and it is replaced by this document.

## **2. Background**

- 2.1 The last fully adopted Gloucester Local Plan is from 1983. A number of policies in this plan were formally 'saved' by the Secretary of State for Communities and Local Government in 2007. A draft replacement Local Plan was published in 2001 and updated in 2002. This version of the plan, the Second Stage Deposit, was approved by the Council for the purposes of development management. A number of these policies are given weight in decision making. [Further details are available on the City Council's website.](#)
- 2.2 The Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (JCS) was adopted in December 2017. It is a co-ordinated strategic development plan that sets out how the area will develop between 2011 and 2031. Policies in the JCS replaced a number of policies from the Gloucester Local Plan 1983.
- 2.3 Following adoption, the JCS authorities are now progressing a review. As the first formal part of this review, an Issues and Options consultation took place between November 2018 and January 2019. [Further details are available on the JCS website.](#)
- 2.3 Underneath the JCS, each of the JCS authorities is progressing a 'district plan', which will deliver the JCS locally and address any issues and opportunities specific to that local authority.
- 2.3 In November 2020 the Council revoked a number of its Supplementary Planning Documents (SPDs) and Planning Briefs, but still retains other SPDs and guidance and has adopted the Matson Estate Regeneration SPD (November 2019) and the Podsmead Estate Regeneration SPD (November 2019). [Further details are available on the City Council's website.](#)
- 2.4 The Planning and Compulsory Purchase Act 2004 (as amended) sets out what Local Planning Authorities are statutorily required to do in preparing LDDs.

- 2.5 The Act (as amended) outlines the types of LDD that the Council must prepare (or may choose to prepare).
1. **Development Plan Documents (DPDs):** DPDs are key documents and form a part of the statutory Development Plan, including Development Plan Documents, the Waste Local Plan, Minerals Local Plan and Neighbourhood Development Plans (see paragraph 2.6). DPDs are subject to public consultation and to a public examination, which is where the Plan is considered against the 'tests of soundness', legal compliance and the 'Duty to Cooperate' (there is a different process for Neighbourhood Development Plans). Planning applications must be determined in accordance with the Development Plan unless material considerations indicate otherwise. The Waste Local Plan and Minerals Local Plan are the responsibility of Gloucestershire County Council and are covered by a separate LDS.
  2. **Supplementary Planning Documents (SPDs):** SPDs are subject to a statutory process and public consultation, but not examination in public. They do not form a part of the statutory Development Plan but are a material consideration in the determination of planning applications. They are used to provide more guidance on a policy or site allocation in DPDs.
- 2.6 In addition, Parish Councils or Neighbourhood Forums can prepare Neighbourhood Development Plans for their area. Once 'made', NDPs form a part of the Development Plan for the area that they cover. Neighbourhood planning is community-led, with support provided by the Local Authority. The timetable for the preparation of NDPs and the primary resources for doing so are the responsibility of the Parish Council or Neighbourhood Forum. Therefore, the LDS does not include information on the preparation of NDPs.
- 3. Gloucester's Local Development Framework**
- 3.1 Gloucester City Council is currently progressing two DPDs; the Gloucester City Plan, and the review of the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy.
  - 3.2 These plans, together with the County Council's minerals and waste DPDs, and any 'made' Neighbourhood Development Plans, will form the 'Development Plan' for Gloucester City. Once adopted, this means that all development must be in accordance with these plans, and any neighbourhood development plans, unless there are material considerations that would indicate otherwise. (Section 38 (6) of the Planning and Compulsory Purchase Act 2004).
  - 3.3 In preparing these DPDs, the Council must consult the public in accordance with an agreed Statement of Community Involvement (SCI). The Council's latest SCI was adopted in 2015 and is [available to download from the City Council's website](#).
  - 3.4 Table 1 below explains how the different documents relate to one another.

<b>Gloucester's Local Development Framework</b>			
<b>Gloucester's Development Plan</b>	<b>Statement of Community Involvement (SCI)</b>	<b>Supplementary Planning Documents (SPD)</b>	<b>Local Development Scheme (LDS)</b>
<b>Neighbourhood Development Plans (NDP)</b>	Explains how the community can get involved in the preparation of planning documents.	Other documents which give advice to supplement policies and proposals in the JCS, City Plan and County Council DPDs.	This project plan setting out the programme for preparing Development Plan Documents.
There are no active NDPs at this time. NDPs are led by the community and can be developed by Parish councils or designated Neighbourhood forums.			
<b>Joint Core Strategy (JCS)</b>			
Sets out the long-term spatial vision for Gloucester City, Cheltenham and Tewkesbury Boroughs. Identifies strategic sites and policies to deliver the vision.			
<b>Gloucester City Plan (GCP)</b>			
Delivers the JCS locally. Identifies and allocates local sites for development. Contains criteria-based policies against which all development within the City will be determined.			
<b>Waste Core Strategy</b>			
Produced and maintained by Gloucestershire County Council and subject to a separate LDS			
<b>Minerals Local Plan</b>			
Produced and maintained by Gloucestershire County Council and subject to a separate LDS			

**Table 1 – The Development Plan, SPDs, the SCI and the LDS**

#### **4. Emerging Development Plan Documents**

##### ***Gloucester City Plan DPD***

- 4.1 The Gloucester City Plan (GCP) sits beneath the Adopted JCS covering the period up to 2031. It delivers the JCS locally and addresses any issues and opportunities specific to the city. It will provide criteria that will be applied when considering planning applications for different forms of development. It will make smaller-scale site allocations in the city to contribute towards development needs. Geographically the GCP covers the administrative area of Gloucester City Council only.

4.2 The GCP has reached an advanced stage of preparation, with the following stages completed:

- Scope Gloucester City Plan: May to August 2011;
- Part 1 Gloucester City Plan, 'Context and Key Principles': March to April 2012;
- Part 2 Gloucester City Plan, 'Places, Sites and City Centre Strategy': May to July 2013;
- Draft Gloucester City Plan: January to February 2017;
- Pre-Submission Gloucester City Plan: November 2019 to February 2020.
- Submission: November 2020

4.3 The remaining stages / milestones in the preparation of the GCP are as follows:

Milestone	Date
Examination in Public	May 2021
Adoption	Winter 2021/22

#### ***Joint Core Strategy Review DPD***

4.4 The Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (JCS) Development Plan Document was adopted in December 2017. It is a co-ordinated strategic plan that sets out how the local authority areas of Gloucester City, Cheltenham Borough and Tewkesbury Borough will develop between 2011 and 2031. It sets out a spatial strategy, planning policies and site allocations to deliver development needs, whilst protecting the natural and built environment.

4.5 A review of the JCS has now commenced, and an Issues and Options consultation took place between November 2018 and January 2019. The adopted JCS included a commitment to undertake an immediate review of the plan in relation to housing supply and retail/town centre matters. However, in response to the plan-making requirements set out in the updated National Planning Policy Framework (2019), the scope of the review will be comprehensive.

4.6 The proposed timetable for the completion and adoption of the review is as follows:

Milestone	Date
Issues and Options consultation	Winter 2018/19 COMPLETE
Preferred Options consultation	Summer 2021
Pre-Submission Consultation	Winter 2022
Submission to the Secretary of State	Spring 2023
Examination	Summer 2023
Adoption	Winter 2023



## **5. Other Planning documents**

### **Neighbourhood Development Plans**

- 5.1 At the time of writing, there are no Parish Councils or Neighbourhood Forums actively working towards an NDP within Gloucester City. [However, information for communities that may wish to do so is available on the City Council website.](#)

### **Supplementary Planning Documents**

- 5.2 The City Council has adopted a number of Supplementary Planning Documents (SPDs) to support existing policies. SPDs provide clarity and guidance to policies contained within DPDs. No new SPDs are currently being progressed.

## **6. Further information**

- 6.1 The Council's Planning Policy Team is responsible for maintaining this LDS and for preparing the various documents within the Local Development Framework. If you have any questions or would like any further information, please contact:

Gloucester City Council  
Planning Policy Team  
Gloucester City Council  
PO Box 3252  
Gloucester, GL1 9FW

Email: [cityplan@gloucester.gov.uk](mailto:cityplan@gloucester.gov.uk)  
Website: <https://www.gloucester.gov.uk/planning-development/planning-policy/>  
Phone: 01452 396396

# Gloucester City Council

<b>Meeting:</b>	<b>Council</b>	<b>Date:</b>	<b>18 March 2021</b>
<b>Subject:</b>	<b>The Saintbridge Recreation Ground Trust</b>		
<b>Report Of:</b>	<b>Jon McGinty, Managing Director</b>		
<b>Wards Affected:</b>	<b>Matson and Robinswood</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Jonathan Lund, Corporate Director</b>		
	<b>Email: Jonathan.lund@gloucester.gov.uk</b>	<b>Tel:</b>	<b>396276</b>
<b>Appendices:</b>	<b>1. Governance Arrangements</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 To make recommendations for governance of the Saintbridge Recreation Ground Trust by establishing a management committee with delegated powers to act within defined limits.

### 2.0 Recommendations

- 2.2 Council is asked to **RESOLVE** that

- (1) The Governance arrangements set out in Appendix 1 are approved and adopted.
- (2) A Saintbridge Recreation Ground Trust Management Committee is established comprising the three city councillors elected to represent the Matson and Robinswood Ward, the two cabinet leads with responsibility for communities and recreation and one appointee from each of the other political groups on the Council not otherwise represented.
- (3) The Management Committee is given the terms of reference and the delegated powers set out in the Governance Arrangements set out at Appendix 1 to this report.
- (4) In order to lawfully establish a Saintbridge Recreation Ground Trust Management Committee which is not required to be politically balanced, this resolution is approved without dissent.

### 3.0 Background and Key Issues

- 3.1 The Saintbridge Recreation Ground, Reservoir Road, Matson was originally conveyed to Upton St Leonards Parish Council in 1898 and was transferred to Gloucester City Council on local government reorganisation in 1972. Saintbridge Recreation Ground is held by the Council in trust for use as a Recreation Ground and is an unregistered charity. There is no formal or approved arrangement in place to administer the Charity and, as a consequence, decisions about the charity have to be made by the Council as a whole acting as the Trust.

