

Cabinet

**Tuesday, 11th February, 2014
6.00 - 6.50 pm**

Attendees	
Councillors:	Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Finance), Rowena Hay (Cabinet Member Sport and Culture), Peter Jeffries (Cabinet Member Housing and Safety), Andrew McKinlay (Cabinet Member Built Environment), Jon Walklett (Cabinet Member Corporate Services) and Roger Whyborn (Cabinet Member Sustainability)
Also in attendance:	Councillor Barbara Driver

Minutes

1. APOLOGIES

2. DECLARATIONS OF INTEREST

Councillor Hay declared a personal interest in Agenda Item 11 as a trustee of the Cheltenham Art Gallery and Museum Development Trust.

3. MINUTES OF THE LAST MEETING

The minutes of the last meeting were approved and signed as a correct record.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

None.

5. FINAL GENERAL FUND BUDGET PROPOSALS 2014/15 (INCLUDING SECTION 25 REPORT)

The Cabinet Member Finance introduced the report and highlighted the changes to the budget proposals since the publication of the interim budget in December. He reported that the council had received an increased share of the business rates than had been anticipated but it remained uncertain how much income would be generated until the end of the year. The council would be partially liable for the cost of appeals and it was therefore being proposed to set up a business rates reserve of £350 000 to safeguard against the cost of these appeals and the fluctuation of income in the future. He also reported that in association with the LGA and Bevan Brittan the council's claim against Landsbanki had now been sold at auction to the amount of approx £2 million. Overall the council had now received 85 % of the capital and interest due on the total outstanding Icelandic investments. He reported that a further £700 000 was expected to be reclaimed from Glitnir and Kaupthing, Singer and Friedlander with the total recovery rate being more than 90 % which was better than originally anticipated.

The Cabinet Member Finance also reported that the Pay Policy Statement had now been included in the report and referred to the fact that the Cabinet

Member Corporate Services was preparing a report on the Living Wage which would be considered by the Appointments Committee in March with the possible implementation of the policy by end 2014. He confirmed that as of April 2014 all council employees would in any case earning the Living Wage.

The Leader of the Council stated that this was a positive budget for Cheltenham. Due to the reversal of the Government's decision to topslice the New Homes Bonus the Cabinet was able to propose a council tax freeze for 2014/15. This was most likely the reason why the budget consultation had received very little feedback. He thanked the finance officers and the Cabinet Member Finance for their hard work in producing this budget.

RESOLVED THAT it be recommended to Council that :

- 1. The revised budget for 2013/14 with a projected budget saving of £444.6k be noted and that the proposals for its use be approved as detailed in Section 3.2.**

Having considered the budget assessment by the Section 151 Officer at Appendix 2 the following recommendations be agreed :

- 1. the final budget proposals including a proposed council tax for the services provided by Cheltenham Borough Council of £187.12 for the year 2014/15 (a 0% increase based on a Band D property) be approved.**
- 2. the growth proposals, including one off initiatives at Appendix 4, be approved.**
- 3. the savings / additional income and the budget strategy at Appendix 5 be approved.**
- 4. the proposed capital programme at Appendix 7, as outlined in Section 9, including the additional underwriting of £360,000 to support the Art Gallery and Museum redevelopment scheme (separate report to council) be approved.**
- 5. the proposed Property Maintenance programme at Appendix 8, as outlined in Section 10 be approved.**
- 6. the reserve realignments outlined in section 8 and the level of reserves projected at Appendix 6 be approved.**
- 7. the Pay Policy Statement for 2014/15 at Appendix 9 be approved.**
- 8. a level of supplementary estimate of £100,000 for 2014/15 as outlined in Section 14 be approved.**
- 9. it be noted that the Council will remain in the Gloucestershire business rates pool for 2014/15 (para 4.12).**
- 10. there be no change to the Local Council Tax support scheme in 2014/15 (para 4.18).**

6. FINAL HOUSING REVENUE ACCOUNT REVENUE BUDGET 2014/15

The Cabinet Member Finance introduced the report and said this budget was not just good news for the Council but for tenants, leaseholders and the town as a whole. The Housing Revenue Account (HRA) was in a healthy financial position with revenue reserves of three and a half million pounds with projections forecasting a reserve balance of four million pounds by March 2017

and an increasing surplus of operating income year on year. This provided an opportunity to fund very substantial investment in the housing stock, together with better services for tenants and leaseholders.

The Cabinet Member Finance noted that the capital programme being proposed for 2014/15 was £8,249,000. This included investment in property improvements and major repairs, adaptations for disabled people and environmental works. He also reminded members that CBH planned to spend a million pounds over three years on services for tenants, including support for older people, disabled people and young people, the expansion of employment services to tenants and benefits and money advice. £353 000 was budgeted for 2014/15 which was the second year of this programme.

