

Cabinet

**Tuesday, 7th December, 2010
6.00 - 7.10 pm**

Attendees	
Councillors:	Colin Hay (Cabinet Member Corporate Services), Steve Jordan (Leader of the Council), Andrew McKinlay (Cabinet Member Sport and Culture), John Rawson (Cabinet Member Built Environment), Klara Sudbury (Cabinet Member Housing and Safety), John Webster (Cabinet Member Finance and Community Development) and Roger Whyborn (Cabinet Member Sustainability)

Minutes

1. APOLOGIES

None received.

2. MINUTES OF THE LAST MEETING

The minutes of the last meeting had been circulated with the agenda.

Upon a vote it was unanimously

RESOLVED that the minutes of the meeting held on the 16 November 2010 be agreed and signed as an accurate record.

3. DECLARATIONS OF INTEREST

None declared.

4. PUBLIC QUESTIONS AND PETITIONS

None received.

5. CHELTENHAM FESTIVALS SCRUTINY WORKING GROUP

The Chairman advised members that the report of the Cheltenham Festivals Joint Working Group (CFJWG), had previously been reviewed by both Social & Community and Economy & Business Improvement Overview and Scrutiny Committees.

He noted a technical correction to item 5.6 of the original report, which had been amended to reflect exactly, recommendation 5 of the report. The report had been amended and republished but not before the papers for this meeting had been circulated.

Councillor Duncan Smith, Chairman of the CFJWG introduced the report as circulated with the agenda.

The Scrutiny Committees recognised that the relationship between the Council (CBC) and Cheltenham Festivals (CF) was important to both organisations, but

acknowledged that it had changed over time. The 3 year Community Investment Grant to CF from CBC was coming to an end , at a time when CF were embarking on an ambitious 3 year business plan and as such a joint working group was established.

The group had met 8 times in the last 18 months, 3 of which were joint meetings with CF. Members had included Councillors Smith and Hay (previously Rawson) from Social & Community and Councillors Barnes and Surgenor (previously Hutton) from Economy & Business Improvement.

The terms of reference (2.2 of the report) set out the remit for the group.

Initial meetings were side tracked by the tender exercise CBCs new Box Office system at the Town Hall. There was some disagreement about the needs of each organisation and a number of meetings focussed on achieving a mutually beneficial compromise. Ultimately CF had additional requirements to those of CBC and as such took the decision to purchase their own Box Office system (Tessitura). Despite this, the group supported the decision of the Cabinet Member Sport and Culture to purchase INFX as the system of choice for the CBC.

The focus then returned to the 3 year business plan of CF. The group had concerns about some of the assumptions that had been made within the business plan. Whilst CF was independent of the Council, there was an expectation from the community that it would support CF were it required, so ultimately the group wanted assurances that the plan was financially deliverable and managed risks appropriately.

Concerns of Officers and Members with regards to the financial projections made by CF in the business plan were raised with them (Appendix 2 of the O&S report) and both were satisfied that the projections were sound and robust, but clearly the financial crisis posed an element of risk.

A number of key issues were identified that the group felt needed to be resolved urgently in order to allow progress (3.7 of the report).

Growth assumptions were largely based on increased use of the gardens and whilst CF were confident that discussions with Officers were at an advanced stage, members were acutely aware that nothing had been formalised. This would need to be agreed by the end of the year in order to allow sufficient time for CF to make adequate arrangements for the 2011 Festivals.

Catering arrangements at the Town Hall had been an issue for CF in the past, though this had improved in recent times. CFs future plans called for a degree of flexibility, which the current arrangements did not offer. The contract would be reviewed in 2012 and it was important that CF, as a key stakeholder, were involved in this process.

The group established that the current CF Board were both willing and eager to be included in future discussions around the management or commissioning of cultural activities in Cheltenham.

Members were referred to the six recommendations of the working group and Councillor Smith offered additional comment to those items that had not yet been covered.