3.3 At a meeting held on 15 December 2020 it was agreed that formal governance arrangements should be developed, with operational responsibility for the charity being devolved to a working group or sub-group of the Trust. This report responds to that resolution.

3.4 Set out at Appendix 1 is a proposal to establish a Saintbridge Recreation Ground Management Committee. This would be a Committee of the City Council with delegated powers to manage the affairs of the trust within defined limits. The key features of the proposal are:-

- a) A membership of five City Councillors being;
  - i. The three City Councillors representing the Matson & Robinswood Ward
  - ii. The Cabinet Member with responsibility for communities
  - iii. The Cabinet Member with responsibility for recreation
  - iv. One appointee from each of the other constituted political groups on the Council not represented in (i-iii) above

- b) Delegated authority to deal with all of the affairs of the Trust except for the following:
  - i. The acquisition, sale, leasing or disposal of any part of the property belonging to the Trust;
  - ii. Make decisions or entering into contracts with resource implications of more than £10,000.

In the case of i and ii above the Management Committee shall make recommendations on these matters for determination by the Council (acting as the Trust)

- c) The Chair of the Management Committee shall be elected annually by the Management Committee.

- d) The Committee shall make an annual report of its activity to Council (acting as the Trust).

3.5 Because the Management Committee will be a Committee of the Council the rules about political balance would normally apply. However, the Council can resolve to appoint a committee which is not numerically politically balanced if that resolution is approved with no Councillors voting against. Council is, therefore, recommended to agree the recommendations set out in this report without dissent.

#### **4.0 Social Value Considerations**

4.1 None arising directly from the purpose of this report.

#### **5.0 Environmental Implications**

5.1 None arising directly from the purpose of this report.

#### **6.0 Alternative Options Considered**

6.1 This report responds to an earlier resolution of the Council, as a consequence, alternative options have not been considered.

## **7.0 Reasons for Recommendations**

7.1 To respond to a resolution of the Council made on 15 December 2020.

## **8.0 Future Work and Conclusions**

8.1 To establish the Saintbridge Recreation Ground Trust in accordance with the terms set out in this report.

## **9.0 Financial Implications**

9.1 None arising directly from the purpose of this report.

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

## **10.0 Legal Implications**

10.1 The rules of political balance apply to the membership of this Committee unless the Council agrees to alternative arrangements in accordance with s17 Local Government and Housing Act 1989 which provides that, ' ... different provision is made ...without any member of the authority ...voting against them'.

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

## **11.0 Risk & Opportunity Management Implications**

11.1 None arising directly from the purpose of this report.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

12.1 None arising directly from the purpose of this report.

## **13.0 Community Safety Implications**

13.1 None arising directly from the purpose of this report.

## **14.0 Staffing & Trade Union Implications**

14.1 None arising directly from the purpose of this report.

**Background Documents:** None

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## **THE SAINTBRIDGE TRUST MANAGEMENT COMMITTEE**

### **1. AIMS AND OBJECTIVES**

Within the Terms of Reference of, and under the powers and authority delegated to, the Committee to ensure that the duties and responsibilities of the Council as Trustee of the Saintbridge Recreation Ground Trust are satisfactorily implemented.

### **2. CONSTITUTION AND POWERS**

- A Committee of Councillors comprising the 3 councillors representing the Matson Ward, the Cabinet Member with responsibility for communities, the Cabinet Member with responsibilities for recreation and one councillor appointed by each constituted political group on the Council not otherwise represented.
- Numerical political balance will not apply.
- The quorum for a meeting of the Committee shall be 3 committee members.
- A Chair for the meeting will be the first item of business at the first meeting of the Committee and will be elected annually thereafter.
- Substitution arrangements will not apply.

### **3. TERMS OF REFERENCE**

To act on the Trust's behalf to:

- manage, administer and maintain the Trust property including investment and application of funds (if any) in accordance with the objects of the Trust;
- recommend to the Council (acting as the Trust) where it is proposed to acquire, sell, lease or otherwise dispose of all or any part of the property belonging to the Trust where approval has been obtained from the Charity Commission in accordance with sections 117 - 122 of the Charities Act 2011 and Charity Commission requirements and guidance; and
- do any other lawful thing that is necessary or desirable for the achievement of the Trust's objects provided that the Committee shall not implement any matter or enter into any contract that has a resource implication of more than £10,000 without the prior approval of the Council (acting as the Trust).
- To make an Annual Report to the Council (acting as the Trust)

### **4. DELEGATED POWERS**

To determine all matters within the Terms of Reference of the Committee.



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<b>Meeting:</b>	<b>Council</b>	<b>Date:</b>	<b>18 March 2021</b>
<b>Subject:</b>	<b>Annual Report of the Overview and Scrutiny Committee 2020-21</b>		
<b>Report Of:</b>	<b>Chair of the Overview and Scrutiny Committee</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Miranda Bopoto, Democratic and Electoral Services Officer</b>		
	<b>Email: miranda.bopoto@gloucester.gov.uk</b>		<b>Tel: 39-6204</b>
<b>Appendices:</b>	<b>1. Overview &amp; Scrutiny Committee Annual Report 2020-21</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

1.1 This report introduces the Annual Report of the Overview and Scrutiny Committee for 2020-21 which sets out the work and achievements of the Committee during the year.

**2.0 Recommendations**

2.1 Council is asked to **RESOLVE** that the Annual Report of the Overview and Scrutiny Committee for 2020-21 be noted.

**3.0 Background and Key Issues**

3.1 Part 3C of the Council’s Constitution (Responsibility for Functions) requires that the Overview and Scrutiny Committee shall ‘provide and co-ordinate the input into an annual report to Full Council on such issues and topics as the Committee sees fit’.

3.2 The Annual Report sets out the areas focused on by the Committee in 2020-21 and recommendations made to Cabinet.

**4.0 Social Value Considerations**

4.1 N/A

**5.0 Environmental Implications**

5.1 N/A

**6.0 Alternative Options Considered**

6.1 N/A

## **7.0 Reasons for Recommendations**

7.1 The Council operates the Leader and Cabinet model for its executive arrangements under the Local Government Act 2000. These arrangements must provide for the appointment of one or more overview and scrutiny committees and the Constitution provides that an annual report on the Committees activities be presented to Council.

## **8.0 Future Work and Conclusions**

8.1 The Annual Report highlights the rolling work programme for the Committee in 2020-21 as well as special meetings called. The Lead Members on Overview and Scrutiny will determine additional items for the work programme while taking suggestions from any Member on possible future work.

## **9.0 Financial Implications**

9.1 N/A

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

## **10.0 Legal Implications**

10.1 The Council's Constitution requires that the work of the Overview and Scrutiny Committee is reported to Council on an annual basis. This report fulfils that requirement.

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

## **11.0 Risk & Opportunity Management Implications**

11.1 N/A

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

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

## **13.0 Community Safety Implications**

13.1 N/A

## **14.0 Staffing & Trade Union Implications**

14.1 N/A

**Background Documents:** None

ANNUAL REPORT OF THE OVERVIEW AND  
SCRUTINY COMMITTEE  
2020-21

# Contents

Foreword from the Chair	Page 2
Members of Overview and Scrutiny Committee 2020-21	Page 4
The COVID-19 Pandemic & Scrutiny	Page 6
The Year in Scrutiny	Page 7
Budget Scrutiny 2020-2021	Page 13
Priorities for 2021-2022	Page 14
Members' Attendance Record	Page 15

## FOREWORD FROM THE CHAIR



It's been an unprecedented year for Scrutiny; like many members of the committee, I didn't expect to be here for another year, but that doesn't mean we haven't covered a huge amount of ground.

The pandemic necessitated a rapid switch to new ways of working meaning that briefings and formal committee meetings had to move online - Gloucester managed to achieve this ahead of many other councils in the country, holding our first virtual meeting on 15<sup>th</sup> June. The switch to Microsoft Teams rather than the chamber has presented challenges but also many opportunities - it has been easier for the

public to engage with the scrutiny process, external witnesses can give evidence without the need for travel, and as Chair I've often found managing the flow of discussion easier on the internet than in real life. Whether or not the regulations allowing meetings in this way will continue beyond May, and beyond the pandemic, remains to be seen but should they be, this represents a real opportunity to do things differently in the future.

The pandemic has dominated the Council agenda, and Scrutiny has played its part in feeding into the City's recovery. Over a period of months, we offered our insight and recommendations on the 8 strands of the Council's recovery agenda, and Members have been able to offer insights from their communities about the impact and challenges of COVID-19 as well as the amazing ways in which groups and individuals have responded to the crisis.

This doesn't mean that the committee has neglected its usual duties, and scrutiny of all areas of the Council has continued uninterrupted. As well as our standing look into finances and performance, the Committee has managed to feed into major changes to the way that the City Council performs its roles. Two of the council's major and most visible contracts - Waste, Street Scene and Grounds Maintenance, and Revenues and Benefits came before members, and we made recommendations which will have a huge impact on residents accessing these services. Following our earlier investigations around Marketing Gloucester, we looked at the new ways in which the City manages festivals and events and plans to market itself as a destination. The Committee looked at the ways in which we engage with communities and the work they do, which has been of huge importance throughout the pandemic and will continue to be so.

I have been privileged to serve as Chair of the Overview and Scrutiny Committee for five years, almost a quarter of the time that the function has existed in Local Government. I remain as convinced now as I did in 2016, that scrutiny has an important role to play in holding the Cabinet to account and feeding into policy development to improve the lives of residents - if anything, the work done over the



last five years has only cemented this view. The way in which we have carried out Scrutiny since 2016 has drawn regional and national praise for our non-political and collaborative approach, which is how it should be done. I'd like to thank Emily Ryall for her support as Vice Chair over the past 5 years, and Andy Lewis, Collette Finnegan and Laura Brooker for their work as Spokespersons. I'd also like to thank Officers and all who have served on the committee for their dedication to Scrutiny.

I hope that whoever forms the administration and Committee after the May elections will continue to operate in this way, and I wish whomsoever should succeed me as Chair the best of Gloucester luck.