The Cabinet Member then explained that 2014/15 was the final year of the Government's rent restructuring scheme, designed to bring rents up to the formula rent. The proposed rent increase for next year was in line with national rent restructuring guidelines. Income generated as a result would be used to deliver the best possible value to tenants, leaseholders and where possible to the wider community.

The Council and CBH were keen to build new homes and work was progressing on St Pauls Phase two and a number of garage site developments in the town. It was now being proposed to set up a new reserve within the HRA to fund new build. £0.6 million was being proposed to help with site set up costs for new build projects with a proposal to add to the reserve by transferring funds from the HRA surplus, to be considered each year at outturn.

Finally, the Cabinet Member thanked management and staff at CBH for their achievements and excellent contribution to the provision of social housing in the town.

The Cabinet Member Housing and Safety took the opportunity to thank CBH for the support they have been providing to tenants during the implementation of welfare reform. He added that the CBH Tenant Improvement Scrutiny Panel and the Leaseholder Forum had received the proposed budget positively.

The Leader reminded Cabinet that these were recommendations to Council but he emphasised his confidence in CBH as the social housing provider in the town.

RESOLVED that it be recommended to Council that:

- 1. the revised HRA budget and capital programme for 2013/14 as set out in Appendices 2 and 3 be noted.**
- 2. the HRA budget proposals for 2014/15 including a proposed average rent increase of 4.03% (applied in accordance with national rent restructuring guidelines) and increases in other rents and charges as detailed at Appendix 5 be approved.**
- 3. the proposed HRA capital programme for 2014/15 as shown at Appendix 3 be approved.**
- 4. the creation of an earmarked revenue reserve to finance future new build in the HRA be approved, the value of funds to be transferred to this reserve to be considered by Cabinet and approved by**

Council as part of the review of HRA outturn for each accounting year.

7. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2014/15

The Cabinet Member Finance introduced the report and explained that the Treasury Management and Annual Investment Strategy 2014/15 had been scrutinised by the Treasury Management Panel to whom he was grateful. He said that the Council had operated in accordance with the Prudential Indicators and would continue to do so. He explained that the Council had followed a prudent and sensible borrowing strategy which reduced the need for short-term external borrowing whilst investment returns were low. In terms of the annual investment strategy the Council operated a very sophisticated system to determine the creditworthiness of investment counterparties. This was not just based on ratings but on a whole host of other information which was regularly reviewed. He referred to the creditworthiness policy which was laid down in section 4.3 of the report. The Council typically looked to the short end of the market when making investment decisions. He explained that whilst some overseas banks were now permitted as counterparties by the policy these were only the most highly rated institutions in countries which had a minimum sovereign rating of triple A. The Cabinet Member hoped that this strategy and general approach of investment gave the Council the confidence and security it needed.

RESOLVED that it be recommended to Council that the Treasury Management Strategy Statement and Annual Investment Strategy for 2014/15 at Appendix 2 be approved including :

- 1. The general policy objective 'that Council should invest prudently the surplus funds held on behalf of the community giving priority to security and liquidity'.**
- 2. That the Prudential Indicators for 2014/15 including the authorised limit as the statutory affordable borrowing limit determined under Section 3 (1) Local Government Act 2003 be approved.**
- 3. Revisions to the Council's lending list and parameters as shown in Appendix 3 are proposed in order to provide some further capacity. These proposals have been put forward after taking advice from the Council's treasury management advisers Capita (formerly Sector) and are prudent enough to ensure the credit quality of the Council's investment portfolio remains high.**
- 4. For 2014/15 in calculating the Minimum Revenue Provision (MRP), the Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure as per section 21 in Appendix 3.**

8. PROTOCOL FOR UNAUTHORISED WINDOWS / DOORS / SATELLITE DISHES IN LISTED BUILDINGS

The Cabinet Member Built Environment introduced the report and explained that there were some 2600 listed buildings in Cheltenham, many of which have had work carried out to them in the past without listed building consent. Although this was a criminal offence, it has been increasingly difficult to carry out formal enforcement action in a consistent and transparent way, given the number of historic contraventions and available resources. The enforcement protocol for unauthorised windows, external doors and satellite dishes in relation to listed buildings aimed to address this issue, while promoting full co-operation between owners of listed buildings and the Council.

The Cabinet Member Built Environment referred members to the Enforcement Protocol at Appendix 2. He explained that all involved should be aware of their responsibilities and this was very much about self regulation and enforcement by owners. He then pointed out that under paragraph 3 of Appendix 2 the reference to "This will be entered as a Local Land Charge" was incorrect and would therefore be deleted from the protocol.

