



## Notice of a meeting of Council

**Friday, 12 February 2016  
2.30 pm  
Council Chamber - Municipal Offices**

<b>Membership</b>	
<b>Councillors:</b>	Duncan Smith (Chairman), Chris Ryder (Vice-Chair), Matt Babbage, Flo Clucas, Adam Lillywhite, Chris Mason, Dan Murch, Chris Nelson, John Payne, Max Wilkinson, Wendy Flynn, Andrew Chard, Paul Baker, Garth Barnes, Nigel Britter, Chris Coleman, Bernard Fisher, Jacky Fletcher, Colin Hay, Tim Harman, Rowena Hay, Sandra Holliday, Peter Jeffries, Steve Jordan, Andrew Lansley, Helena McCloskey, Andrew McKinlay, David Prince, John Rawson, Anne Regan, Rob Reid, Louis Savage, Diggory Seacome, Malcolm Stennett, Klara Sudbury, Pat Thornton, Jon Walklett, Simon Wheeler, Roger Whyborn and Suzanne Williams

## Extended Agenda

<b>11.</b>	<p><b>GENERAL FUND REVENUE AND CAPITAL - REVISED BUDGET 2015/16, AND FINAL BUDGET PROPOSALS 2016/17</b></p> <p><b>RECOMMENDATIONS AS AMENDED BY CABINET 9/02/16</b></p> <p>The following is the recommended process to be followed for the debate relating to the Council's Budget for 2016-17 (Agenda item 11). The rules of procedure shall be varied accordingly for this item only.</p> <p><b>1 a). The Mayor to propose suspension of the following rules of debate:</b></p> <ul style="list-style-type: none"> <li>- That the time limit on speeches is relaxed with regard to the following speeches:- <ul style="list-style-type: none"> <li>▪ Cabinet Member Finance, (Finance), when moving the motion to adopt the budget being proposed by the Cabinet ("the Cabinet's budget"), Stage 2(i).</li> <li>▪ Group Leaders when making Budget Statement on behalf of group, Stage 3(i) – (ii).</li> </ul> </li> <li>- To permit the Cabinet Member Finance and Group leaders to speak more than once in the debate, (in addition to any right</li> </ul>	(Pages 5 - 12)
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	<p>of reply etc), for the purpose of putting and answering questions at Stage 2(iii).</p> <p><b>1 b). The Mayor to remind Members that a recorded vote is required on any significant decision relating to the budget or council tax (including any amendments) as set out in Part 4A – Council Procedures Rule 14.5 as required by the ‘Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014’. This will apply to agenda items 11 and 12.</b></p> <p><b>2. Budget Statement and moving of motion</b></p> <p>(i) The Cabinet Member Finance shall deliver the budget statement and formally move the resolutions set out in the report of the Cabinet Member Finance. (N.B. Not time limited). He will invite the Section 151 Officer, Paul Jones to introduce his Section 25 report.</p> <p>(ii) The seconder shall formally second the motion. (N.B. The seconder may reserve their speech until later in the debate prior to the closing speeches) 5 minute limit applies.</p> <p>(iii) Members may then ask questions of the Cabinet Member Finance (who may refer them to the Section 151 Officer when appropriate), on matters relating to agenda item 11. (N.B. members are limited to one question only, without supplementary, and the Cabinet Member Finance shall wait until all questions have been put before responding).</p> <p><b>3. Statements by Group Leaders</b></p> <p>(i) Statement on behalf of the Conservative Group including tabling but not moving, any proposed amendment to the Cabinet’s budget. (no time limit)</p> <p>(ii) Statement on behalf of the People Against Bureaucracy Group including tabling, but not moving, any proposed amendment to the Cabinet’s budget. (No time limit).</p> <p><b>4. Formal moving, Seconding, debating, discussion and voting on any amendments tabled in the following order:</b></p> <p>- People Against Bureaucracy Group - Conservative Group</p> <p>N.B.</p> <ul style="list-style-type: none"> <li>▪ The Cabinet Member Finance has the right to a speech in reply at the end of the debate on <u>any</u> amendment. (10 mins).</li> <li>▪ The mover of an amendment may speak to move the amendment, (10 mins), and also has the right of reply to the debate immediately before the speech of the Cabinet Member Finance. (10 mins).</li> </ul>	
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	<ul style="list-style-type: none"> <li>▪ Amendments carried will become part of the substantive motion going forward. Once all proposed amendments have been debated and put to the vote the final version of the motion shall go forward to the next stage.</li> </ul> <p><b>5. Consideration of Amendments</b></p> <p>(a) If the Cabinet's budget has not been amended, the Cabinet Member Finance to formally propose the budget (no speech), and the final proposal will be debated and voted upon subject to the Cabinet Member Finance's right of reply (10 mins).</p> <p>(b) If the Cabinet's budget has been amended, before it is further debated and voted upon, the Mayor shall propose a brief adjournment in order that the Cabinet Member Finance can consider whether:</p> <ul style="list-style-type: none"> <li>(i) the amendments are acceptable to the Cabinet - in which case the meeting will proceed as at (a) above; or</li> <li>(ii) the amendments are not acceptable to the Cabinet - in which case, the meeting will proceed as at (a) above save that, in accordance with the Budget and Policy Framework Rules, the Council may only make an in-principle decision which will be published and provided to the Leader of the Council for consideration.</li> </ul>	