## MEMBERS OF OVERVIEW AND SCRUTINY COMMITTEE 2020-21



Councillor Tom Coole  
Chair



Councillor Emily Ryall  
Vice-Chair



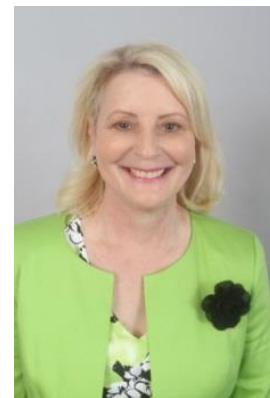
Councillor Andrew Lewis  
Spokesperson



Councillor Ashley Bowkett



Councillor Gerald Dee



Councillor Collette Finnegan



Councillor Kate Haigh



Councillor Jeremy Hilton



Councillor Howard Hyman



Councillor Colin Organ



Councillor Terry Pullen



Councillor Kevin Stephens



Councillor Gordon Taylor



Councillor Paul Toleman



Councillor Pam Tracey



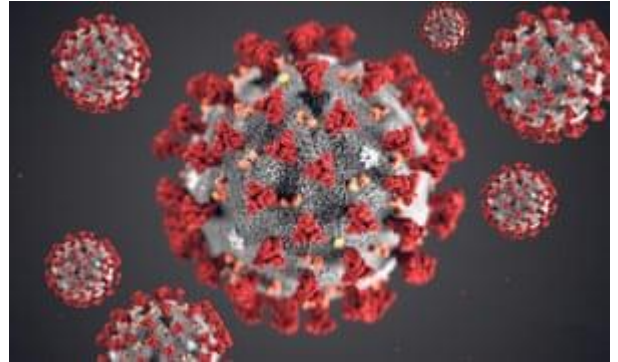
Councillor Clive Walford



Councillor Declan Wilson

## THE COVID-19 PANDEMIC & SCRUTINY

The COVID-19 has had a devastating impact on communities across the world, and as the LGA put it “there is not a single area of local government that is not affected by the COVID-19 pandemic”.<sup>1</sup> The Overview & Scrutiny Committee’s role as a “critical friend” to Cabinet has perhaps never been more important than in the past year as the Council shifted its focus from responding to the pandemic to recovery planning. The Committee has played a key role by providing robust scrutiny to the recovery planning process ensuring that the plans have democratic legitimacy by placing the communities which the Council serves at the heart of any considerations. Where appropriate, the Committee has made recommendations to the plans.



In June 2020, the Corporate Director & Monitoring Officer presented the Gloucester City Recovery Plan where he outlined the eight workstreams (**Economic Recovery & Growth, Visitors & Cultural Recovery, Community Development, Housing Recovery, Environmental/Climate Recovery, City Council Service Recovery, Democratic Governance, City Council Financial Recovery**) which had been identified as well as the four-pronged approach to recovery which would be used (**Return, Retain, Resist, Reimagine**). During the course of the year the Committee invited the relevant Cabinet Member for each workstream to discuss the work being undertaken and future plans.

Yet, despite the pandemic it was also important to ensure that scrutiny of regular Council business still carried on. The Committee has been able to achieve this, for example, this year amongst other things the Committee considered two contracts for two major services, firstly, the Waste, Street Scene and Ground Maintenance contract and then the Revenues & Benefits Contract.

### Changing the Way Scrutiny Meetings are Carried Out:

The COVID-19 pandemic has not only impacted the Committee’s substantive focus, but it has also changed the way committee meetings are carried out. Alongside the rest of the Council, the Committee had to shift to virtual meetings. These have been largely well received, and have also perhaps enabled greater accessibility for the general public than in-person meetings may otherwise allow.

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<sup>1</sup> <https://www.local.gov.uk/our-support/coronavirus-information-councils>

## THE YEAR IN SCRUTINY

At the time of writing the Overview & Scrutiny Committee has held 10 meetings with 2 further meetings (including a special meeting) due to be held in March.

The meetings held considered a range of different issues as shown below:

Meeting	RECOMMENDATIONS AND ACTIONS
<b>15 June 2020</b>	
COVID-19 Gloucester City Recovery Plan	<p><b>RESOLVED:</b> The Overview and Scrutiny Committee <b>NOTE</b> the Report.</p> <p>*Although there were no formal recommendations, Councillor Ryall made a suggestion for a fifth R Resilience to be added to the Four Rs to being used as an approach to the recovery process which was accepted by Cabinet*</p>
COVID-19 Gloucester City Recovery Planning (Economic Recovery & Growth)	<p><b>RESOLVED -</b> The Overview and Scrutiny Committee <b>NOTE</b> the update.</p>
Council Plan Extension – Priorities & Actions for 2020/21	<p><b>RESOLVED</b> that the Overview &amp; Scrutiny Committee <b>RECOMMENDS</b> that:</p> <ol style="list-style-type: none"> <li>1. Cabinet amends Priority 3 (13) in the Council Plan Extension Priorities for 2020/21 as follows: “<i>work with partners to improve the health and wellbeing of our population, in particular through the development of the Blackbridge site and other community initiatives</i>”</li> <li>2. Cabinet removes the reference to “<i>commercial opportunities</i>” in relation to the Shopmobility Service in Priority 4 (16) of the Council Plan Extension.</li> </ol> <p><b>Outcome:</b></p> <p>The recommendations were to put to a vote in a proposed amendment at the 9<sup>th</sup> of July 2020 Council meeting and this amendment lost.</p>

Annual Report of the Overview & Scrutiny Committee	<b>RESOLVED</b> - that the Annual Report of the Overview and Scrutiny Committee 2019-20 to be received.
<b>29 June 2020 (Special Meeting)</b>	
Waste, Streetscene and Grounds Maintenance Services Options Report	<p><b>RESOLVED</b> that the Overview &amp; Scrutiny Committee <b>RECOMMENDS</b> that:</p> <ol style="list-style-type: none"> <li>1.) Cabinet considers three options when it undertakes a Best Value Review: Amey, Ubico and In-House Service Delivery.</li> <li>2.) The contract with the chosen provider stipulates a requirement to pay employees the real living wage.</li> </ol> <p><b>Outcome:</b></p> <p>The recommendations were accepted at the 15<sup>th</sup> of July 2020 Cabinet Meeting.</p>
<b>06 July 2020</b>	
Report Into the Future Marketing of Gloucester	<p><b>RESOLVED;</b> - that that the Overview &amp; Scrutiny Committee <b>RECOMMENDS</b> that: Gloucester City Council does not proceed with a City of Culture bid between now and May 2021.</p> <p><b>Outcome:</b></p> <p>The recommendations were to put to a vote in a proposed amendment at the 9<sup>th</sup> of July 2020 Council meeting and this amendment lost.</p>
Gloucester City Recovery Plan: Economic Recovery & Growth	<b>RESOLVED that:</b> - The Committee NOTE the update.
Gloucester City Recovery Plan: Housing Recovery	<b>RESOLVED:</b> The Overview and Scrutiny Committee <b>NOTE</b> the update.
Annual Report On the Grant Funding Provided to the Voluntary Sector/Voluntary Community Sector Response to the Current COVID-19 Pandemic	<b>RESOLVED that:</b> - The Committee NOTE the report.
<b>07 September 2020</b>	



<p>Gloucester Community Building Collective</p>	<p><b>RESOLVED</b> that the Overview &amp; Scrutiny Committee <b>RECOMMENDS</b> that:</p> <ol style="list-style-type: none"> <li>1.) The Overview &amp; Scrutiny Committee receives an annual update report from the CIC.</li> <li>2.) That the City Council ensures that partner organisations adhere to the Equality Duty, in accordance with the duties required of them by the Equality Act 2010, and that language used in any documents is in accordance with the said duty.</li> <li>3.) The CIC produces a public facing document and associated public communications which outlines the business purpose of the organisation.</li> </ol> <p><b>Outcome:</b></p> <p>The recommendations were accepted or actioned as appropriate.</p>
<p>Gloucester City Recovery Plan: Community Resilience Recovery</p>	<p><b>RESOLVED:</b> The Overview and Scrutiny Committee <b>NOTE</b> the update.</p>
<p>Gloucester City Recovery Plan: Financial Services Recovery</p>	<p><b>RESOLVED:</b> The Overview and Scrutiny Committee <b>NOTE</b> the report.</p>
<p>Financial Monitoring Quarter 1</p>	<p><b>RESOLVED:</b> The Overview and Scrutiny Committee <b>NOTE</b> the report.</p>
<p><b>05 October 2020</b></p>	
<p>Gloucester City Recovery Plan: City Council Service Recovery</p>	<p><b>RESOLVED:</b> - that the Overview &amp; Scrutiny Committee <b>NOTE</b> the update.</p>
<p><b>02 November 2020</b></p>	
<p>Waste Street Scene and Grounds Maintenance Option Report</p>	<p><b>RESOLVED</b> that the Overview &amp; Scrutiny Committee <b>RECOMMENDS</b> that:</p> <ol style="list-style-type: none"> <li>1.) Cabinet no longer consider the option of extending the existing Waste, Streetscene Grounds Maintenance services contract with Amey.</li> <li>2.) In the event that the above recommendation is not accepted, Cabinet should only consider an extension to the existing contract with Amey in the context of a competed model on the open market.</li> <li>3.) The option of bringing services in-house should be retained at this stage.</li> </ol>

	<p>4.) Cabinet examines and learns from examples of Local Authorities who have brought Waste, Streetscene Grounds Maintenance services in-house.</p> <p>Outcome:</p> <p>The recommendations were not adopted by Cabinet. Please see below extract from the minutes of the meeting held on the 11<sup>th</sup> of November explaining why they were not adopted:</p> <p><i>“He (the Leader of the Council) thanked the Overview and Scrutiny Committee for their recommendations (November 2020 minute 8.14) and advised that these not be adopted as they would incur additional expense and the loss of an opportunity for the new owners of the current contractor (Amey) to make an improved offer. “</i></p>
<p>Implementation of the Council Motion on ‘Black Lives Matter’</p>	<p><b>RESOLVED:</b> That the Overview and Scrutiny Committee <b>NOTE</b> the report.</p>
<p>Gloucester City Recovery Plan: Democratic Governance</p>	<p><b>RESOLVED that:</b> - the Overview &amp; Scrutiny Committee <b>RECOMMEND</b> that Cabinet implement the technology to allow webcasting once Council returns to physical meetings.</p> <p><b>Outcome:</b></p> <p>At this same meeting, the Cabinet Member for Performance &amp; Resources confirmed that the potential benefits of webcasting were being weighed up against the budget commitments required.</p>
<p><b>30 November 2020</b></p>	
<p>Gloucester City Recovery Plan – Environmental &amp; Climate Recovery</p>	<p><b>RESOLVED that:-</b> The Overview and Scrutiny <b>RECOMMEND</b> to Cabinet that: as part of climate recovery planning to enter urgent discussions with the bus operator to a) move vehicles on inner city routes to be powered by non-fossil fuels; b) on rural routes to consider non fossil fuels and c) to make progress on using non-fossil fuels in the private hire and taxi fleet.</p> <p><b>Outcome:</b></p>

