

COUNCIL

15TH February, 2002

Present: The Mayor (Councillor Lloyd), the Deputy Mayor (Councillor Buckland), Councillors Baylis, Bowden, Mrs. Cassin, B. Cassin, Chaplin, Curl, Mrs. Driver, Mrs. Fletcher, Freeman, Garnham, Gearing, Godwin, Mrs. Hale, M. Hale, Mrs. Hawkins, Mrs. Hibbert, Lawrence, MacDonald, Mrs. McArdle, McKinlay, Mrs. McLain, P. McLain, Melville-Smith, Mrs. Pennell, Prince, Mrs. Ryder, Simons, Smith, Stennett, Stuart-Smith, Thompson, Mrs. Thornton, Todman and Reverend Whales.
(2.30 p.m. to 6.45 p.m.)

Apologies: Councillors Banyard, Mrs. Holliday, Miss McVeagh and Seacome.

97. Prayers

The Mayor's Chaplain opened the meeting with Prayer.

98. Mrs. Christine Laird

The Mayor welcomed Mrs. Christine Laird, the new Managing Director of Cheltenham Borough, to this her first Council meeting.

98a. Mr. Lawrence Davison

Councillor Todman, with the permission of the Mayor, requested that Council should record and acknowledge the contribution made to the Borough Council by Mr. Lawrence Davison as Chief Executive.

Councillor Mrs. Cassin also wished to be associated with these sentiments and reminded members that Mr. Davison had guided the Council as its Chief Executive in a period of considerable change from Poll Tax to Council Tax, commutation and modernisation. On behalf of the Liberal Democrat Group, Councillor Mrs. Cassin wished Mr. Davison well for the future.

Councillor Godwin supported Councillors Todman and Mrs. Cassin and particularly recalled the help and advice given to all Group Leaders when they had met to discuss Council matters.

Councillor Hale also associated himself and the Labour Group with the best wishes to Lawrence Davison for the future.

Councillor Smith, as Leader of the Council, particularly wished to thank Lawrence Davison on behalf of the Cabinet for his support and help over the first six months operation of the new system which he had been carried through with dignity and good humour.

Resolved, that the Council send best wishes to Mr. Lawrence Davison and to place on record its appreciation of the service he had given to the Borough Council and the Town and the support he had provided to individual Councillors.

99. Declarations of Interest

No declarations of interest were made.

100. Minutes

The minutes of the meetings held 10th December, 2001, and 4th January, 2002, were circulated.

Councillor Mrs. Ryder pointed out the omission of the word "Mrs" from her name in the list of members present. She also indicated that the Council had been awarded the Green Flag Award for four years not three as indicated in Minute 78c.

Resolved, that with the above amendments, the minutes of the meetings held on 10th December, 2001, and 4th January, 2002, be approved and signed as a correct record.

101. HRH Princess Margaret

The Mayor, on behalf of the Borough Council, expressed condolences to the Queen, Queen Mother and members of the Royal Family following the bereavement of Her Royal Highness Princess Margaret.

The Council stood in silence as a mark of respect.

101a New Year's Honours List

The Mayor informed Council that the following persons had received honours in the New Year's Honours List.

Mrs. Dorothy Ludlow, MBE,
for services to Cheltenham Cobalt Unit Appeal.

Mr. Paul Johnson, MBE,
for services to the Protection of Open Spaces and Village Greens

Mr. Edward Hunt, MBE
for services to the aerospace industry.

Mr. Colin Russell, MBE
provision of legal advice to disadvantaged people.

Mr. John Coopey, MBE
for services to Coroners Officers' Association.

Mr. Reg Lomas, MBE
for services to horse racing as groundsman at Stratford and more recently at Cheltenham Racecourse.

Mr. Jeff Mace, MBE
for services to GCHQ.

102. Press disclosure of restructure proposals

At the request of members the Mayor allowed this issue to be discussed because of its importance and immediacy.

A front page article had been published in the early edition of the Gloucestershire Echo on Friday, 15th February, 2002, giving detailed proposals concerning the review of the Council's Management and Operational Structure.

The Managing Director informed the Council that following a telephone conversation with the Echo earlier in the week, it was clear that detailed information with regard to the review was known. As a consequence a press release, embargoed to 2.30 p.m., 15th February, 2002, had been issued. The Echo had however broken the embargo and had printed a very negative style article about the review before the Council had met.

The Managing Director wished it to be known publicly that the report to be considered later in the meeting had been prepared jointly over a six week period with the Directors and she wanted to pay tribute to their professionalism and contribution to the review.

Following a telephone conversation with the Editor it had been accepted that the embargo had been broken and an apology had been received.

Council was concerned that, despite recent lengthy discussion with regard to the way exempt matters were to be handled, it was apparent that information had again found its way to the Echo. It was explained that the Structure Review Committee had received a draft of the report for its meeting on Tuesday, 12th February and a revised report had been prepared and circulated to all members on Wednesday, 13th February. The Structure Review Committee had, in accordance with suggestions made by the Council handed back copies of the draft report at the end of its meeting.

It was suggested that the apparent breach of the "gentlemen's agreement" by the Echo had consequences for the continuing relationship between the paper and the Council. It was proposed therefore that the matter be referred to the Press Complaints Authority and that the Monitoring Officer investigate the apparent leak of information.

The view was expressed that this issue affected all members and it was necessary to resolve how to deal with the Echo in future.

It was suggested that all media should be informed of the strength of feeling of the Council towards the breach of the embargo and of the action it intended to take.