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**Andrew North**  
**Chief Executive**

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## Cheltenham Borough Council

Council – 12<sup>th</sup> February 2016General Fund Revenue and Capital – Revised Budget 2015/16, and  
Final Budget Proposals 2016/17

<b>Accountable member</b>	Cabinet Member for Finance, Councillor John Rawson
<b>Accountable officer</b>	Section 151 Officer, Paul Jones
<b>Accountable scrutiny committee</b>	Overview and Scrutiny Committee
<b>Ward(s) affected</b>	All
<b>Key Decision</b>	Yes
<b>Executive summary</b>	This report summarises the revised budget for 2015/16 and the Cabinet's final budget proposals and pay policy statement for 2016/17.
<b>Recommendations</b>	<p><b>Council</b></p> <ol style="list-style-type: none"> <li>1. Note the revised budget for 2015/16 and approve the recommendation of the Section 151 Officer to transfer the identified saving of £307,900 to the budget strategy (support) reserve as detailed in Section 3.1.</li> <li>2. Consider the budget assessment by the Section 151 Officer at Appendix 2 in agreeing the following recommendations.</li> <li>3. Approve the final budget proposals including a proposed council tax for the services provided by Cheltenham Borough Council of <b>£192.12</b> for the year 2016/17 (an increase of <b>2.67%</b> or <b>£5.00</b> a year for a Band D property).</li> <li>4. Approve the growth proposals, including one off initiatives at Appendix 4.</li> <li>5. Approve the savings / additional income totalling £780,700 and the budget strategy at Appendix 5.</li> <li>6. Approve the use of reserves and general balances and note the projected level of reserves, as detailed at Appendix 6.</li> <li>7. Approve the proposal to abolish charges in council car parks after 6pm as detailed in Section 8.</li> <li>8. Approve a 1% increase in all Member allowances, in line with the proposed increase in staff pay, as detailed in Section 9.</li> <li>9. Approve the local council tax support scheme for 2016/17 as outlined in Section 11, which remains unchanged from 2015/16</li> </ol>

other than the annual uprating for non-dependant deductions.

10. Approve the proposed capital programme at Appendix 7, as outlined in Section 13.
11. Approve the Pay Policy Statement for 2016/17, including the continued payment of a living wage supplement at Appendix 9.
12. Approve a level of supplementary estimate of £100,000 for 2016/17 as outlined in Section 18.
13. Note that the Council will remain in the Gloucestershire business rates pool for 2016/17 (para 4.15).
14. Note the award of Transition Grant in 2016/17 of £74,461, which when added to the additional £51,557 raised through council tax, results in a reduction in the contribution required from the budget support (strategy) earmarked reserve of £126,018.

