

## Cabinet

**Tuesday, 9th December, 2014**  
**6.00 - 6.35 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Finance), Rowena Hay (Cabinet Member Healthy Lifestyles), Peter Jeffries (Cabinet Member Housing), Andrew McKinlay (Cabinet Member Development and Safety), Jon Walklett (Cabinet Member Corporate Services) and Chris Coleman (Cabinet Member Clean and Green Environment)

## Minutes

**1. APOLOGIES**

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES OF THE LAST MEETING**

The minutes of the meeting held on 11 November were approved and signed as a correct record.

**4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS**

None.

**5. TREASURY MID-TERM REPORT 2014/15**

The Cabinet Member Finance introduced the report and explained that this report was in accordance with the CIPFA Code of Practice on Treasury Management which recommended that members were informed of Treasury Management activity at least twice a year. The report therefore ensured that the authority had adopted the code and complied with its requirements.

The Cabinet Member explained that the main ratings agencies may remove some of the institutions' sovereign support following evolving regulatory changes and that this process may commence during this financial year. Therefore immediate changes to the credit methodology were required with the credit element of Capita's future methodology in future focusing solely on the Short and Long Term ratings of each institution.

The Cabinet Member then explained that the report noted the Council's portfolio position. He reported that external and short term borrowing were at a low level as the council was using internal borrowing to reduce costs. Long term borrowing in terms of the £1.4 m loan taken out in May 2014 on behalf of CBH was cost neutral for the council as CBH were repaying the Council in line with the repayment schedule. Investment growth had increased from £18m to £20.4 m due to increased short term lending. The Cabinet Member reported that the

Council had operated within the treasury limits and Prudential Indicators set out in the Council's Treasury Policy Statement and Annual Treasury Strategy Statement. He also reported that the average interest rate for temporary borrowing had been 0.33 % with lending at 0.63 %. He then took the opportunity to thank finance officers for their valued work.

**RESOLVED THAT Council be recommended to:**

- 1. Note the contents of the summary report of the treasury management activity during the first six months of 2014/15.**
- 2. Approve the changes to the credit methodology whereby viability, financial strength and support ratings will not be considered as key criteria in the choice of creditworthy investment counterparties.**

**6. LAND ACQUISITION TO FACILITATE BREWERY DEVELOPMENT PHASE II, 233-243 (INCLUSIVE) HIGH STREET, CHELTENHAM**

The Cabinet Member Development and Safety informed the meeting that this item had now been formally withdrawn from the agenda. He explained that the Council had been advised by NFUM that day that an agreement had been reached with Tesco with regard to a redevelopment break option. Therefore it was no longer necessary to proceed with the Compulsory Purchase Order and the comprehensive redevelopment and regeneration of a significant part of Cheltenham High Street would be able to take place.

Members welcomed this development and said it was important that the momentum continued with the regeneration of this area.

**7. PITTVILLE SCOUTS HUT IN PITTVILLE PARK**

The Cabinet Member Finance introduced the report and explained that Cabinet had agreed a rent subsidy to the All Saints Scouts Group in July 2014 based on the public benefit it brought to young people. This report focused on the renewal of the lease and Cabinet was required to approve this as the land concerned was identified as Open Space. He added that the Scouts Group was a valuable asset and deserved continued support.

**RESOLVED THAT**

- 1. The land and buildings that are currently let to 10<sup>th</sup> Cheltenham All Saints Scouts Group be declared surplus for a term of 5 years.**
- 2. Authority be declared to the Head of Property and Asset Management, in consultation with the Borough Solicitor, to agree the terms of the lease**
- 3. Authority be delegated to the Borough Solicitor to execute a lease upon the terms agreed by the Head of Property and Asset**

**Management and such other terms as she considers necessary or advisable.**

**8. LAND ADJACENT TO 6 SAVILLE CLOSE**

The Cabinet Member Finance introduced the report and explained that options for the land adjacent to 6 Saville Close had been previously considered and the proposal to lease the land to a voluntary association of local residents had the support of the Asset Management Working group. AMWG supported the proposal to lease the ground for a five year period. As the land was considered to be open space within the statutory definition, notice of the proposed disposal had been given and no objections had been received.

Members felt that this was a sensible way of putting the site into more productive use and at the same time would not only relieve the Council of its maintenance responsibility it would provide residents with a local amenity.