	The Cabinet Member for Environment advised that he was having discussions with Stagecoach on sustainable bus travel.
Gloucester City Recovery Plan – Visitors & Cultural Recovery	<b>RESOLVED that:</b> - The Overview and Scrutiny Committee <b>NOTE</b> the update.
Cultural Strategy Update	<b>RESOLVED that:</b> - The Overview and Scrutiny Committee <b>NOTE</b> the report.
Financial Monitoring Quarter 2	<b>RESOLVED that:</b> - The Overview and Scrutiny Committee <b>NOTE</b> the report.
Performance Monitoring Quarter 1 & 2	<b>RESOLVED that:</b> - The Overview and Scrutiny Committee <b>NOTE</b> the report.
<b>07 December 2020 (Budget)</b>	
Budget	<p><b>RESOLVED</b> that the Overview &amp; Scrutiny Committee <b>RECOMMENDS</b> that:</p> <ol style="list-style-type: none"> <li>1.) Cabinet includes the following information which was requested at the Overview &amp; Scrutiny Committee budget meeting within the final budget report or as an annex to the report: <ul style="list-style-type: none"> <li>• <b>To provide details of where the Council ‘s BID levy contribution is located within the budget book.</b></li> <li>• <b>To provide a detailed breakdown of the changes in the Senior Management budget from the 2020/21 budget.</b></li> </ul> </li> <li>2.) Cabinet changes the headings within the budget to be identifiable to the portfolio holder rather than service areas.</li> <li>3.) Cabinet removes the proposals to change how the community grant is managed from the budget report.</li> </ol> <p><b><u>Follow Up Action:</u></b></p> <p>Cabinet to make Equalities Impact Assessments on budget savings available to Committee Members prior to the Council Budget meeting in February.</p> <p><b><u>Outcome:</u></b></p> <p>Recommendations 1 and 2 and the follow up action were actioned/ a response was provided as appropriate.</p>

	Councillors may choose to propose a budget amendment in relation to recommendation 3 at the upcoming Council meeting on the 25 <sup>th</sup> of February.
<b>04 January 2021</b>	
Revenues & Benefits Contract	<p><b>RESOLVED</b> that the Overview &amp; Scrutiny Committee <b>RECOMMENDS</b> that:</p> <p>1.) A full People Impact Assessment is carried out in respect of the new contract with Civica UK Ltd. Furthermore, the Committee asks that this EIA is circulated to its Members.</p> <p><b>Outcome:</b></p> <p>An EIA was carried out and circulated to Committee Members.</p>
Festivals & Events Programme	<b>RESOLVED</b> that the Overview & Scrutiny Committee <b>NOTE</b> the report.
<b>01 February 2021</b>	
Gloucester Community Building Collective.	<b>RESOLVED</b> that the Overview and Scrutiny Committee <b>NOTE</b> the report subject to the undertakings to restructure elements of the report to provide for greater public access provided by the Cabinet Member.
Equality & Diversity Update	<b>RESOLVED</b> that the Overview & Scrutiny Committee <b>NOTE</b> the report subject to the undertakings provided by the Cabinet Member and Corporate Director as above.
<b>01 March 2021</b>	
<b>03 March 2021 (Special Meeting)</b>	

## BUDGET SCRUTINY 2020-21

Due to the added financial pressures on local authorities as a result of the COVID-19 pandemic, this year 's budget monitoring meeting was particularly important. Here at Gloucester City Council, as well as quarterly financial monitoring, an annual money plan and budget proposal meeting with Cabinet form a part of the programme.

In December 2020, the Leader of the Council and Cabinet Members presented to the Committee the overall draft Money Plan as well the 2020/2021 budget proposal. Additionally, each of the Cabinet Members presented their individual portfolios, highlighting anticipated budget pressures, budget savings and any changes to the portfolio. Below are some of the key observations.

### Key Observations:

- Local government and particularly second-tier authorities continue to face a tough financial outlook, and this has only been exacerbated by the COVID-19 pandemic. For example, there were new financial pressures resulting from the pandemic specifically such as additional software license costs to ensure the ongoing effective operation of the Council 's IT platforms.
- However, whilst the Council has been forced to identify savings, it was not expected that these would have an impact on the Council's finances or reduce the Council 's ambitions, particularly in relation to regeneration.
- Nonetheless, there are many uncertainties arising from the pandemic and any potential lockdowns which could impact the Council 's future income streams. For example, it was possible that recovery could not go as well as planned which could mean reduced income from streams such as parking and commercial properties.

## **PRIORITIES FOR 2021-2022**

Whilst the work programme for the next year will be the remit of the new Chair and Committee following the May local elections, it is anticipated that the below will be some of the key areas of focus for the Committee for 2021-22:

### **Gloucester COVID-19 Recovery Plan**

It is likely that the lasting effects of the COVID-19 pandemic will be felt for years to come by local authorities and communities. Overview & Scrutiny would have a continued role in working with Cabinet as part of the process to ensure the recovery of all of the Council 's services, and that of the wider community.

### **Culture Portfolio**

For the past two years, the Committee has been actively involved in the culture portfolio, particularly as the Council has transformed the way it delivers place marketing. With the easing of lockdowns in the future and normal services returning to 'normal', it is expected that the Committee would continue to play a key role in the overseeing the culture portfolio, and ensuring that new place marking model continues to work well.



## MEMBERS' ATTENDANCE RECORD

Nature of Meeting	Date of Meeting
Ordinary Business	15 June 2020
Special Meeting (Waste, Streetscene and Grounds Maintenance Options)	29 June 2020
Ordinary Business	6 July 2020
Ordinary Business	7 September 2020
Ordinary Business	5 October 2020
Ordinary Business	2 November 2020
Ordinary Business	30 November 2020
Budget	7 December 2020
Ordinary Business	4 January 2021
Ordinary Business	1 February 2021
Ordinary Business	1 March 2021
Special Meeting (Waste, Streetscene and Grounds Maintenance Options)	3 March 2021

Name of Councillor	Meetings Attended (Max: 10)
Councillor Tom Coole (Chair)	9
Councillor Emily Ryall (Vice-Chair)	8
Councillor Andy Lewis	10
Councillor Ashley Bowkett	5 out 5 possible meetings (1 as substitute)
Councillor Gerald Dee	9
Councillor Collette Finnegan	10
Councillor Kate Haigh	7/7 possible meetings (1 as Substitute)

Councillor Jeremy Hilton	10
Councillor Howard Hyman	10
Councillor Colin Organ	6
Councillor Terry Pullen	10
Councillor Kevin Stephens	9
Councillor Gordon Taylor	10
Councillor Paul Toleman	9
Councillor Pam Tracey	9
Councillor Clive Walford	9
Councillor Declan Wilson	10

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<b>Meeting:</b>	<b>Audit and Governance Committee Council</b>	<b>Date:</b>	<b>8 March 2021 18 March</b>
<b>Subject:</b>	<b>Audit and Governance Committee Annual Report 2020/21</b>		
<b>Report Of:</b>	<b>Chair – Audit and Governance Committee</b>		
<b>Wards Affected:</b>	<b>Not applicable</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Piyush Fatania - Head of Audit Risk Assurance</b>		
	<b>Email:</b>	<b>Tel: 01452 328883</b>	
	<b><a href="mailto:Piyush.Fatania@gloucestershire.gov.uk">Piyush.Fatania@gloucestershire.gov.uk</a></b>		
<b>Appendices:</b>	<b>A: Audit and Governance Committee Annual Report 2020/21</b>		

**FOR GENERAL RELEASE**

**1.0 Purpose of Report**

- 1.1 The Annual Report summarises the activities of the Audit and Governance Committee during 2020/21 and sets out its plans for the next twelve months.
- 1.2 This report provides the Council with independent assurance that the Council has in place adequate and effective governance, risk management and internal control frameworks; internal and external audit functions and financial reporting arrangements that can be relied upon and which contribute to the high corporate governance standards that this Council expects and maintains.

**2.0 Recommendations**

- 2.1 Audit and Governance Committee is asked to:
  - a) **RESOLVE** to agree the Audit and Governance Committee Annual Report 2020/21; and
  - b) **RECOMMEND** to Council that the Annual Report 2020/21 be noted.
- 2.2 Council is asked **RESOLVE** that the Annual Report 2020/21 be noted.

**3.0 Background and Key Issues**

- 3.1 Gloucester City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this overall responsibility, the Council is responsible for putting in place the proper arrangements for the governance of its affairs.

- 3.2 A sound corporate governance framework involves accountability to service users, stakeholders and the wider community, within which the Council takes decisions and leads and controls its functions to achieve stated objectives and priorities. It thereby provides an opportunity to demonstrate the positive elements of the Council's business and to promote public confidence.
- 3.3 Audit Committees are widely recognised as a core component of effective governance. Their key role is independently overseeing and assessing the internal control environment, comprising governance, risk management and control and advising the Council on the adequacy and effectiveness of these arrangements.
- 3.4 In response to the above, the Audit and Governance Committee was established in line with guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). This guidance recommends that audit committees should prepare an annual report to the full Council, which sets out the Committee's work on how they have discharged their responsibilities.
- 3.5 The Annual Report attached at **Appendix A** details the work and achievements of the Audit and Governance Committee during 2020/21 and sets out its plans for the next twelve months.

#### **4.0 Social Value Considerations**

- 4.1 There are no Social Value implications as a result of the recommendations made in this report.

#### **5.0 Environmental Implications**

- 5.1 There are no Environmental implications as a result of the recommendations made in this report.