In response to a question, the Head of Legal Services explained that if the Council lodged a complaint to the Press Complaints Commission, it should not incur costs.

- Resolved,** (1) that the breach of the embargo be referred to the Press Complaints Commission;
- (2) that the Monitoring Officer undertake an investigation to attempt to establish the cause of the release of information.

103. 2002 to 2003 Revenue Budget, Capital Programme, Housing Revenue Account, Council Tax and Rent Level

The Cabinet and Deputy (Exchequer), Councillor McLain, had circulated a report that set out the background to the budget preparation for 2002/2003. The report also set out:

- Details of the Council's financial settlement
- General fund reserves: medium financial plan
- The assumptions made in preparing the revenue budget
- The level of supplementary estimates to be delegated to Cabinet (£100,000)
- General Fund Capital Programme
- Housing Revenue Account
- Housing Capital Programme
- Best Value Performance Plan which was to be presented to Council in April 2002.

The Deputy (Exchequer) also made a budget statement (copy attached).

Councillor Mrs. Cassin, in presenting the Liberal Democrat response to the budget wished to place on record her thanks to the Council staff for the excellent way in which services were delivered. In particular she wished to thank the Head of Financial Services and his staff who had helped and assisted the opposition groups.

She also wanted to say that the public had been consulted on budgets previously.

The Liberal Democrat group was disappointed at the consultation process, which it argued, had not given members any real opportunity to take part in the budget development. The draft proposals had not been considered by members since the State of Cheltenham Debate on 10th December 2001; comparison was difficult due to change of layout; and without assistance it was not possible to identify where and how savings had been achieved.

The inclusion of the grants to the Home and Safety Check Scheme and Young People's Art Centre was welcomed, but there were however other groups who would not be funded. The Liberal Democrat Group was of the view that grants should be awarded with an allowance for inflation and consultation take place during the year as to how groups could operate if funding had to be withdrawn in the future.

The consultation through the Area Committees had also not been successful. The public had been overwhelmed with the information provided. The budget now presented did not encourage trade or a green strategy due to:-

- Cuts in monitoring of air quality
- No development of the green waste scheme - just a second pilot scheme
- No plan to achieve recycling targets as set by Government
- No funding for a corporate travel plan.

Councillor Mrs. Cassin in concluding her response to the budget indicated that the Liberal Democrat Group would not put forward any alternative budget proposals.

Councillor Godwin (PAB) indicated that his group accepted the broad thrust of the budget but asked the Mayor's permission to make a statement later in the meeting when the capital budget was considered.

Councillor Hale (Labour Group) indicated support for some of the proposals and commended the Cabinet for a good first try at a budget. The presentation of the budget was however not helpful and it was hoped a better way could be found to present the information in future.

The proposal to have an additional clean of the town centre was welcomed but there were other areas that required attention. The review of the voluntary sector and other organisations was accepted but the Council should keep to its agreements and take account of the needs of customers.

The view was also expressed that the additional sum for provision of urban design expertise for the town centre would be of benefit but there were areas outside the town centre which required enhancement. Although funding to the wet area of the Pittville Recreation Centre was included, it was felt that the Council should attempt to make the facilities more available and easier to use. Although it was recognised the Government review of rents would hamper stock improvement and would remove a control as to how budgets were to be spent, there was an advantage to the tenants. The pursuance of the arms length management organisation in housing made sense and the Labour Group looked forward to a successful outcome.

In general discussion following the responses from the group leaders the view was expressed that although the proposed budget resulted in a band D increase of 3.5%, when other increased charges were taken into account these equated to a considerable increase in indirect taxation. The budget also relied on increased charges to produce income of £800,000. There was therefore a danger that the budget would not be sustainable if the level of income was not achieved.

Exchequer

In response to a question, the Head of Financial Services indicated that the superannuation pension fund had invested in Rail Track.

The Council then considered the proposed revenue budget for each of the portfolio areas when the Deputy (Exchequer) and/or the appropriate Deputy answered questions.

Modernising

- It was explained that expenditure shown under democratic processes was the support given during the first cycle of the new structure.

Community Health and Environment

In response to questions, Council was informed:-

- There were 22 recycling sites within the Borough Council which achieved the target of having a recycling site available to 94% of the population.
- Waste strategy was a County-wide issue and at present there was no general approach.
- The Home Safety Check Scheme was now supported in the budget and it was intended to discuss with the other District Councils and the County Council an appropriate Service Level Agreement.
- It was indicated that the cost of administering grant distribution by the Sports Forum was likely to be minimal.
- It was not appropriate to consider allocating two park rangers specifically to Pittville Park at this time. Before decisions could be taken it was necessary to review how the whole park ranger service was operated and how the service could be improved to the benefit of all public spaces.

Cultural and Economic

- Council was informed that the Cabinet was likely to receive a report with regard to Gloucestershire Airport towards the end of March.

Social

- The Leader explained how the revised budget allocation to the CAB would enable a full-time solicitor to be appointed.

Leader

- It was explained that the Cabinet expenses referred to in the 2001/2002 budget were part of the budget for modernising and setting up of the new structure.

Manpower

- The figures given did not take any account of restructuring.

Capital Programme

As agreed by the Mayor, Councillor Godwin(PAB) spoke to the proposed Capital Programme. He accepted that whatever group prepared the capital budget it would not be possible to satisfy all needs. In the main, the aims of the proposed capital budget were supported although his group were disappointed that the Prestbury land drainage scheme was not included. He was however encouraged from the response by the Deputy (Exchequer) and offered any assistance the PAB group could give to pursue a successful conclusion of the issue.