## NET GENERAL FUND BUDGET 2016/17

<b>GROUP</b>	<b>2015/16 ORIGINAL £</b>	<b>2015/16 REVISED £</b>	<b>2016/17 ORIGINAL £</b>
<b>Projected cost of 'standstill' level of service</b>			
Strategic Directors	1,505,550	1,451,550	1,643,600
Environment & Regulatory Services	2,810,920	3,189,245	3,167,895
Deputy Chief Executives	4,286,170	4,178,120	4,273,370
Corporate Resources	6,536,845	5,844,960	4,865,045
Wellbeing & Culture	1,440,200	1,370,200	1,416,200
Programme Maintenance	0	0	600,000
Bad debt provision	40,000	26,790	25,000
	<b>16,619,685</b>	<b>16,060,865</b>	<b>15,991,110</b>
Capital Charges	(1,736,900)	(1,492,530)	(638,100)
Interest and Investment Income	322,300	378,700	407,500
Use of balances and reserves	(91,200)	752,858	(1,114,152)
Proposed Growth recurring - Appendix 4			85,000
Savings / Additional income identified - Appendix 5			(1,480,700)
Use of Budget Strategy Support reserve			<b>(273,919)</b>
<b>NET BUDGET</b>	<b>15,113,885</b>	<b>15,699,893</b>	<b>12,976,739</b>
<b>Deduct:</b>			
Revenue Support Grant	(2,110,549)	(2,110,549)	(1,272,960)
National Non-Domestic Rate	(2,507,443)	(2,243,109)	(2,838,470)
National Non-Domestic Rates - S31 Grants	(753,259)	(794,124)	(530,575)
National Non-Domestic Rate - 2013/14 surplus	(187,360)	(187,360)	0
National Non-Domestic Rate - 2014/15 surplus / deficit	(322,281)	(322,281)	220,026
National Non-Domestic Rate - 2015/16 surplus / deficit	0	(809,477)	809,477
New Homes Bonus	(1,605,500)	(1,605,500)	(1,375,500)
Specific Grant in lieu of council tax freeze 2015/16	(81,700)	(81,700)	0
<b>Transition Grant</b>			<b>(74,461)</b>
Less: Grant allocated to Parishes (council tax support)	10,269	10,269	10,269
Collection Fund Contribution	(111,100)	(111,100)	(163,800)
	<b>(7,668,923)</b>	<b>(8,254,931)</b>	<b>(5,215,994)</b>
<b>NET SPEND FUNDED BY TAX</b>	<b>7,444,962</b>	<b>7,444,962</b>	<b>7,760,745</b>
<b>Council Tax income assuming increase of 1.99%</b>	<b>7,444,962</b>	<b>7,444,962</b>	<b>7,760,745</b>
Band 'D' Tax	£187.12	£187.12	<b>£192.12</b>
Increase per annum			<b>£5.00</b>
Increase per week			<b>£0.10</b>
% Rise			<b>2.67%</b>
Gross Collectable Tax Base	40,290.74		40,906.60
Collection Rate %	98.75%		98.75%
Net tax base	39,787.10		40,395.30

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BRIDGING THE GAP STRATEGY					
	2016/17	2017/18	2018/19	2019/20	Total
<b>Total Current MTFs Funding Deficit</b>	<b>1,754,619</b>	<b>1,676,451</b>	<b>543,227</b>	<b>32,599</b>	<b>4,006,896</b>
<b>Service Reviews &amp; 'Systems' Thinking</b>					
REST target as per Council report dated 20 July 2015		157,500			157,500
Discontinuation of partnership contribution to 'Safe at Home' contract	32,000				32,000
Democratic Services Unit	10,900				10,900
Corporate Governance		15,000			15,000
<b>Shared Services</b>					
2020 Vision - Shared Services	150,900	224,100	124,000	82,000	581,000
2020 Vision - Teckal Company				227,000	227,000
Additional waste target from new joiners	29,000		40,000		69,000
Efficiency gain on procurement					
- GOSS re-tendering of banking arrangements	10,000				10,000
<b>Commissioning</b>					
L&C Review - trust savings	231,500	150,500	43,000		425,000
Central Depot Bulking Facility	46,000				46,000
Waste and Recycling Services				50,000	50,000
<b>Income</b>					
Additional income target through economic growth - role of MD Place and Economic Development				500,000	500,000
Business Rates additional target through pooling		200,000	100,000	100,000	400,000
North Place development income		350,000			350,000
Advertising & Sponsorship contract	63,100				63,100
<b>Asset Management</b>					
Rationalisation of asset portfolio & Review of Investment Property	10,000	20,000			30,000
Vehicle Operating Lease - reduction to base budget	97,300				97,300
Accommodation Strategy	100,000			100,000	200,000
<b>Other</b>					
Use of NHB to support Base Budget	700,000				700,000
B/Fwd deficit funded by Budget Strategy (Support)					
Reserve in previous year		(273,919)	(463,210)		(737,129)
Use of Budget Strategy (Support) Reserve	273,919	463,210			737,129
<b>Total Identified Savings/Income</b>	<b>1,754,619</b>	<b>1,306,391</b>	<b>-156,210</b>	<b>1,059,000</b>	<b>3,963,800</b>
<b>Shortfall / (Surplus) against MTFs Funding Gap</b>	<b>0</b>	<b>370,060</b>	<b>699,437</b>	<b>(1,026,401)</b>	<b>43,096</b>