#### **6.0 Alternative Options Considered**

- 6.1 Consideration has been given to not producing an Annual Report however; this has been discounted because recommended practice from both the public and private sectors indicates that an audit committee should report directly to the governing body of the organisation. In the case of a local authority, this is the full Council.

#### **7.0 Reasons for Recommendations**

- 7.1 The Audit and Governance Committee's terms of reference includes the accountability arrangement to providing an annual report to Council that its systems of governance are operating effectively, which includes the Committee's performance in relation to the terms of reference. The Audit and Governance Committee's Annual Report meets this requirement and assists in Audit and Governance Committee independence from the executive and scrutiny functions, and in addition provides status and clarity to the Committee's role.

#### **8.0 Future Work and Conclusions**

- 8.1 In accordance with best practice, the Audit and Governance Committee will continue to present an Annual Report to the full Council.

## **9.0 Financial Implications**

9.1 There are no direct financial costs arising out of this report.

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

## **10.0 Legal Implications**

10.1 None directly arising from this report.

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

## **11.0 Risk & Opportunity Management Implications**

11.1 Audit committees are a key component of an authority's governance framework. The Gloucester City Council Audit and Governance Committee's Annual Report is part of the overall internal control arrangements and risk management process.

11.2 By examining and evaluating objectively the adequacy of the control environment through the reports it receives, the Committee can, in turn, provide assurances to Council on its governance, risk management and internal control frameworks; internal and external audit functions; and financial reporting arrangements that inform the Annual Governance Statement.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

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

## **13.0 Community Safety Implications**

13.1 There are no Community Safety implications as a result of the recommendations made in this report.

## **14.0 Staffing & Trade Union Implications**

14.1 There are no Staffing & Trade Union implications as a result of the recommendations made in this report.

**Background Documents** [Audit and Governance Committee meeting minutes 2020/2021](#)  
[Constitution: Audit and Governance Committee Terms of Reference](#)

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# Audit and Governance Committee Annual Report

2020-2021



Gloucester  
**City Council**



# Contents

<b>Statement from the Chair of the Audit and Governance Committee .....</b>	<b>2</b>
<b>Background .....</b>	<b>3</b>
<b>Membership and Meetings .....</b>	<b>5</b>
<b>Work Programme .....</b>	<b>5</b>
➤ Internal Audit Activity .....	6
➤ Activity relating to Treasury Management.....	8
➤ External Audit Activity .....	8
➤ Risk Management Activity .....	9
➤ Corporate Governance .....	9
➤ Other.....	9
<b>Training.....</b>	<b>9</b>
<b>Future Work.....</b>	<b>10</b>
<b>Conclusion .....</b>	<b>10</b>

## Statement from the Chair of the Audit and Governance Committee

Effective corporate governance is a fundamental feature of any successful public sector organisation. The trend for strengthening governance arrangements has resulted in the joint Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authorities Chief Executives (SOLACE) good practice publication / guidance '*Delivering Good Governance in Local Government – 2016 Edition*'.

Being well managed and governed are important attributes in helping the Council to improve performance, reduce the risk of failing to achieve our objectives and providing good services to our community.

Audit Committees are widely recognised as a core component of effective governance. Their key role is to independently oversee and assess the internal control environment, comprising governance, risk management and control and advise the Council on the adequacy and effectiveness of these arrangements.

In response to the above, the Council has established an Audit and Governance Committee in line with CIPFA's guidance '*Audit Committees – Practical Guidance for Local Authorities and Police – 2018 Edition*'. The committee reviewed its effectiveness against the revised CIPFA guidance 2018 during 2019/20. An action plan was developed and is currently in progress (including actions regarding the appointment of an independent Member). The Committee's priorities are to maintain and improve our governance procedures and we are a major source of providing assurance on the Council's arrangements for managing risk, maintaining an effective control environment and reporting on internal and external audit functions and financial and non-financial performance. As Chair, I also consider training a key priority for members in order for us to undertake our roles effectively.

The Committee undertakes a substantial range of activities and works closely with the Monitoring Officer, Chief Financial Officer (Section 151 Officer) and both internal and external auditors, in achieving our aims and objectives. We have developed and implemented a work plan for the year to enable key tasks to be considered, undertaken and delivered and to summarise, through our work plan we have:

- Provided independent assurance on the adequacy of the governance, risk management framework and associated control environment;
- Provided independent assurance on the Council's financial and non financial performance to the extent that it affects the Council's exposure to risk and weakens the control environment, and
- Overseen the statutory financial reporting process.

In conclusion, the Committee has continued to make a positive contribution to the Council's overall governance and control arrangements, including risk management and is satisfied that the Council has maintained an adequate and effective internal control framework through the period covered by this report.

**Councillor Declan Wilson**  
**Chair of the Audit and Governance Committee**

## Background

The Council entered the 2020/21 financial year in the midst of the Covid-19 pandemic. In its response to this, the Council has followed guidance from the government. This has included:

- (i) Asking the majority of staff to work from home;
- (ii) Redeploying a number of staff from their normal roles to assist in the Council's response; and
- (iii) Paying emergency and discretionary grants to local businesses on behalf of the government.

Internal Audit provided assistance in the work for (iii) above with pre and post payment checks.

The Committee has continued throughout the pandemic to oversee the Council's work on risk management, capital projects, treasury management and anti-fraud. The Committee held virtual meetings in July, September, November 2020 and January and March 2021.

The pandemic has necessitated the amendment of the Annual Internal Audit Plan and this has been overseen and agreed by the Committee.

Gloucester City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging this overall responsibility, the Council is responsible for putting in place the proper arrangements for the governance of its affairs.

A sound corporate governance framework involves accountability to service users, stakeholders and the wider community, within which the Council takes decisions and leads and controls its functions to achieve stated objectives and priorities. It thereby provides an opportunity to demonstrate the positive elements of the Council's business and to promote public confidence. Audit Committees are widely recognised as a core component of effective governance.

The Audit and Governance Committee is responsible for overseeing the Council's corporate governance, audit and risk management arrangements. The Committee is also responsible for approving the Statement of Accounts and the Annual Governance Statement. The Committee's specific powers and duties are set out in Council's Constitution.

The Chartered Institute of Public Finance and Accountancy (CIPFA) issued guidance to local authorities to help ensure that Audit Committees are operating effectively<sup>1</sup>. The guidance recommends that audit committees should report annually on how they have discharged their responsibilities. The key benefits to the Council of operating an effective Audit and Governance Committee are:

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<sup>1</sup> CIPFA – Practical Guidance for Local Authorities and Police, 2018

- Maintaining public confidence in the objectivity and fairness of financial and other reporting;
- Reinforcing the importance and independence of internal and external audit and any other similar review process;
- Providing a focus on financial reporting both during the year and at year end, leading to increased confidence in the objectivity and fairness of the financial governance arrangements operating within the Council;
- Assisting the co-ordination of sources of assurance and, in so doing, making management more accountable;
- Providing additional assurance through a process of independent and objective review, via the Internal Audit function;
- Raising awareness within the Council of the need for governance, including ethical governance, internal control and the implementation of audit recommendations; and
- Providing assurance on the adequacy of the Council's risk management arrangements, including the risk of fraud and irregularity.

## Membership and Meetings

The Committee has enjoyed the benefit of a reasonably settled membership over the last three years. Cllr Declan Wilson has replaced Cllr Dawn Melvin as the Chair and Cllr Laura Brooker remains as Vice-Chair. There have been two new members in year, Cllr Sajid Patel and Cllr Paul Toleman. This has helped to build and retain the expertise within the Committee, which has led to the Committee being able to demonstrate that they are operating within a best practice framework.

There are nine Members of the Audit and Governance Committee namely:

- Councillor Declan Wilson (Chair)
- Councillor Laura Brooker (Vice-Chair)
- Councillor Ashley Bowkett
- Councillor David Norman MBE
- Councillor Neil Hampson
- Councillor Janet C. Lugg
- Councillor Sajid Patel
- Councillor Paul Toleman
- Councillor Hannah Norman (ex-Officio)

During the 2020/21 Civic Year, the Audit and Governance Committee has met on five occasions, in accordance with its Programme of Work:

- 20<sup>th</sup> July 2020
- 14<sup>th</sup> September 2020
- 16<sup>th</sup> November 2020
- 18<sup>th</sup> January 2021
- 8<sup>th</sup> March 2021

The Committee is also supported by Council Officers, principally the Monitoring Officer, Chief Financial Officer (S151 Officer), Head of Audit Risk Assurance (Chief Internal Auditor) and the Council's External Auditors (Deloitte).

## Work Programme

During this period, the Committee has assessed the adequacy and effectiveness of the Council's risk management arrangements, control environment and associated counter fraud arrangements through regular reports from officers, the internal auditors (Audit Risk Assurance) and the external auditors (Deloitte).

The Committee has sought assurance that action has been taken, or is otherwise planned by management to address any risk related issues that have been identified by the Committee themselves and the auditors during this period.

The Committee has also sought to ensure that effective relationships continue to be maintained between the internal and external auditors and between the auditors and management. The specific work undertaken by the Committee during 2020/21 is set out below.

## Internal Audit Activity

With effect from May 2016, the Internal Audit service is provided by Audit Risk Assurance under a shared service agreement. The Committee has continued to monitor the work of Internal Audit and has:

- Considered the effectiveness of the Audit Risk Assurance Shared Service;
- Contributed towards, received and approved the Internal Audit Plan for 2020/21. The same actions have been completed by Committee for the Revised Internal Audit Plan 2020/21. Covid 19 has placed significant pressures on Council services and has impacted (and continues to impact) the Council's priorities, objectives and risk environment. Due to the changing position and to ensure that the Risk Based Internal Audit Plan met the assurance needs of the Council, the Revised Risk Based Internal Audit Plan 2020/21 was approved by Audit and Governance Committee on 14<sup>th</sup> September 2020. The plan ensures that internal audit resources are prioritised towards those systems, processes and areas which are considered to be deemed high risk, or which contribute most to the achievement of the Council's corporate objectives;
- Monitored the delivery of the annual Internal Audit Plan through regular update reports presented by the Head of Audit Risk Assurance;
- Received, considered and monitored the results of internal audits performed and high risk activity identified, in respect of specific areas where a limited opinion on the control environment has been provided (e.g. ensuring the 2020/21 Internal Audit Plan included follow up audits for previous limited assurance audit outcomes), and monitored the progress made by management, during the period, to address identified control weaknesses;
- Approved the Council's overall counter fraud arrangements and response in the light of national guidance Fighting Fraud and Corruption Locally – The Local Government Counter Fraud and Corruption Strategy which is supported by CIPFA Counter Fraud Centre, with the principles reflected in the Council's updated Anti Fraud and Corruption Strategy 2020 - 2023;
- Received updates on the outcomes of special investigations undertaken by Internal Audit, along with progress made in the investigation of queries arising as a result of the National Fraud Initiative (NFI) data matching exercise;
- Considered and approved the report of the Head of Audit Risk Assurance on the service's purpose, authority, role and function; and



- Considered the Internal Audit Annual Report of the Head of Audit Risk Assurance, which provided a satisfactory opinion on the effectiveness of the Council's internal control environment and summarised the internal audit activity upon which that opinion was based. The Committee can therefore take reasonable assurance that there is a generally sound system of internal control in place at the Council.