The inclusion of the flood drainage works at St. Mary's School was acknowledged but this would, in his view, only move the problem elsewhere.

Councillor Godwin also made reference to a recent meeting with the District Auditor when an underspend of £400,000 had been mentioned. He suggested that £300,000 of this should be used to improve the condition of the footways and drains in Cheltenham.

At this time the Mayor left the meeting to attend a civic engagement. The Deputy Mayor (Councillor Buckland) took the Chair for the remainder of the meeting.

Capital Programme (continued)

In response to questions, the Leader of the Council or appropriate Deputy indicated:-

- The de-silting of Pittville Lake had to be carried out to a timetable determined by the Environment Agency governed by the fish breeding season and also the need to properly dispose of the removed silt. The timetable as set out in the Capital Programme was the best estimate available to achieve the carrying out of the scheme.
- The capital provision for the Heritage Centre was based on the current timetable to produce the project. If this period could be reduced it would be.
- The offer of assistance from PAB with regard to the Prestbury Land drainage scheme was welcomed and would be taken up.
- The problem with non-clearing of blocked drains was often due to the presence of parked vehicles. Members were reminded to report problem areas to the officers and to ensure that remedial actions were taken.
- Considerable investment, either by the Borough Council or County Council was already put into maintaining roads.
- CCTV schemes were being installed at Church Piece and other outlying areas. A mobile CCTV unit was also to be introduced.
- Funding was in place to meet the necessary refurbishment of the wet side at the Recreation Centre, although lottery funding had been agreed in principle. The funding stream did not include any contribution from a leisure contractor.
- The present position with regard to the Dowdeswell Country Park and possible park and ride site was detailed.
- The funding arrangements for the Playhouse Theatre were explained.

The Head of Legal Services informed the Council of amendments and corrections to the necessary resolution to give effect to the Council Tax setting.

- Resolved,**
- (1) that the general fund revenue summary and medium-term financial forecast be approved (Appendix 2);
 - (2) that the detailed general fund revenue budgets for 2001 and 2002 both revised and 2002 and 2003 original be approved;
 - (3) that the net budget requirement of £12,420,181 for 2002/2003 be approved;
 - (4) that the precept of £5,049,181 for 2002/2003 be approved;
 - (5) that the Council Tax level for Cheltenham Borough Council purposes of £130.30p for a band D property in 2002/2003 be approved;
 - (6) the Council Tax resolution as set out in Appendix 6 be approved;
 - (7) a budget provision of £100,000 for supplementary estimates in 2002/2003 to be met from revenue balances be approved;
 - (8) the general fund capital programme and funding be approved (Appendix 7);
 - (9) the Housing Revenue Operating Account revised budget for 2001/2002 be approved (Appendix 8);
 - (10) the Housing Revenue Account Operating Account budget for 2002/2003 including an overall rent increase of 1.26% to be applied to individual properties in accordance with Government guidance on rent restructuring be approved (Appendix 9);
 - (11) the charges for other Housing Revenue Account services and amenities as detailed in Appendix 11 be approved;
 - (12) the Housing Capital programme for 2001/2002 (revised) and 2002/2003 be approved (Appendix 15).

104 Local Government Act 1972 - Exempt Information

- Resolved,** that in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining item of business as it was likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present, there would be disclosed to them exempt information as defined in

paragraph 1, part 1, Schedule 12A Local Government Act 1972 namely:

Paragraph 1: Information relating to a particular employee; former employee or applicant to become an employee of or a particular office holder, former office holder, or applicant to become an office holder under the authority.

105 Review of the Council's Management Operational Structure

The Managing Director presented her report setting out her proposals for the initiation of a whole service review of the Council's operational structure and in particular for the establishment of a management board comprising herself and three Group Directors, each leading on one of the three key themes in the Council's new power to promote the economic, social and environmental wellbeing of the town.

The Council approved the recommendations set out in the Managing Director's report.

Voting

For	28
Against	0
Abstained	4

The Council unanimously recorded its thanks to the five postholders referred to in the report, especially for their help in its preparation.

Mayor

Approved as *amended* at Council on 25th February, 2002

Budget presentation: 15th Feb 2002
Cllr Paul McLain Deputy Exchequer.

As Council are aware, this year has seen a **radically different approach** to the budget. This is the first time that draft budget details have been available so far in advance. Under the previous system - the budget would simply be presented at a Policy and resources Committee –often allowing the Council & public less than a week before the final council tax setting debate

That has completely changed. Within days of receiving the Local Government Settlement, the Cabinet published a detailed draft budget for consultation. **For the first time ever**, the public had the opportunity to see & comment on the financial plans for their town. **Detailed information was available from 10th December.** I am delighted to report that **we were still receiving public feedback and comments at the end of last week.**

All those responses have been carefully considered. I hope that it will encourage even more public involvement next year - as people realise that their voice is important - and that they can have a direct influence on the way the budget is framed.

The Cabinet are determined to build on this year's experience. We will go out to consultation next year having learnt lessons from this year's success and introducing changes to make it even more effective.

This year has seen a radically different approach to the budget. **Budget setting is no longer a passive exercise where Cllrs sit back and let the officers do all the work.** The Conservative administration want to know how the Council is being run, where money is being spent, why it is being spent and whether it can be spent better.

We make no apologies for asking questions, insisting on explanations, prying into dark corners and rooting through forgotten paperwork. I would rather ask 9 simple questions and get 1 pertinent answer, than sit passively by as Council tax monies are being spent.

As part of the radical changes being introduced: Council will see that - for the first time – there is a medium term financial plan. This gives a 3 year forward projection & a 5 year capital programme. This approach is very much in line with District Audit advice.