RESOLVED that :

the enforcement protocol for unauthorised windows, external doors and satellite dishes in relation to listed buildings be adopted and the operative date referred to in the protocol be the date of Cabinet approval (11th February 2014)

9. LOCAL PLANNING ENFORCEMENT PLAN

The Cabinet Member Built Environment introduced the report and explained that the National Planning Policy Framework (NPPF) recognised that effective enforcement was important as a means of maintaining confidence in the planning system and recommended that a local enforcement plan was produced by every local planning authority. Subject to approval, appendix 2 contained Cheltenham's local enforcement plan which included procedures and priorities that would allow any enforcement action to be consistent, proportionate and equitable in line with the Council's corporate enforcement policy.

The Cabinet Member Built Environment referred Cabinet to Table 1 of Appendix 2 relating to priorities and timescale. It was hoped that the adoption of the plan would improve clarity to applicants and complainants of planning applications. He was confident that enforcement was taken seriously.

The Leader made reference to the recent seminar on planning enforcement which had received positive feedback.

RESOLVED that :

the local enforcement plan contained in appendix 2 be approved.

10. OUTDOOR RECREATIONAL FACILITIES IN PITTVILLE PARK AND MONTPELLIER GARDENS

The Cabinet Member Finance introduced the report which explained that the recreational facilities in the parks had been let to the Cheltenham Coffee Company Limited (CCC) since 1 March 2011 when it was awarded the contract to operate the facilities, and granted leases of the premises, following a formal tender process. CCC had made a success out of all the cafes and opening hours had increased and the business had developed. The Council and CCC now wished to renew the leases and contract that were in place. A term from 1 March 2014 until 4 August 2015 had been agreed. The Cabinet Member Finance made reference to a more general review of catering facilities which was taking place currently and this included the lease for the café at Leisure@ which expired in 2015.

The Cabinet Member Sustainability paid tribute to the success of the CCC and the fact that this was one of the first commissioning exercises the Council had undertaken. CCC had done an excellent job in managing the cafes and promoting its business in the parks.

RESOLVED that

the lease of the land and buildings edged in red on the plans that accompany this report to the Cheltenham Coffee Co. Limited from 1 March 2014 until 4 August 2015 be approved and that authority be delegated to the Head of Property and Asset Management, in consultation with the Borough Solicitor, to agree the terms of the leases

11. THE WILSON - DEVELOPMENT PROJECT OUTTURN BRIEFING REPORT

The Cabinet Member Sport and Culture introduced the report which provided an update on the Art Gallery and Museum Development including a projection of the outturn financial costs and projected funding shortfall of £360 000. She explained that it was well known that the renovation of old buildings often resulted in unforeseen problems and to some extent this explained the delays in opening the Wilson which in itself carried a cost. Internal Audit had been commissioned to identify any weaknesses in the control, monitoring and approval mechanisms supporting the Art Gallery and Museum project and to understand how the Council might have been better informed about the likely cost overrun thus giving the council an opportunity to take corrective action. This work would be important for learning lessons for future projects, such as the Town Hall redevelopment.

The Cabinet Member Sport and Culture stated that visitor numbers were expected to triple the number in the first year. The fundraising and sponsorship campaign would continue and the prospects for closing the funding gap of £360 000 were very real. She believed that the opening of the Wilson was one of the most exciting things that had happened in Cheltenham particularly now that it had a dedicated education and young people's space and the ability to host large exhibitions.

The Cabinet Member Finance explained that the budget report to be agreed by Council included a provision for underwriting the £360 000 overspend. It was hoped that some of this would be recouped.

It was recognised by all members that it was important for internal audit to review how this project was managed although members acknowledged that it was not unusual for works on old buildings to overrun and incur additional costs. Members highlighted the importance of the Wilson to the town and paid tribute to the huge fundraising efforts of the Friends of the Art Gallery and Museum and the fact that the project had attracted significant external funding. The Wilson represented a facility the town could be proud of and visitor numbers demonstrated its success.

RESOLVED that :

- 1. Authority be delegated to the Executive Director / Director of Resources to settle the contract sum with the main contractor as set out in Appendix 2 (Exempt).**
- 2. The additional underwriting of the AG&M development project in the sum of £360,000 be supported and that Council be recommended to approve the budgetary provision for this.**

12. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Housing and Safety informed members that a seminar had been held to mark Positive Relationships week and this had been well received.

13. DECISIONS MADE BY CABINET MEMBERS

The Leader informed Members of a decision he had taken as the Council's shareholder of Ubico on agreeing the new Ubico Limited Vehicle User Allowance Policy.

The Cabinet Member Finance informed members of the decision he had taken regarding the surrender of the lease on Baynham Way car park back to the landlords and the decision to accept the tender from FMBR Ltd for the provision of external replacement works various properties in 2014 for Council owned residential properties.

Chairman