NB: traffic lights denote risk associated with delivery

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		<u>Purpose of Reserve</u>	<u>31/3/15</u>	<u>2015/16</u>	<u>2015/16</u>	<u>2015/16</u>	<u>31/3/16</u>	<u>2016/17</u>	<u>Proposals</u>	<u>2015/16</u>	<u>31/3/17</u>
				<u>Movement</u>	<u>Reserve</u>	<u>Movement</u>		<u>Movement</u>	<u>to Support</u>	<u>Movement</u>	
			£	£	£	£	£	£	2016/17 Budget	£	£
					Re-alignment	Capital					
<b><u>EARMARKED RESERVES</u></b>											
<b><u>Other</u></b>											
RES002	Pension Reserve	To fund future pension liability	-177,246				-177,246				-177,246
RES003	Economic Development & Tourism Reserve	To fund future economic and tourism studies	-4,200	-50,000			-54,200	50,000			-4,200
RES005	Keep Cheltenham Tidy Reserve	Keep Cheltenham Tidy campaign - scheme contributions	-626				-626				-626
RES006	Cultural Development Reserve	To fund future arts facilities/activity	-22,361				-22,361				-22,361
RES008	House Survey Reserve	To fund cyclical housing stock condition surveys	-121,525	-5,000	42,534		-83,991	-5,000			-88,991
RES026	Social Housing Marketing Assessment (SHMA) Reserve	To fund Social Housing Marketing Assessment WORK	0	1,500	-42,534		-41,034	-2,500			
RES009	Twinning Reserve	Twinning towns civic visits to Cheltenham	-4,279				-4,279				-4,279
RES010	Flood Alleviation Reserve	To fund future flood resilience work, delegated to the Flood working group for allocation	-104,227	50,000			-54,227	50,000			-4,227
RES012	Pump Room Insurance Reserve	Insurance reserve for stolen jewellery / damaged collections	-13,735		13,735		0				0
RES013	TIC Shop Reserve	Accumulated profits held for TIC shop improvements	-29		29		0				0
		To fund risk management initiatives / excess / premium increases	-79,371	5,000	-13,735		-88,106				-88,106
RES014	GF Insurance Reserve	Purchase of vehicles and equipment	0				0				0
RES015	Vehicle Leasing Equalisation Reserve										
RES016	Joint Core Strategy Reserve	To fund Joint Core Strategy	-68,780				-68,780				-68,780
RES018	Civic Pride Reserve	To pump prime civic pride initiative / match funding	-492,137	105,100		0	-387,037	105,100			-281,937
RES019	Land Charges Reserve	Cushion impact of fluctuating activity levels	0				0				0
RES020	Ubico Reserve	Replacement fund	-170,000		100,000		-70,000				-70,000
RES021	Cheltenham Leisure & Culture Trust	To cover unforeseen deficits in operations within new trust	-270,000		70,000		-200,000				-200,000
RES022	Homelessness Reserve	To cover future homelessness prevention costs	-50,000	8,900			-41,100	8,900			-32,200
RES023	Transport Green Initiatives Reserve	To fund Transport Green Initiative Schemes	-34,600				-34,600				-34,600
RES024	New Initiatives reserve	To fund 2020 Vision transformation programme	0	-400,000			-400,000	-200,000			-600,000
RES025	Budget Strategy (Support) Reserve	To support budget strategy	0	-307,900	-429,229		-737,129	273,919			-463,210
			<b>-1,613,117</b>				<b>-2,464,717</b>				<b>-2,140,764</b>
<b><u>Repairs &amp; Renewals Reserves</u></b>											
RES201	Commuted Maintenance Reserve	Developer contributions to fund maintenance	-107,629	39,000			-68,629	39,000			-29,629
RES202	Highways Insurance Reserve	County highways - insurance excesses	-15,000		15,000		0				0
RES203	Revs & Benefits IT Reserve	Replacement fund to cover software releases	-30,000		30,000		0				0
RES204	I.T. Repairs & Renewals Reserve	Replacement fund	-40,901	35,665			-5,236	5,236			0
RES205	Property Repairs & Renewals Reserve	20 year maintenance fund	-1,032,142	296,000		59,700	-676,442	0			-676,442
RES206	Delta Place Repairs & Renewals Reserve	Delta Place maintenance fund	0				0	-100,000			-100,000
			<b>-1,225,673</b>				<b>-750,308</b>				<b>-806,072</b>
<b><u>Equalisation Reserves</u></b>											
RES101	Rent Allowances Equalisation	Cushion impact of fluctuating activity levels	-77,900	77,900			0				0
RES102	Planning Appeals Equalisation	Funding for one off appeals cost in excess of revenue budget	-152,932	-40,000			-192,932				-192,932
RES103	Licensing Fees Equalisation	Past income surpluses to cushion impact of revised legislation	-11,155				-11,155				-11,155
		To cover any additional losses arising in the value of Icelandic deposits and/or to reduce the borrowing arising from the capitalisation of the losses	-174,012				-174,012				-174,012
RES104	Interest Equalisation										
RES105	Local Plan Equalisation	Fund cyclical cost of local plan inquiry	-7,230	-100,000			-107,230				-107,230
RES106	Elections Equalisation	Fund cyclical cost of local elections	-92,100	-60,000			-152,100	60,000			-92,100
RES107	Car Parking Equalisation	To fund fluctuations in income from closure of car parks	-350,000	5,800	14,200		-330,000	200,000			-130,000
RES108	Business Rates Retention Equalisation	To fund fluctuations in income from retained business rates	-140,608	-983,308			-1,123,916	1,123,916			0
			<b>-1,005,936</b>				<b>-2,091,344</b>				<b>-707,428</b>