It is important that we get away from short term-ism. That is why there are clear & costed projections of the Council's financial performance for the next 3 years. The Council's Budget must be transparent. **With this new system in place there will be no nasty surprises at year end, no financial sleight of hand, no spend now – pay later.**

The Council's financial out-turn will now be reported on a quarterly basis. This will allow detailed scrutiny of progress & **give the public a clear indication of Council's finances at any given point in time.**

We are currently working with Head of Financial Services on a **detailed investigation into the level of carry forward and underspend.** This will be completed and included in the final budget book. Once again it is Cabinet's intention to include this in the regular outturn reports.

Too often, Council money is allocated for schemes and nothing appears to happen for months or even years. We will introduce proper monitoring of all previous, current and future schemes. This will show how each scheme is progressing, what has been spent - and when or if the remainder will be spent.

Following detailed budget work - It is clear to me that **there are little pots and chests sitting around the Council's departments made up of carry forwards and underspends.** Those pots will be identified & returned to a centrally controlled and properly accountable reserve.

Moving on to the Budget context:

As you can see from the Budget Report section 3.0, the main funding for the council's activities comes from the government. When the government announced the financial settlement in December - **Cheltenham received a miserly increase** -- less than standard inflation, less than the increase in wages and salaries - one of the lowest settlements in the country.

Following the draft budget meeting, we made strong representations to the Secretary of State. I can confirm that the Govt has now increased Cheltenham's grant - but only to the minimum floor for Local Authorities.

In order to ensure that the CBC grant meets the Govt's minimum requirement- **the Govt has awarded Cheltenham a derisory £26,000**

As the Council Leader, Cllr Duncan Smith said: **"This is a snub to Cheltenham. It seems we are being penalised for running a tight financial ship."**

In addition to the lack of financial support from central government, the council has suffered from a **substantial drop in its interest income due to the terrorist action of September 11th and the general economic slowdown.** Falling interest rates and the continued threat of unrest in the stock markets have brought falling returns on the councils assets and investments. Next year we are predicting a shortfall of around £450,000 or the equivalent of a 9% increase in council tax.

This has been further complicated by the triennial review of the staff pension fund which has shown a significant under funding of the scheme. Like many other pension funds of its kind, the fund invested in Rail track and the shortfall in this investment has also to be made good through the public purse. This means substantial increases in the contributions that this council makes.

Could I also confirm that - in drawing together the detailed revenue budgets for each service- a number of assumptions have been made:

In general, inflation has been allowed at 2.5% for contractually bound or committed expenditure/income. Staff pay increases have been provided for at 3%. Superannuation costs have been increased by 2.1% to take account of the triennial pension fund revaluation.

As set out in the report at 4.2.3: Because of the continued implementation of the Best Value Accounting Code of Practice - there have been a number of changes to the way in which costs have been charged and the estimates for some costs centres built up.

This has led to a reduction in the net budget of some services previously held corporately, and corresponding increases in support service -recharges for other services. It does not mean massive increases or cuts. It is simply a reallocation of costs – because the Council are following best practice and meeting Govt criteria. It is also the approach being recommended by the District Audit team.

Turning to Items built into base budget

As mentioned in the interim budget statement, Councillor Driver has been working with officers on a **review of the concessionary fares scheme**. This currently provides half price travel on public transport in Cheltenham for many of our over 60's. This is a very popular scheme that is well used.

As a result of that work, Cabinet are now in the position to introduce **free travel vouchers for all Cheltenham's over 75's**. This is on top of the current scheme. We believe this will make a real difference to an often neglected part of our community, many of whom are on low or fixed incomes.

The budget includes an **extra street cleaning wash at the weekend**. This will materially improve the state of the town centre for our many thousands of residents and visitors. Cabinet believe it is important to be proactive on this issue - particularly as the town's night time and weekend economies expand.

Because of the growth in the evening and night time economy, cabinet has accepted Councillor Ryder's recommendation that funding for **another food and health safety officer post should be identified in the base budget**. Following detailed investigation Cabinet is satisfied that the vacant admin post of customer liaison manager can be removed and the funding re-allocated to the food safety officer. This post will maintain public confidence in Cheltenham's varied restaurants, cafes and nightclubs and ensure the highest standards of food and public hygiene.

Last year, the Council supported the Citizen's Advice Bureau with a grant of £64,000. As agreed at Cabinet last month - The Citizen's Advice Bureau will shortly take over the running of the CVS. The CAB have indicated that they will be able to run the CVS for £30,000.

In detailed discussion with Cllr Smith, the CAB's confirmed their long term wish to employ a dedicated solicitor on site. They have asked the Council for £18,000 to help fund the post. In recognition of the vital role in community – we have built in the full £18k on top of the requested £30k for running the CVS. **In next year's budget, the CAB will therefore receive £115,200.**

There will be an additional £10,000 to deal with the problem of abandoned cars. We recognise the genuine anger and concern about this problem- We are working closely with the police and our partner authorities. I can confirm that a wide ranging report will shortly be coming to cabinet.

The budget contains an ongoing **£5,000 to support the Western Counties Youth games**. The games promote sport participation and health awareness for young people aged 11-16. **Since 1999, over 400 young people have represented Cheltenham at the games**. Cabinet believe that this is a tremendous way to encourage healthy lifestyle and stimulate pride in our town.