Recommendation 3 – there was uncertainty from seemingly all parties (CF, Officers and Cabinet Members) about the extent of the financial impact on CBC with CF having purchased their own Box Office system. This needed to be clarified.

Recommendation 5 had been put forward as a request of CF rather than a recommendation of the working group. CF had appreciated the current budget situation of CBC but had asked that any reduction to their grant (£109k) be delayed until 2012. CF were forecasting a breakeven year in 2011, followed by 2 years of profit in which they felt they would be better equipped to deal with a reduction.

Recommendation 6 – the working group felt that it was imperative for CBC to reduce the level of involvement and monitoring. The suggestion was that a standing group of 3 members, drawn from the Social & Community Scrutiny Committee be established, as it was agreed that this was a more appropriate level than that currently undertaken.

He highlighted that a separate working group of the Social & Community had been established to review the 3 year Community Investment Grants. This group had looked at CF, the Everyman Theatre and MAD Youth and were satisfied that CF were performing well.

Councillor Smith thanked all Members and Officers for their involvement in the working group and commended CF for their openness, which had been to their credit.

The following responses were given by Councillor Smith to questions from members of Cabinet;

- 2011 would be a pivotal year for CF. If the decision were taken to reduce the grant to CF by £71k (the lost commission to CBC as a result of CF having purchased their own Box Office system), this could jeopardise CFs projections. The working group had not been tasked with finding alternatives for recouping this loss to the council and he was unwilling to comment on behalf of members.
- The Arts Council did not directly match fund £1 for £1 of local authority funding but he had been assured, privately, that were the council to cease funding CF, this would impact the level of Arts Council funding. This would be a particular problem, given that once the 2012 Olympics had passed, it was anticipated that there would be more funding available to organisations like CF.
- The working group had been assured by CF that discussions with Officers about increased use of the gardens had been ongoing for sometime and that these discussions had been positive. CF had indicated that planning for 2011 festivals would start at the end of December and without agreement from CBC by this point, it would be impossible to start planning. The Council needed to take responsibility

for taking this forward. The fear was that larger events would be held outside of Cheltenham in venues that could accommodate them.

The Chairman then invited Cabinet Members to have their say.

Cabinet Member Sport and Culture offered his perspective. He reiterated thanks to those that had been involved in the working group for their hard work over the last year, noting that he had been impressed by the approach of members and their knowledge.

He expressed his support for CF and what they wanted to achieve, not least because a successful CF was a successful Cheltenham. He then offered his view on each of the recommendations of the working group.

He supported recommendation 1, agreeing that the gardens could be used more flexibly, he did not feel that the current arrangements were sustainable. CF and residents would be included in discussions and the council would need to be comfortable that the decision was for the benefit of Cheltenham as a whole rather than solely CF.

It was accepted that there had been some issues with the inflexibility of the current catering contract at the Town Hall. These arrangements would be reviewed in 2012 in order to address any difficulties and this would then be re-tendered.

There was some confusion about the financial impact on CBC as a result of CF purchasing their Box Office system and the impact of any resulting cut to their grant to CF. The impression had been given that any reduction would directly impact CF, however, they actually paid the council £93k for use of the CBC Box Office and as such would now receive £93k directly. A reduction of their grant from the council of £71k (real term cost to the council) would still see them making £22k and therefore, it should be seen as a cost neutral exercise. This had always been a clause within the current Service Level Agreement and CF were made aware of the impact of their decision to purchase their own system before it was taken.

Recommendation 4 was sensible, however, Cheltenham's cultural offering was not the sole domain of CF and therefore, others, including the Play House and Everyman Theatre would need to be included.

In relation to recommendation 5, the fact was, the council did not have the budget that it once did and it would be inappropriate to promise anything to anyone at this point. All recipients of grants from the council would be reviewed.

Recommendation 6 was another sensible one. There needed to be a process in place and a small group of people with background knowledge and ongoing access to information was a valued suggestion.

Cabinet Member Sustainability thanked the working group for the thoroughness of their review and a comprehensive report and expressed his support for a successful CF as a regular patron of the Literature Festival.