			<u>31/3/15</u>	<u>2015/16</u>	<u>2015/16</u>	<u>2015/16</u>	<u>31/3/16</u>	<u>2016/17</u>	<u>Proposals</u>	<u>2015/16</u>	<u>31/3/17</u>
<u>Purpose of Reserve</u>				<u>Movement</u>	<u>Reserve</u>	<u>Movement</u>		<u>Movement</u>	<u>to Support</u>	<u>Movement</u>	
			£	<u>Revenue</u>	<u>Re-alignment</u>	<u>Capital</u>	£	<u>Revenue</u>	<u>2016/17 Budget</u>	<u>Capital</u>	£
<b><u>Reserves for commitments</u></b>											
RES301	Carry Forwards Reserve	Approved budget carry forwards	-674,848	577,850			-96,998				-96,998
<b><u>CAPITAL</u></b>											
RES402	Capital Reserve - GF	To fund General Fund capital expenditure	-791,061	0		762,000	-29,061	-220,500		246,000	-3,561
<b>TOTAL EARMARKED RESERVES</b>			-5,310,635				-5,432,428				-3,754,823
<b><u>GENERAL FUND BALANCE</u></b>											
B8000 - B8240	General Balance - RR	General balance	-1,599,226	-9,365	200,000		-1,408,591		50,000		-1,358,591
			-1,599,226				-1,408,591				-1,358,591
<b>TOTAL GENERAL FUND RESERVES AND BALANCES</b>			-6,909,860.98	-752,858	0	821,700	-6,841,019	1,388,071	50,000	246,000	-5,113,414
B8700 - B8716	General Fund Capital Receipts		-11,422,603			6,464,791	-4,957,812			630,000	-4,327,812