In addition, the Committee received the outcomes from the External Quality Assessment of the Effectiveness of Internal Audit within year.

There is a requirement under the Public Sector Internal Audit Standards (PSIAS) i.e. Standard Ref '1312 External Assessments' for internal audit to have an external quality assessment which must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The standards require the Chief Internal Auditor to discuss the following with the Audit and Governance Committee:

- The form of external assessment; and
- The qualifications and independence of the external assessor or assessment team, including any potential conflict of interest.

The latest review was undertaken during May 2020 by the Chartered Institute of Internal Auditors (CIIA) and reported to Audit and Governance Committee within 2020/21. The relevant Committee minutes document the following:

*'John Chesshire of the Chartered Institute of Internal Auditors introduced the External Quality Assessment of the Internal Audit Function (ARA) and informed Members that it was unusual for an Internal Audit operation to meet all the required international standards which ARA had done. He stated that it was rare to have given this level of assurance and that the Council had a very competent and effective Internal Audit service which conformed to all international standards.'*

*The Chair emphasised that it was the assessors and not Members who had reached this conclusion and that the positive assessment was welcome. He noted the reference to staff turnover in the service as a potential threat and queried if the team was aware of this prior to the assessment and if measures were being deployed to mitigate this.*

*John Chesshire advised that the Chief Internal Auditor (Head of ARA) was aware of this and that he was pleased with the positive steps that had been introduced such as the trainee auditor scheme. The Head of ARA clarified that the issue with staff turnover was not unique to Gloucester but existed across the public sector where there were historic difficulties in recruiting and retaining good quality public sector auditors. She outlined the career graded traineeship scheme which was progressing well and cited one member of the team who had completed the promotion process. The Audit and Governance Committee noted that the EQA concluded that the ARA team:*

- (1) *Meets each of the 64 Standards, as well as the Definition, Core Principles and the Code of Ethics, which form the mandatory elements of the Public Sector Internal Audit Standards (PSIAS) and the Institute of Internal Auditors' International Professional Practices Framework (IPPF), the globally recognised standard for quality in Internal Auditing;*

- (2) *Are excellent in their reflection of the Standards; Focus on performance, risk and adding value; and Quality Assurance and Improvement Programme; and*
- (3) *Are good in their: Operating with efficiency and (4) Like many internal audit functions at the present time, the ARA team is satisfactory in coordinating and maximising assurance.'*

## Activity relating to Treasury Management

During the year, the Audit and Governance Committee:

- Approved the half yearly Treasury Management activity reports and received, considered and recommended to full Council for approval the Treasury Management Strategy, the Annual Investment Strategy and Minimum Revenue Provision Policy Statement 2021/22 (through the March 21 Committee meeting). These reports set the Council's prudential indicators and the treasury strategy for the respective periods. This is a key area for the Committee to monitor and they continue to consider and recommend to full Council for approval amendments to the investment strategy in response to constantly changing market conditions.

## External Audit Activity

Deloitte was appointed as the Council's external auditors for the financial years 2018/19, 2019/20 and 2020/21. The Committee (either via full Committee and/or delegated responsibility of the Chair) has monitored the work of the Council's external auditors and has:

- Considered and approved the External Audit Plan 2020/21 (through the March 21 Committee meeting) which sets out external audit's work to be undertaken on the accounting statements and to provide a value for money opinion. It reported on risks they have identified which would receive attention during the audit, the results of interim work, which did not reveal any material weaknesses, and the dates for the completion of the audit;
- Considered the External Audit Report 2019/20 i.e. 'Report to those charged with Governance' in accordance with the requirements of International Standard on Auditing 260 (ISA) which summarises the key findings arising from their audit work in relation to the Council's financial statements and work to support the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources (Value for Money (VFM) conclusion). The audit concluded with an unmodified opinion on the financial statements (including an emphasis of matter of material uncertainty regarding property valuations) and an unmodified VFM conclusion;
- Considered and approved the Statement of Accounts for 2019/20 of the Council and received Deloitte's audit opinion. The S151 Officer together with the Chair of the Committee signed a letter of representation on behalf of the Committee and Council to Deloitte, to enable the opinion to be issued;
- Considered and accepted the Annual Audit Letter 2019/20 (through the March 21 Committee meeting). This letter summarises the outcome from audit work at the Council during this period;

- Considered the Internal Audit / External Audit joint working arrangements; and
- Received and considered regular external audit progress reports.

## Risk Management Activity

During the year the Committee has:

- Received regular risk management update reports (including the review of the strategic risk register), and being presented with the actions taken by the Council to identify and address strategic risks.

## Corporate Governance

In relation to corporate governance the Committee:

- Have continued to consider the review of the effectiveness of the Audit and Governance Committee and the identified improvement actions i.e. the key proposed actions relating to the appointment of an independent member to the Committee and refresh of the Committee's terms of reference to reflect the revised CIPFA guidance; and
- Considered and approved the Council's 2019/20 Annual Governance Statement and Local Code of Corporate Governance. The Committee also reviewed the progress made by management to address the significant issues identified in the 2019/20 Annual Governance Statement Action Plan.

## Other

In addition, the Committee considered:

- The report in relation to the contribution of Members appointed to outside bodies and received an update on the progress of the outside bodies' survey.

## Training

The following training was made available to Members of the Audit and Governance Committee in 2020/21 to support the Committee in discharging its responsibilities:

- 121 Officer briefings to Chair and Vice Chair and new members of the Audit and Governance Committee as required throughout 2020/2021.

## Future Work

During 2021/22, the Audit and Governance Committee will continue with the existing aim of being an important source of assurance about the organisation's arrangements for managing risk, maintaining an effective control environment, and reporting on financial and other performance.

In particular, they will continue to support the work of Internal and External Audit and ensure appropriate responses are given to their recommendations and continue to monitor any actions arising from the Annual Governance Statement Action Plan 2020/21, to ensure the Council's governance arrangements are effective.

In addition, with risk management being a key contributor to good governance the Committee will be seeking independent assurance from internal audit that risk management continues to be embedded within the Council's key business processes.

## Conclusion

The Audit and Governance Committee has had a successful year in providing the Council with assurances on the strength of its governance and stewardship arrangements and in challenging those arrangements.

The Committee's work programme is a dynamic programme and will continue to be reviewed to ensure the Committee maximises its contribution to the governance and control framework at the same time managing agendas to ensure that all meetings are focused on the key issues.

Details of all reports as noted within this report can be found on the Gloucester City Council Committee meeting pages – [here](#).

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Paragraph 12.02 of Part 4 of the Rules of Procedure contained within the City Council's Constitution provides that a Member of the Council may submit a written question to any Cabinet Member.

This document informs Members of Council of written questions put to Cabinet Members and written replies thereto.

**Council is recommended to RESOLVE to note the written questions submitted and corresponding responses.**

No.	Question from/to	Question
1.	From Councillor Field to the Cabinet Member for Culture and Leisure	<p>Please confirm the total amount of section 106 money for the Blackbridge project</p> <p>When will this money or some of this money be released to the Blackbridge Community Land Trust in order for them to progress the project and the publicity for it?</p>
<b>Response:</b>		
<p>The S106 for the development of the former Civil Service Sports Club requires the payment of a financial contribution of £1,626,250 for "the development of the Blackbridge Community Hub and the improvement or provision of other sports facilities in the administrative boundaries of the Council".</p> <p>It is no more specific about how that money may be split. The money is paid at three points;</p> <ul style="list-style-type: none"> <li>• 25% Upon commencement – paid</li> <li>• 25% when the first dwelling is occupied – should be within the next couple of months</li> <li>• 50% when the 50th house is occupied.</li> </ul>		
2.	From Councillor Field to the Cabinet Member for Culture and Leisure	How will maintenance of the Blackbridge Sports Hub landscaping be carried out once the project is complete?
<b>Response:</b>		
The Blackbridge Sports Hub is not planned for completion until towards the end of 2022 so it is too early for this decision to have been made.		
3.	From Councillor Field to the Cabinet Member for Environment	Is it still the policy of this council not to increase the total number of bins in the city?
<b>Response:</b>		
If the Councillor is referring to litter bins our litter strategy fully outlines what our policy is for the medium term and I encourage all Councillors to read it (on website). This week we have successfully been awarded grant funding of £25,000 to upgrade our litter bin infrastructure. This is a direct result of our litter strategy which has been recognised by WRAP as an example of best practice		