He felt it was important to expand on the issue of the gardens. The wording (3.7 of the report) implied that agreement should be achieved by the end of the calendar year, but this was not feasible given the number of people that needed to be included. This matter would be discussed in greater detail at Council (13 December 2010) when a petition relating to the use of Imperial Gardens would be considered and debated. Admittedly discussions were ongoing with CF but January would see the start of consultation with other stakeholders. The plan included with the Council papers clearly demonstrated the area available for use in 2011 and no policies had been changed. Any change would require in depth discussions with many people and any decision would take consideration of CFs aspirations as well as other stakeholder opinions and be for the benefit of all in Cheltenham. Another consideration would need to be visitors to the Town, for whom the Gardens were of great interest.

Cabinet Member Finance and Community Development felt that it was clearly the case that the council needed to create circumstances for CF to be fully independent but stressed that support over the last 5 years equated to almost £1 million.

He acknowledged the importance of the catering arrangements and use of the gardens to CF, highlighting that the gardens were for all, not just the monopoly of CF.

CBC were facing a financial crisis not of their own making and nothing and nobody could legitimately be excluded from consideration. Having attended some meetings of the working group, members had stated that they were unwilling to commit to maintaining funding levels.

Cabinet Member Built Environment confirmed that as a non-voting CBC representative on the CF Board he had not felt it necessary to declare an interest. He saw CF as a big success story for the Town, they had developed with increasing independence and maintained levels of success throughout a difficult financial climate. CF brought business into the Town, generated jobs and revenue for the Council (venue hire / car parking).

The relationship between the Council and CF had changed from parent organisation to that of a business partner and as such the council needed to consider what package of support could be offered to CF.

Certain events, at the Literature Festival in particular, had sold out very quickly and there were a large number of customers who could not be accommodated. He accepted that CF did not have the monopoly of the gardens and suggested that perhaps when works to the Art Gallery and Museum were completed, that improvements to the Town Hall could be considered.

He acknowledged that there was a lot to think about and asked that people weren't reticent about what had been achieved, the council needed to consider what it could do to assist CF to flourish whilst he accepted the difficulties it faced.

The Chairman accepted two questions.

Councillor Driver queried why the tents that were erected by CF were in situ for 107 days but only used for 20 days. The Chairman confirmed that this had been a unique situation in which the tents had stayed erect between festivals.

Mr David Stennett from the Friends of Imperial Square and Gardens queried if his understanding that CF will be responsible for addressing damage to the gardens was correct. Cabinet Member Sustainability confirmed that this would be the case and that he was aware of the issues in Imperial Gardens, following the Literature Festival, however, Officers had advised that the conditions were not suitable for laying seed or turf and as such the situation was being monitored with a view to it being addressed at a more appropriate time.

The Chairman thanked the members of the working group for their hard work and suggested that Cabinet were not in a position to take the recommendations forward at this time but could certainly note them, as well as the discussion that had taken place at the meeting.

Upon a vote it was unanimously

RESOLVED THAT Cabinet note the report of the Joint Overview and Scrutiny Festivals Working Group and whilst not in a position to agree the recommendations at this time, they will be taken into account at the point at which matters to which they relate are considered further.

6. 2010/11 TREASURY SEMI ANNUAL REPORT

The Principal Accounting Technician introduced the report as circulated with the agenda. He explained that since the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice, there was a need to produce two outturn reports rather than one, as in previous years.

The report outlined the current levels of lending and borrowing for the Council and the Officer highlighted specific points from within the report.

Cabinet Member Finance and Community Development had what he said were obvious points to make. Whilst interest rates were low, quantitative easing had, had an impact on inflation.

Upon a vote it was unanimously

RESOLVED THAT in compliance with the requirements of the CIPFA Code of Practice, the report, which summarised the treasury management activity during the first six months of 2010/11, be noted by Cabinet.