Cabinet have agreed with Councillor Fletcher's proposal to continued **the post of Urban Designer** at a cost of £17,500. The urban designer will also receive external support for 16 months - to help draw up the local Character Areas in Cheltenham. I can confirm that this project has already drawn considerable external funding. – £17,500 from English Heritage and £17,500 from CABE. Cabinet have awarded £20,000 for the project. We believe it represents real value for money.

The work of the urban design team will not only protect and draw inspiration from Cheltenham's unique architectural heritage - it will offer vital guidance on improving the quality of the built environment. It is actively supported by **The Civic Society**.

Supporting the work of Cllr Melville-Smith, the budget now contains £1,000 for Lexcell. This will develop an electronic law library – It will generate efficiency savings and has the potential to be used - not only by the Council's partners - but we will be exploring whether it will generate additional income through hire to smaller solicitor practices in the town.

Cabinet have allocated £30,000 to support the Warm & Well initiative -supporting energy efficiency and insulation measures for low income houses.

The budget contains £15,000 as one-off support for the National 10k run. Last year this event raised thousands of pounds for local charities. It is a national sporting event, bringing prestige to Cheltenham. But we must learn lessons – This funding is to ensure better advance warning, improved control and protection for residents.

I am delighted that we have been able to build **£130,000 into base budget for a green waste collection** . This scheme will collect garden and green organic waste from the doorstep. A recent meeting between the Cabinet and Jonathon Porriitt of Forum for the Future considered how the Council's could develop its green agenda and build on the national recognition that we have achieved for "maintaining a quality environment".

That meeting confirmed Cabinet's view that green waste collection should be an important part of our green agenda and waste recycling strategy. At a practical level, Cheltenham has been nationally recognised for its public and private gardens and floral displays - we are in no doubt that the service will prove extremely popular with local gardeners and help to maintain that well deserved reputation.

Working with Forum for the Future –Cabinet have agreed additional funding for our Climate Change strategy. This will particularly focus on how we can improve the energy efficiency of CBC stock. Growth funding has been identified from exisiting EMAS underspend.

Base budget now includes **£6,000 for publication of a Best Value Performance Plan:** this is a statutory requirement- but working in partnership with other local authorities- we can create a county wide document & significantly reduce production costs, revenue costs have therefore been reduced from 10k to 6k since draft budget details were published.

£50,000 has been allocated for the new post of Head of E Government. The post will be a key role for the authority over the next 5 years. The appointment is very much in line with District Audit and GOSW advice. This will not be a backroom technician. The emphasis will be firmly on improving customer service. Cabinet believe that the effective use of technology will deliver tremendous benefits for the

town. It will produce customer-friendly practices, and generate efficiency savings through integrated departmental working.

Could I also draw Council's attention to the following items: They're not sexy, they're not headline grabbing but they are a vital part of the Council's operation. They have been included to insure financial prudence:

**An increase of £64,000 for audit commission/Best value fees,
£7,500 provision towards the 5 yearly housing stock condition survey and local plan costs.**

Following advice from the new Health and Safety officer we have **provided an additional £2,500 into H&S budget** These have been recognised as ongoing costs and are now in the base budget.

On a technical side we have also built into base budget:

**£450,000 for reduced investment income
£300,000 provision for increased wage costs
£155,000 for inflationary cost increases
£150,000 for additional pension costs
£10,000 phasing of additional contributions to the pension fund -as outlined in the consultation
£100,000 for the lack of DSO profit following re-organisation.
£10,000 for delivery of single status
£50,000 addition to IT repairs and renewals – needed to ensure Council does not fall behind with IT systems and networking.**

To address the remaining revenue budget consultation points:

The home safety scheme remains in the budget: I would like to thank Cllrs Freeman and Bayliss who provided invaluable information about the scheme. Cabinet will be seeking improved coordination between our District authority partners and particularly the County Council. This follows a report from Severn NHS Trust on the home care scheme highlighting “a lack of recognition and understanding particularly within social services and possible duplication of aspects of the service with organisations like Care& repair.”

Following investigations from Cllr Hedley Thompson – Cabinet are happy to accept his recommendation that funding support for the YAC should remain in base budget.

Cabinet has carried out considerable work on the LHSP budget. At the time of the draft budget there was no clear evidence where “special projects” money was going. As I said at one area cttee – **it is no longer Council policy to write blank cheques:** However small the sum – Cabinet will now require detailed information on where money is going.

A variety of conflicting explanations have been proffered. I have subsequently spoken directly with the Treasurer to establish the partnership's position. It is clear that the partnership require transitional rent grant subsidy support as they move post SRB. Cabinet are happy to provide that support – provided a proper SLA is put in place.

Investigations into community development budget have identified a £10,000 SRB underspend. We have given an undertaking that this will be ring-fenced & carried

forward next year as additional support for the partnership. This is on top of the £43,500 already built into base budget. In addition, Cabinet will be seeking a SLA with the partnership in return for a phased rent grant subsidy of £12,000 over the next 3 years. The funding for this grant will come from another unspent capital pot - identified as part of the ongoing capital monitoring arrangements.

Following the end of SRB funding, Cabinet believe it is important to support the partnership - until such time as they are able to operate with financial independence. It is projected that independence can be achieved by the end of three years. Having spoken with the partnership's Treasurer, I can confirm that they are more than satisfied with this arrangement.

The Travel awareness campaign cyclemap. It is identified that this project is likely to be funded by County Council to avoid duplication- the bid has been withdrawn. Cycling remains key part of Council's integrated transport strategy

The budget report sets out how these costs are being met in (4.2.5). Council will remember many of the savings were outlined in the draft budget: items such as removal of condom machines, reduced mobile phone usage, DSO restructuring, removal of the corporate hospitality at the cricket, greater use of email and mailroom savings to reduce postage, a prudent estimate of savings from vacant posts over the financial year, reduced banking and telephone costs

Continued work has identified a number of additional small efficiency savings, all checked and approved by service heads - which will not have an impact on service delivery.