	<p>and follows the right bin right place principles. Our bid included introducing new on the go recycling bins in the gate streets of the city centre and in Kingsholm near the rugby stadium. We will also install this new dual use litter and recycling bins in key open spaces where there are sports pitches, large playgrounds or outdoor gyms and the aim is to capture plastic bottles and cans for recycling. The successful funding application also allows us to replace some of the more aged infrastructure in particular post mounted bins and those without lids which encourage windblown litter.</p> <p>If however he is referring to waste bins our allowance of a 240l waste bin for a family of 5 is really generous in comparison to some of our nearest neighbouring authorities. We still allow additional capacity for larger families, those with specific health needs or two children in nappies. If we are to increase our recycling rate we must consider reducing the amount of capacity we give for waste, for this reason it is not our intention to give any more bins for residual waste except for new build properties.</p>	
4.	<p>From Councillor Field to the Cabinet Member for Environment</p>	<p>The Milton Avenue ESIF project has understandably been delayed due to Covid. Do we now have a provisional start date?</p> <p>How will the maintenance of the site be carried out once the project is complete, in order to ensure the funding does not have to be returned?</p> <p>Does the city council own the entire site at Milton Avenue, or is there any land at the site owned by others?</p>
<b>Response:</b>		
<p>The work has already begun with the control of bramble/plant growth and rubbish clearance by the Podsmead Clearance Team and city council contractors. We intend to go out to consultation late spring/early summer, if acceptable begin works later in the year. The actual work timetable will be dictated by weather and season with respect to earth moving, tree planting, bird nesting etc. We would hope by this time next year most of the works will have been completed.</p> <p>To ensure funding is not returned we have to show a biodiversity benefit. Management will help ensure this and it is the intention that our contractor in partnership with the Podsmead PCT carry out maintenance work.</p> <p>The ESIF/ERDF identified site is in city council ownership. The land to the immediate west is still owned by the developer but the expectation is it will come over to the city council on completion.</p>		
5.	<p>From Councillor Field to the Cabinet Member for Environment</p>	<p>Our parks and public open spaces have been more used during the various lockdowns. This is a good thing, of course, but inevitably more litter is left. How are the council dealing with this problem?</p> <p>The increased use also revealed an inequality of access for differently abled people. What considerations are the council taking to improve access to our parks, for example by improving paths in order to help wheelchair users?</p>
<b>Response:</b>		



	<p>Litter has become a national problem and since Covid 19 litter collected from litter bins in the city has increased by more than 100% (by weight). This has inevitably put a strain on the service, but our volunteer litter pickers are slowly returning, our contractor continues to provide a flexible reactive service and we have introduced more mechanical methods for example litter blowers working alongside small street sweepers in the city centre. Our parks will have new litter bins and recycling bins as a result of the successful grant funding bid. Keep Britain Tidy have delayed the Great British Spring Clean event until later in the year, but we fully intend to take part and engage as many volunteers to help as we have done in previous years.</p> <p>All new playgrounds are installed with accessibility in mind, and in recent years we have made improvements to paths in Randwick Park and put in new paths in Hempsted Rec, Westgate Park, Sydenham Gardens and the Tuffley Rose Garden ( from s106 funding) these improve accessibility for all. We will continue to make adjustments when requested to do so as budgets allow.</p>																						
6.	From Councillor Hilton to the Cabinet Member for Planning and Housing Strategy	What is the number of properties built as affordable homes or social rent in Gloucester in each of the last five years?																					
	<b>Response:</b>																						
	<table border="1"> <thead> <tr> <th><b>Response:</b></th> <th><b>All Affordable Housing Completions</b></th> <th><b>Social Rent Completions</b></th> </tr> </thead> <tbody> <tr> <td><b>Year</b></td> <td></td> <td></td> </tr> <tr> <td>2015-2016</td> <td>62</td> <td>34</td> </tr> <tr> <td>2016-2017</td> <td>96</td> <td>22</td> </tr> <tr> <td>2017-2018</td> <td>63</td> <td>20</td> </tr> <tr> <td>2018-2019</td> <td>183</td> <td>18</td> </tr> <tr> <td>2019-2020</td> <td>288</td> <td>12</td> </tr> </tbody> </table>		<b>Response:</b>	<b>All Affordable Housing Completions</b>	<b>Social Rent Completions</b>	<b>Year</b>			2015-2016	62	34	2016-2017	96	22	2017-2018	63	20	2018-2019	183	18	2019-2020	288	12
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	<p>Current <u>estimated</u> completions for 2020-21 are 295 homes of which Social Rent total 15</p> <p>The announcement by Homes England in February that the new Affordable Homes Programme, due to run from this year till 2026, will deliver roughly 32,000 social rent homes outside of London. The Government have said that this would double the amount of social rent homes funded when compared with the current programme, and for the first time ever this covers Gloucester without it affecting the number of Affordable Homes built.</p> <p>Housing Association Registered Partners can now base grant bids on Social Rent in Gloucester City as part of the new Programme I am recommending that Officers will support Social Rent bids to Homes England taking advantage of the new Affordable Homes Programme.</p> <p>In light of the Governments approach I have asked officers to review local data around the affordability of rents in the City and will consider the appropriate Policy responses based on the outcome of this work.</p>																						
7.	From Councillor Hilton to the Cabinet Member for Environment	How many individual houses have reported not having their bins emptied by operator Amey in each of the last five years? Please list this by black bin, garden waste bin, recycling and food waste.																					
	<b>Response:</b>																						

	Missed collections	2016	2017	2018	2019	2020
	Domestic	1139	1340	1253	1197	939
	Garden	651	1285	1130	1474	866
	Recycling	787	1730	1297	2293	1226
	<b>No of collections undertaken in one year based on 57,000 properties</b>	<b>Domestic</b> 1,482,000 <b>Green</b> 525,000 <b>Recycling</b> 2,964,000				
	<b>% missed</b>	<b>Average 0.08%</b>	<b>Average 0.12%</b>	<b>Average 0.11%</b>	<b>Average 0.14%</b>	<b>Average 0.09%</b>
The KPIs measure this every month and some of the data is reported in the quarterly corporate performance report.						
8.	From Councillor Hilton to the Cabinet Member for Economic Recovery and Growth	How many noise complaints have the city council received in each of the last five years? Please list by council ward. How have the complaints been resolved?				
<b>Response:</b>						
For the period 01/04/16 to 09/03/21 <b>2154</b> requests for service regarding noise have been received. These figures cover the entire City and average at 430 a year & 8.26 a week across a city with 18 wards, approximately 155,000 residents and approx and approximately 18,000 businesses.						
April 16 to March 17 - 392 April 17 to March 18 - 385 April 18 to March 19 - 350 April 19 to March 20 - 420						
April 20 to Feb 21 We have had 607 complaints during this period which is understandable as it was a period of lockdown and most families were at home.						
The data is currently not available by ward, (due to the number of entries) and will be made available as soon as the analysis is completed. It is the policy of the Council and the Community Wellbeing Service to resolve noise complaints by engaging with the complainants and the alleged noise makers to find an amicably acceptable solution a small percentage (>1%) result in statutory action. The response time to these complaints is 5 days in all cases.						
9.	From Councillor Hilton to the Cabinet Member for Environment	Please list by council ward the number of reported incidents of fly tipping in each of the last five years? How many prosecutions have been brought for these incidents?				
<b>Response:</b>						
Our system (Focus) can only provide the address of where the fly-tip was located/reported and not the Ward in which that address is found. The only way						

	<p>to obtain the number of reported incidents by Ward is to physically go through each address and divide them into wards, which is a very laborious and time-consuming exercise.</p> <p>The following are the number of fly-tipping incidents reported to the Council in the last five years.</p> <ul style="list-style-type: none"> <li>• 2016 – 2339</li> <li>• 2017 – 1715</li> <li>• 2018 – 2061</li> <li>• 2019 – 2138</li> <li>• 2020 – 2245</li> </ul> <p>Prior to 2019, when 3GS were not in operation in Gloucester, we did not have a systematic programme of issuing FPN or prosecuting offenders of Enviro-crimes. In 2020, 208 people were prosecuted and 178 were convicted at court. In 2019, 80 people were prosecuted and 73 were convicted at court.</p>	
10.	From Councillor Hilton to the Cabinet Member for Performance and Resources	How many electric vehicles does the city council own? What did they cost to purchase? How long has the city council owned them? How many miles have the vehicles done since they were owned by the city council?
	<b>Response:</b>	
	The City Council do not own any electric vehicles. For information purposes the City Council do currently have one electric vehicle (Nissan Leaf) as part of the Enterprise Car Club vehicles on hire.	
11.	From Councillor Hilton to the Cabinet Member for Performance and Resources	How many insurance claims have council owned vehicles been involved in? What was the nature of the claim? How much was the claim for?
	<b>Response:</b>	
	There have been no insurance claims on Council owned vehicles in the last 3 years. There have however been 2 claims on the Enterprise Car Club vehicles as follows:	
	2019 - £4,080 – Costs for the repairs to vehicle.	
	2020 - £750 – Vehicle repair excess	
12.	From Councillor Hilton to the Cabinet Member for Communities and Neighbourhoods	How many complaints were made to Gloucester City Council by private rental tenants about their landlords in each of the last five years. Please list by council ward. What was the nature of the complaints? How have the complaints been resolved?
	<b>Response:</b>	
	The council received the following total number of service requests relating to private sector housing over the last 5 years:	
	2016/17	336
	2017/18	287
	2018/19	198
	2019/20	268
	2020/21 (ytd)	281

	The data relating to these service requests does not consistently include the request type, ward data, or resolution. Officers are exploring opportunities to improve the reporting functionality for private sector housing service requests.	
13.	From Councillor Hilton to the Cabinet Member for Economic Recovery and Growth	How many reports of rats and mice have been made to environmental health officers in each of the last five years? Please list by council ward.
	<b>Response:</b>	
	For the period 01/04/16 to 09/03/21 <b>302</b> requests for service regarding pests such as rats and mice have been received. The data is currently not available by ward, (due to the number of entries) and will be made available as soon as the analysis is completed.	
	These figures cover the entire City and average at 60 a year & 1.16 a week across a city with 18 wards, approximately 155,000 residents and approx. and approximately 18,000 businesses.	
	April 16 to March 17 - 89 April 17 to March 18 - 69 April 18 to March 19 - 47 April 19 to March 20 - 31	
	April 20 to Feb 21 - 66 complaints during this period which is understandable as it was a period of lockdown and most families were at home.	
14.	From Councillor Hilton to the Cabinet Member for Environment	In last five years how many trees were felled in our public open spaces and how many were planted? Please give data per calendar year.
	<b>Response:</b>	
	We do not have records for 2017 & 2018. With regard to planting the figures equate to city council run projects on city council owned open space. The figures do not include highway trees for planting or felling. 2019 trees planted 1100 whips 25 standard trees. 22 trees felled 2020 trees planted 2100 whips 50 standard trees 27 trees felled 2021 trees planted 1000 whips 60 standard trees 25 felled.	
15.	From Councillor Hilton to the Cabinet Member for Economic Recovery and Growth	What plans does the administration have to improve the Friday farmers' market on The Cross?
	<b>Response:</b>	
	Firstly, we have no plans to improve the Friday Farmers market; it is a superb market and greatly loved by the residents of this City. The farmers market does not require improvement in any way shape or form.	
	We have been dealing with the Operator of the Farmers Market for over 10 years. GCC and its officers have a good working relationship with him. Prior to Covid we had a thriving Farmers Market with at least 15 stall holders attending each week. Sadly during Covid these numbers dropped off for various reasons. From Friday 6th June to date this wonderful operator has continued to turn up week in week out. We stay in constant contact with him and are working on a plan with him at the moment to support him and his stall holders in various ways which include Covid safety when the Gate Streets open back up properly.	