7. HALF YEAR PERFORMANCE REPORT

The Cabinet Member Corporate Services introduced the report as circulated with the agenda, which provided members with an overview of the council's performance at the half-way stage of the year.

A new performance regime had started earlier in the year and this had become more useful as time had progressed.

This had been considered by the Economy & Business Improvement (E&BI) Overview and Scrutiny Committee who had raised a number of issues;

The way in which it was populated and monitored admittedly there was room for improvement.

Areas over which the council did not have direct control should be clearly identified.

Quarter 3 was due to end in a matter of weeks and yet it was only now that Quarter 2 data was being considered, though this had ended in September.

A specific performance issue raised by E&BI had been absence levels, which whilst above target, were not dissimilar to other local authorities.

The Cabinet Member Corporate Services felt strongly that all Overview and Scrutiny Committees should review performance data relating to their individual areas, rather than the sole responsibility lying with E&BI.

The Chairman confirmed that it was an evolving process and commended Officers for the presentation of the data. An underlying concern of his was that the detailed performance did not always match the overview performance. He wouldn't disagree that all Overview and Scrutiny Committees should see the performance data.

Upon a vote it was unanimously

RESOLVED THAT copy form agree decision text

RESOLVED THAT the corporate performance of the organisation at the end of Quarter 2 be noted by Cabinet.

8. CORPORATE RISK REGISTER

The Cabinet Member Corporate Services introduced the report as circulated with the agenda and stressed the importance of Cabinet being aware of the corporate risks which may impact the council.

He acknowledged that there were some issues and improvements that could be made, suggesting that the data should be presented in the order of, score first, then details of mitigation, the revised score and finally it should indicate when the mitigation has been actioned.

The Chairman echoed the importance of Cabinet reviewing the register, if only to satisfy themselves that the Assistant Directors were managing risk appropriately.

Cabinet Member Built Environment was pleased to see that risks were being managed and ultimately removed from the register.

There were no further risks identified at this stage.

Upon a vote it was unanimously

RESOLVED THAT the report be noted by Cabinet, with no further risks identified.

9. BRIEFING FROM CABINET MEMBERS

Leader Briefing

The Leader advised that he had attended the Gloucestershire Conference where the partnership structure had been discussed.

He confirmed that phase 1, the review of the leadership structure, had been completed and as a result the GSP, CESB and ABG were being replaced with a Leaders Board. Membership would include the 7 council Leaders, chairs of the Police Authority and PCT as well as 2 Chief Executives, 1 County and 1 District.

This had been generally supported but there had been debate about the lack of voluntary sector input and this was a concern shared by Cheltenham and Gloucester. A task and finish group would look at the best approach to include the voluntary sector.

Phase 2 would see CBC review how their partnerships worked.

The Leader confirmed that he had received a letter from the Electoral Commission, who having reviewed the performance of the Returning Officer, confirmed that all expected standards had been met. This was good news.

The South West Regional Structure was being reduced, the proposal being, that only South West Employers and a small lobbying structure be retained.

Councils had been asked if they supported this, which the Leader confirmed he did, especially lobbying and stressed that leaving would trigger £58k worth of pension liability for CBC.

Cheltenham's provisional response had been that they wished to retain the South West Employers and their final response was required by the 18 January 2011.

10. CABINET MEMBER DECISIONS

The Chairman confirmed that there were no further decisions taken in addition to those set out on the agenda.

The Cabinet Member Sustainability expanded upon the decision he had taken (Leckhampton Hill and Charlton Kings Common Higher Stewardship Application).

Moving from Entry Level Stewardship to Higher Level Stewardship was potentially quite exciting for the Council. Whilst up to now, at Entry Level, some positive outcomes had been achieved, this had required 20% funding by the Council, with Natural England meeting the other 80% of costs. The Higher Level Stewardship would provide greater opportunities to develop the area and would enable the Council to apply for 100% funding. This would also include a grant from Natural England of approximately £10k per annum, which admittedly was not a large sum but given that there were minimal associated costs to the Council, this was an added benefit.

Chairman