To avoid any possible confusion can I specifically draw Council's attention to a reallocation of £16,500 from the small grants budget. Our investigations have revealed that there is a consistent and regular underspend of approximately £17,000 in the small grants round. Rather than continue to pour money somewhere it isn't being utilised – this amount has been re-allocated. £35,000 remains in base budget for properly costed and identifiable projects. As part of a wider review, Cabinet will consider whether these monies should be centrally held and ringfenced for use by the individual area committees.

In reaching a final figure, there are 3 areas where the Cabinet has raised significant income/savings

1. Since taking over, the Conservative administration has held a virtual freeze on car parking charges for 3 years. This policy encouraged visitors and shoppers to Cheltenham – trade has been booming and the town has seen off the threat of Cribbs Causeway, recently rising to 30th out of 1,100 retail centres in the UK.

However, we are not prepared to jeopardise public services. Given the particular circumstances of Sept 11th and the miserly govt settlement, Cabinet have been left with little choice but to look at car parking charges in the town.

This year, for the first time in 3 years – **there will be a broad 5% increase in parking charges**. However, in line with the Council's green agenda and to ensure continued buoyancy in town centre trade - Cabinet will be looking for a **greater proportion of the increases to be weighted on long term charges rather than short term parking**.

2. As per the draft budget, the Cabinet are anticipating **£170,000 from restructuring/efficiency savings. This will rise to £240,000 in the next financial year.** Specific details of some of this year savings are part of later debate. However, in line with the Government's best value statutory requirements, the Council is obliged to achieve at least 2% efficiency savings each year. We are confident that this can be achieved through the restructuring process without affecting frontline service delivery.

3. In order to meet budget requirements & protect public services **the Cabinet therefore propose a Council tax increase of 3.5%.**

For an Band D Council Tax payer this represents an increase of **£4.40/year the equivalent of an additional 8p/week,** as with previous years - an on the day Appendix 6 provides the Council Tax resolution for 2002/03.

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If I can now turn to the Capital programme: I would draw particular attention to 5.4 in the accompanying report.

Cabinet have received a number of responses during consultation. I would like to thank our friends from the PAB who submitted their own draft capital programme. Clearly a lot of time & work went into that submission. Although we differ on a couple of issues, it is encouraging that we are broadly in agreement.

In the modernising portfolio, Cabinet are recommending capital funding of **£250,000. for egovt development.** Central Government has set a number of Egovt targets which must be met. Following discussions with the Government Office for the South West and the District Audit team – it is clear that they share the Cabinet's view that the development of egovt must be a key priority for the Council

At a national level - Cllr Bowden's egovt strategy has been well received. On the basis of our strategy and forward spending plans - the Council have been awarded a supporting **£200,000 capital grant by central government.** We hope that this will be repeated in future years. **To reduce the council's own commitment in the light of the Government's financial support would be tantamount to suicide.** Not only would it jeopardise progress, it would seriously damage the Council's credibility for future external funding bids.

Details of where the total of £450,000 will be spent are identified in Appendix 7. The broad thrust of the IEG strategy is to improve customer access and frontline delivery and deliver a more efficient and seamless backroom approach. **All costs will be fully market tested.**

In the Community Health & Environment portfolio – Cabinet are supporting full **£638,000 funding for the de-silting of Pittville Lake.** This will be in 2 phases. There is a limited time during the year when works can be undertaken. There are only a few weeks each year - when the fish stock lifecycle will not be damaged. We are entirely in the hands of the Environment Agency over timing of the works and on environmentally sensitive disposal of the silt. Our best guess-timate is that phase 2 will commence in 2005/6. However it will be kept under constant review and we will look to bring works forward if the EA advise accordingly.

You will note that Cabinet have included the full **£60,000 for an extension to Charlton Kings cemetery.**

At a sum of £1.8million - The Recreation Centre redevelopment is the largest project in the Cabinet's capital programme – the jewel in the crown. It is vitally important part of our plans for healthy sport and play in the town. The Centre requires significant funding if it is to proceed and we have met those requirements in full. If Council agree this budget then works can commence later this year. Could I also draw Council's attention to 5.5 in the main report.

Cabinet have agreed Cllr Ryder's request for an ongoing **£50,000 & £85,000 for capital improvements to Cheltenham's parks and play areas respectively.** This is in addition to the **£2million we are proposing in the base budget for support and maintenance of our existing facilities.** We believe Cheltenham's green spaces and play areas are a vital component of our town. The range of facilities make the town unique and deserve our continued support.

Cabinet are **proposing £150,000 to develop the old public toilets in Pittville Park as a heritage centre.** This will improve the public conveniences, and provide secure accommodation for the park ranger team. A heritage display area has also been included in the proposals in order to attract potential external funding.

It has been suggested that a Pittville Park - park ranger post be funded from the capital programme on a pilot one-year basis. I would strongly caution against this approach - as set out in the main report at 4.2.7. It's a return to the days where base revenue items were consistently funded out of one off capital. **It doesn't work. It's bad practice. It needs to be done properly.** The public need to be confident that when new park keepers are appointed they are there to stay - properly funded - year on year – every year.