	We will always work with our valued suppliers to assist them in any way that we can. We are scheduled to meet with him this week to discuss what assistance he may require so that we can make provisions to assist.	
16.	From Councillor Hilton to the Cabinet Member for Economic Recovery and Growth	How many stray dogs were transferred to our holding kennels in the last five years?
	<b>Response:</b>	
	<p>We have requested 5 years data but at present we await 2016 and 2017. When this arrives it will be forwarded. The stray dogs service was contracted out to Worcester regulatory service in 2015 this is a shared service between Gloucester, Tewkesbury &amp; Cheltenham. Each year's figures cover the entire city. This information is not available by Ward. We estimate that there is a 1 dog in every 4 households in Gloucester. We have approx. 54,780 households throughout the entire City which would estimate that there are approx. 13,695 dogs.</p> <ul style="list-style-type: none"> <li>• 2018 – 94 Dogs - which equates to less than 2 dogs a week.</li> <li>• 2019 – 122 Dogs - which equates to 2.34 dogs a week</li> <li>• 2020 – 59 Dogs - which equates to approx 1 dog a week - this drop in figures is to be expected as so many people were at home for lock downs.</li> </ul> <p>Please note prior to 2015 the figures for Gloucester in the same service were at three times higher. This was because in 2015 we implemented a new system. This system brought in charges that needed to be paid for owners to collect their stray dogs and also meant that in order to collect them they had to go to Worcester. This acted as a huge deterrent against owners who acting irresponsibly.</p>	
17.	From Councillor Hilton to the Cabinet Member for Economic Recovery and Growth	How many stray dogs collected by the city council in the last five years were put to their death?
	<b>Response:</b>	
	<p>Since 2015, there have been a total of 31 dogs, which were collected within the City of Gloucester that sadly had to be put to sleep. This decision is never taken lightly and is made by more than one partner in order for it to take place. The correct protocol being followed at all stages. 19 of those were a banned breed and the remaining 12 dogs were put to sleep for one of the following serious reasons</p> <ul style="list-style-type: none"> <li>• Dog was a banned breed -</li> <li>• That the dog has severe temperament issues ie, is aggressive &amp; potentially dangerous.</li> <li>• That the Dog was sadly too ill &amp; despite the very best veterinary treatment were suffering and/or could not survive.</li> </ul> <p>Note: Banned Breeds - Section one of the Dangerous Dogs Act, introduced by the government in 1991, bans four breeds of dogs in the UK. - Pit Bull Terrier - Japanese Tosa - Dogo Argentino - Fila Brasileiro</p>	
18.	From Councillor Joanne Brown to the Cabinet Member for Communities and Neighbourhoods	At the Budget Council in February 2020, an amendment was approved to install additional defibrillators as detailed below:

		<p>“The money plan will be amended to include a Defibrillator Reserve of £6k. A piece of work will be undertaken by officers to establish the location of existing publicly accessible defibrillators, before deciding where additional defibrillators could be located.”</p> <p>There is a need in my ward for these life-saving devices and, no doubt, across the city. I would be grateful for an update on how the £6k approved a year ago is being used.</p>
	<b>Response:</b>	
	A survey of Defibrillator Provision has been conducted (list attached) and is available to all councillors. Due to the pandemic no further progress was made, the fund has been reserved for the coming financial year 21/22 and we will work with the community to support the provision of units as need.	
19.	From Councillor Joanne Brown to the Cabinet Member for Environment	At the September 2020 Council Meeting, I asked if you met regularly with the Environment Agency to monitor the quality of the rivers as there are two running through my ward. You responded that you had met the previous week. As there has been a lot of rainfall over the past couple of months, have had subsequent meetings and how regular.
	<b>Response:</b>	
	It is not necessary for me to meet with personnel from the Environment Agency on a regular basis. Officers have regular contact, generally at least weekly and more frequently than that when flooding is possible, and they keep me informed of any issues arising. If you have noted water quality issues after flooding or heavy rainfall, please contact the appropriate officers, who will contact the EA if necessary.	
20.	From Councillor David Brown to the Cabinet Member for Economic Recovery and Growth	Over the past 12 months there has been a shift in the modes of transport used by the public, along with a growing awareness of the benefits of walking and cycling. During this time has air quality monitoring carried out by the City Council shown a reduction in levels of harmful air pollutants such as Nitrogen Dioxide and Sulphur Dioxide?
	<b>Response:</b>	
	It is important to note that from March 20 to date that this Country has been in and out of lock down. Excluding the hard lockdown period more individuals have opted to work from home. So it makes sense to confirm that in the past 12 months there has been a shift in requirement for the public to travel. The comparison between 2019 and 2020 showing the outcome that would have been expected during this period for all the reasons highlighted above will be circulated to you and is available to any Councillors who would like to be sent a copy. It will be very interesting to see if any shift occurs following the easing of all lockdown restrictions.	
21.	From Councillor David Brown to the Cabinet Member for Economic Recovery and Growth	Do the City Council plan to improve or expand air quality monitoring by the addition of new monitoring points or new technology, for example near schools?
	<b>Response:</b>	

<p>As many councillors will already know, the answer to the question is “That we do and are”. GCC have put a tube up outside Kingsholm school at the request of County Council as part of a Countywide County Council project. The first result was well below the national threshold. Monitoring will continue as Lockdown measures ease as traffic levels are likely to increase. We do have the flexibility to add additional monitoring points throughout the city. This is driven by National Guidance &amp; individual requests when required, which to date only one such request has been received by Cllr Gravels. When this request was made by Cllr Gravells a measuring point was added within a month, and the results that were found showed that the levels found were once again well below the national threshold. For Clarity the results found on both occasions were actually 50% below the National threshold.</p>
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Location of Defibrillator	Defibrillator Location	Ward	Notes	Current Date	Review Date
Dinglewell Junior School	Dinglewell GL3 3HS	Barnwood		Oct-20	Jan-21
The Treddy	85 High Street GL1 4SY	Barton & Tredworth		Oct-20	Jan-21
Lonsdale Methodist Church	Lonsdale Road GL2 0TA	Elmbridge		Oct-20	Jan-21
Tuffley Community Centre	Windsor Drive GL4 0RS	Grange		Oct-20	Jan-21
Turmut Hoer	Mead Road GL4 5GL	Abbeymead		Oct-20	Jan-21
Lloyds Pharmacy	Brookfield Road GL3 3HA	Huccolecote		Oct-20	Jan-21
St Phillip & St James Church	Larkhay Road GL3 3HU	Huccolecote		Oct-20	Jan-21
Kingsholm Inn	8 - 10 Kingsholm Road GL1 3AT	Kingsholm & Wotton		Oct-20	Jan-21
Coach & Horses	2 - 4 St Catherine Street GL1 2BX	Kingsholm & Wotton		Oct-20	Jan-21
Kingsway Sports Pavilion	Quedegely Gloucester, GL2 2AZ	Kingsway	Manged by QTC only during operating hours, reduced due to Covid	Oct-20	Jan-21
Kingsway Community Centre	Thatcham Avenue GL2 2GT	Kingsway	Manged by QTC only during operating hours, reduced due to Covid	Oct-20	Jan-21
Quedgeley Community Centre	15-17 School Lane, GL2 4PJ	Quedgeley	Manged by QTC only during operating hours, reduced due to Covid	Oct-20	Jan-21
Waterwells Sports Pavilion	Stephenson Dr, Quedgeley, Gloucester GL2 2AG	Quedgeley	Manged by QTC only during operating hours, reduced due to Covid	Oct-20	Jan-21
Tesco Extra	Bristol Rd, Quedgeley, Gloucester GL2 4PF	Quedgeley	Available via customer services during store opening hours	Oct-20	Jan-21
St Barnabus Church Hall	Stroud Rd, Gloucester GL1 5LJ	Tuffley		Oct-20	Jan-21
Café Rene	31 Southgate Street GL1 1TP	Westgate		Oct-20	Jan-21
Baker Street Pub	230 Southgate Street GL1 2EZ	Westgate		Oct-20	Jan-21
The Tall Ship	134 Southgate Street GL1 2EX	Westgate		Oct-20	Jan-21
The Station Hotel	Bruton Way GL1 1DG	Westgate		Oct-20	Jan-21
The Regal	33 St Aldate Street	Westgate		Oct-20	Jan-21
Sword Inn	43 - 45 Westgate Street GL1 2NW	Westgate		Oct-20	Jan-21
Atik	141 Eastgate Street GL1 1QB	Westgate		Oct-20	Jan-21

Butlers	99-101 Eastgate Street GL1 1PY	Westgate		Oct-20	Jan-21
The Abbey	53 Northgate Street GL1 2AJ	Westgate		Oct-20	Jan-21
The Guildhall	23 Eastgate Street GL1 1NS	Westgate		Oct-20	Jan-21
Chambers	27 St Aldate Street GL1 1EP	Westgate		Oct-20	Jan-21
The Fountain Inn	53 Westgate Street GL1 2NW	Westgate		Oct-20	Jan-21
Gloucester City Museum and Art Gallery	Brunswick Road GL1 1HP	Westgate		Oct-20	Jan-21
Gloucester Blackfriars	Ladybellegate Street GL1 2HN	Westgate		Oct-20	Jan-21
Lysons Hall	St Swithuns Road GL2 5LH	Westgate		Oct-20	Jan-21
Hempsted Village Hall	Hempsted Village GL2 5LU	Westgate		Oct-20	Jan-21
Longlevens Community Centre	Church Road Longlevens GL2 0AJ	Longlevens		Oct-20	Jan-21