I think we are all in agreement that **we want to see a return to dedicated park keepers working in specific parks and gardens.** Both Cllr Smith and Cllr Ryder have been championing this approach since the time of the old Leisure Committee. In January, the Cabinet considered exactly such a proposal from Cllr Ryder. Following in principle approval- a detailed report on the use of park keepers for all of Cheltenham's parks and gardens will now be coming to Cabinet in June.

For the sake of just a few weeks, let's not rush through a cobbled together botched job. Lets get it right. Lets work with the unions and our existing park ranger team and get the basics in place as part of the formal restructuring process.

The Cabinet have recommended 2 items in the Leader's portfolio: an ongoing commitment of **£50,000 for the local plan inquiry and £200,000 for programmed maintenance of Council assets.** I will reiterate that - as part of the improved financial reporting structure that I have already outlined: progress on programmed maintenance projects will now be reported on a regular basis.

Turning to the land use and transport portfolio: Cabinet have agreed with Cllr Fletcher that **£30,000 should be allocated for improvements to Church Piece shopping area.**

We are also supporting her recommendation for **a phased £100,000 for Bath Road shopping area.** I am sure that this will be warmly welcomed by the local community and the Bath Road traders: The earlier investment has had a noticeable and extremely positive effect.

Cabinet are **proposing £25,000 allocation for the old environmental improvements grants.** As part of the ongoing modernisation agenda- we will investigate whether the monies should be centrally held and ringfenced for use by the individual area committees.

£6,000 has been provided for an extension to Sherborne Place car park. - This small capital investment will be repaid within a couple of years through additional parking spaces - It will then continue to generate additional income for the council coffers.

£75,000 will support the final phase of pay on foot at Grosvenor Terrace car park. Research to date (including viewpoint) shows that the scheme will be very popular with visitors as well as providing considerable improvement to a CBC asset.

I am delighted to report that Cllr Fletcher has identified £7,000 unspent in an existing capital pot specifically for flood alleviation. That money will be carried forward and, because of its origin - **will be allocated for remedial work at Wymans Brook, School Lane, Prestbury.** Talks have already taken place with the local headteacher on where the money can best be targeted.

In the social portfolio, Cabinet have agreed with Cllr Driver's proposal that sums of **£40,000 and £50,000 be allocated respectively for cctv in the town's centre and car parks.** Crime and the fear of crime are very real concerns and a cabinet priority. We will do everything we can to allay those concerns and help the police.

Before moving on to the HRA, can I briefly mention certain schemes which don't appear on the final programme.

The transport consultancy bid will go ahead - investigating traffic problems in north west Cheltenham – has attracted £20,000 match-funding from the County Council, I can confirm that the remaining £20,000 contribution has been identified from existing underspend.

Cabinet have been unable to include funding for the Prestbury Land Drainage in this year's programme. We will be working with the Environment Agency to identify potential alternative funding streams. In the past, our PAB colleagues have quite rightly argued that Council are in this position because full funding for the scheme has never been identified. Cabinet agree. If we are to progress this scheme then we need to clearly identify the full costs and demonstrate how we can meet them.

To complete the middle section of the scheme will cost £480,000. But that will only affect 34 residential and commercial properties in total. In order for the scheme to be effective, **at least £900,000 more will have to be identified and spent.**

Commitment on that scale, even if phased, will **virtually wipe out a capital programme for the rest of the town.** We know it's required, but the question Council must ask is - **how desperately it is required?**

Last year saw the heaviest rainfall in a century, the third worst on record. Yet, as reported at the time – last year in Prestbury, the Council were called upon to issue

just a handful of sandbags. This year, Cabinet have monitored the situation carefully. Over the past few weeks, we have had appalling rainfall across the county. **But, in Prestbury the Council has only received one problem report – caused by a blocked drain at a local pub.**

I won't prejudge the debate. I am sure Council will want to consider the comments of the Councillors from Prestbury before making a final decision.

Proposed remedial works for Marle Hill Tip received only a category E status and are not included in the budget. In order to allay any possible misconceptions –I would simply draw Council's attention to the consultation responses on Appendix 1.

Discussions are underway with the contractor over funding. There is ongoing monitoring by both the Environment Agency and CBC. Cabinet received a report at the end of last week that **the Environment Agency are entirely satisfied with progress.**

Turning to the HRA.

The HRA shows a probable deficit of £94,600 at year end. This is primarily due to depreciating interest rates particularly post- Sept 11th - and the need to increase provision for bad debts. On the positive side - Council will recall that - last year, working balances were boosted by a surplus £76,000. In the light of this, Cabinet are recommending that this year's projected deficit can prudently be funded from the reserve.

Could I draw Council's attention to the Cabinet's recommended rent increase of 1.26% - as set out in Appendix 10 . As Council is aware - rent levels are now dictated by Govt and seriously hamper local authorities' ability to improve their stock or meet the newly imposed "decency quality" standards.

The operating account now includes ALMO set up costs. Cabinet hope that the introduction of ALMO will provide the Council with access to the central government funding. This funding will be necessary to improve general stock condition and support the future financing of the decency standard.

As per the consultation, Cabinet are **proposing £27,100 to fund an additional safer estates officer.** Council will be aware that this is an extremely successful scheme aimed at improving communities, reducing the fear of crime, neighbour intimidation, and many other forms of antisocial behaviour. Cabinet believe the scheme deserves more support and are happy to support Cllr Driver's proposal.

As part of our commitment to tenants Cabinet will also build into base a **£25,000 grant to the Tenants Federation.** This has previously been funded from reserves.

Within the Housing Capital programme the Cabinet have supported Cllr Driver's recommendation that **an additional £100,000 be allocated for disabled adaptations.** It is important that elderly and disabled are given the support to remain in their own homes with dignity. With this increase- there is now a total of £360,000 for disabled adaptations in the HRA, and £520,000 disabled facilities grant in the Housing General Fund

In conclusion:

In setting this budget - the cabinet has taken a robust approach to the financial position of the council. We are laying the foundations for a **more sustainable long**

term approach to the councils activities. We will continue to phase into base budget those on-going revenue expenses which have historically and in my opinion – quite wrongly – been financed from reserves. We are mindful of the condition of the economy and the potential future pressures this may place on local authorities. This is especially the case in relation to future capital spending. That is why - first and foremost - this budget creates a stable and forward looking financial platform on which the Council can grow.

The medium term financial plan demonstrates that **a 3.5% council tax level can be properly sustained this year. Most importantly it gives the residents of Cheltenham the assurance that their money is in safe hands and their public services will be properly maintained .**

I therefore recommend that Council approve the revenue budget as amended, capital programme, Housing revenue account, Council tax and rent level as set out in the main report at 1.2.

COUNCIL TAX 2002/03**1. That the following, as submitted in the Budget Book, be approved:**

(a) the revised revenue estimates for the year 2001/02 and the revenue estimates for 2002/03.

(b) the revised capital programme for the year 2001/02 and the capital programme for 2002/03

(c) the staffing estimates for the year 2002/03

2. That it be noted that, at the meeting 8th February 2002 the cabinet noted the following amounts for the year 2001/02 in accordance with regulations made under Section 33(5) of the Local Government Act, 1992:-

(a) 39,240.40 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations, 1992 as its Council Tax Base for the year.

(b) Part of the Council's area

Parish of Charlton Kings	3,247.80
Parish of Leckhampton	1,918.50
Parish of Prestbury	2,894.30
Parish of Swindon	684.30
Parish of Up Hatherley	1,349.70

being the amounts calculated by the Council, in accordance with regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those part of its area to which one or more special items relate.

3. That the following amounts be now calculated by the Council for the year 2002/03 in accordance with Sections 32 to 36 of the Local Government Finance Act, 1992:-

- (a)** £38,675,882 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.
- (b)** £26,087,433 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.
- (c)** £12,588,449 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with the Section 32(4) of the Acts as its budget requirement for the year.
- (d)** £7,371,567 being the aggregate of the sums which the Council estimates will be payable for the year into its general

funds in respect of redistributed non-domestic rates, revenue support grant, additional grant or relevant special grant, and increased by the amount of any sum which the Council estimates will be transferred from its collection fund to its general fund pursuant to the directions under section 98(4) of the Local Government Finance Act, 1988 made on 12th October 1992.

- (e) £132.95 being the amount at 3(c) above less the amount at 3(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- (f) £104,050 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (g) £130.30 being the amount at 3(e) above less the result given by dividing the amount at 3(f) above by the amount at 2(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (h) Part of the Council's area:
- | | |
|--------------------------|----------------------------|
| Parish of Charlton Kings | $£11.18 + 130.30 = 141.48$ |
| Parish of Leckhampton | $£7.71 + 130.30 = 138.01$ |
| Parish of Prestbury | $£12.44 + 130.30 = 142.74$ |
| Parish of Swindon | $£10.16 + 130.30 = 140.46$ |
| Parish of Up Hatherley | $£7.41 + 130.30 = 137.71$ |

being the amounts given by adding to the amount at 3(g) above the amounts of the special items or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 2(b) above, calculated by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

Valuation Bands

Band	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Charlton Kings	94.32	110.04	125.76	141.48	172.92	204.36	235.80	282.96
Leckhampton	92.01	107.35	122.67	138.01	168.68	199.35	230.02	276.02
Prestbury	95.16	111.02	126.88	142.74	174.46	206.18	237.90	285.48
Swindon	93.64	109.25	124.85	140.46	171.67	202.88	234.10	280.92
Up Hatherley	91.81	107.11	122.41	137.71	168.31	198.92	229.52	275.42
All other parts of the Council's area	86.87	101.35	115.82	130.30	159.26	188.21	217.17	260.60

being the amounts given by multiplying the amounts at 3(g) and 3(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuations band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

4. That it be noted that, for the year 2002/03, the Gloucestershire County Council and the Gloucestershire Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwellings shown below are:-

Precepting Authority

Valuation Bands

	A	B	C	D	E	F	G	H
Gloucestershire County Council	497.51	580.43	663.35	746.27	912.11	1077.95	1243.78	1492.54
Gloucestershire Police Authority	62.67	73.12	83.56	94.01	114.90	135.79	156.68	188.02

5. That having calculated the aggregate in each case the amounts at 3(l) and 4 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act, 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2002/03 for each of the categories of dwellings shown below:-

Part of the Council's area

Valuation Bands

Band	A	B	C	D	E	F	G	H
Parishes of:-	£	£	£	£	£	£	£	£
Charlton Kings	654.50	763.59	872.67	981.76	1199.93	1418.10	1636.26	1963.52
Leckhampton	652.19	760.90	869.58	978.29	1195.69	1413.09	1630.48	1956.58
Prestbury	655.34	764.57	873.79	983.02	1201.47	1419.92	1638.36	1966.04
Swindon	653.82	762.80	871.76	980.74	1198.68	1416.62	1634.56	1961.48
Up Hatherley	651.99	760.66	869.32	977.99	1195.32	1412.66	1629.98	1955.98
All Other Parts of the Council's Area	647.05	754.90	862.73	970.58	1186.27	1401.95	1617.63	1941.16