**RESOLVED THAT**

- 1. the land adjacent to 6 Saville Close and shown edged red on the plan accompanying this report be declared surplus**
- 2. Authority be delegated to the Head of Property and Asset Management, in consultation with the Borough Solicitor, to agree the terms of the lease**
- 3. the Borough Solicitor be authorised to complete the lease upon the terms negotiated by the Head of Property and Asset Management, together with such other ancillary terms and documents as she may consider necessary or advisable**

**9. COUNCIL TAX DISCOUNTS ON EMPTY PROPERTIES**

The Cabinet Member Finance introduced the report and explained that in December 2012 Council used its new discretionary powers to set the level of council tax discount awarded in respect of certain categories of empty properties which had previously been fully exempt. These new powers provided an opportunity to reduce the level of discounts as a measure to help bring empty properties back in to use and to increase council tax income. The policy had now been in place for a period of two financial years.

He explained that officers had been working with other districts to review the current levels in place and it was now being proposed to change the level of class C properties to 25 % for the first 6 month period after a property becomes unoccupied and substantially unfurnished, instead of 100 % for the first month and 25 % for the following 5 months. It was hoped that this proposal would reduce the potential for dispute between landlord and tenant and generate additional income.

The Cabinet Member Finance explained that this had been generally supported by the Budget Scrutiny Working Group although there was also a suggestion that there should be a 100 % exemption for the first two months of the property being unoccupied and no discount thereafter. He commented that officers felt that this would be complicated to administer but added that it could be considered further if further changes were to be considered next year.

Members supported the proposal and noted that this was a Council decision.

**RESOLVED THAT**

**Council be recommended to**

- 1. Set the level of discount for class C empty properties at 25% for the first 6 months**
- 2. Confirm 6 weeks as the minimum required period of re-occupation before a further empty property discount will apply**

**10. RECYCLING MATERIALS BULKING AND SALES**

The Cabinet Member Clean and Green Environment introduced the report and explained that Cheltenham Borough Council had a contract in place with Printwaste Ltd for the bulking of recycling material collected from the kerbside, bring sites and through the Swindon Road Household Recycling Centre. The current contract extension was due to expire in April 2015. He said that the Gloucestershire "Joint Waste Committee" (JWC) included in its 2014-17 business plan a project "tendering of a new contract for the sale of recyclable material with consideration of associated bulking and transfer operations on behalf of CBC. The Joint Waste Team acting on behalf of the JWC, considered two options, firstly a procurement process through a service concession contract and secondly an option whereby Ubico Ltd would take on dry recyclable material bulking and the JWT having responsibility for marketing and sales of the dry recyclable materials as outlined in paragraph 2.2. of the report.

The Cabinet Member then referred to some minor corrections to the recommendations which Members supported.

**RESOLVED THAT**

- 1. A further extension of the Printwaste Ltd contract be agreed and Ubico take on the dry recyclable material bulking operation thereafter**
- 2. A project team, sponsored by the Managing Director of Ubico, oversee the transition to the new service delivery for both materials recycling and materials marketing and sales**
- 3. In the framework of the budget cycle, Council be recommended to allocate up to £390K of capital expenditure in the 2015-16 capital budget for this project**
- 4. Responsibility for the sale of the dry recyclable material be taken back by the authority and arrangements be made for the day to day management of material sales to be undertaken by the Joint Waste Team.**

**11. BRIEFING FROM CABINET MEMBERS**

The Chief Executive took the opportunity to thank those Cabinet Members who had attended the REST event held that day. This was very much appreciated by those officers involved.

**12. DECISIONS OF CABINET MEMBERS**

The Cabinet Member Finance reported that he had taken the following decisions since the last meeting of Cabinet :

- Approval of the acquiring of the retail land at North Place
- Acquisition of the disused former highway at Warwick Place from Gloucestershire County Council and the owners of Chapel Spa

**13. LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS**

**14. EXEMPT MINUTES**

The exempt minutes of the meeting held on 11 November were approved and signed as a correct record.

**15. ST PAULS PHASE 2 - TRANSFORMATION IMPROVEMENTS TO 49 PROPERTIES ON FOLLY LANE - REVISED AND FINAL BUDGET PROPOSALS**

The Cabinet Member Housing introduced the report which outlined the revised budget proposals for transformation improvements to 49 properties on Folly Lane in the context of the significant investment in the regeneration of St Pauls.

He explained that since the budgets had been agreed for the transformation improvements there has been an increase in costs and therefore the existing funding allocated to the scheme was now insufficient to finance the Total Scheme Costs. He reported that Asset Management Working Group had considered the report but could not support the recommendations.

The Cabinet Member Housing, in his view, believed that there had been a lack of information with regard to the project. This was perhaps due to the pressures of the financial crisis and the focus on bridging the gap and sharing services. As a result he proposed that the resolutions laid out in the report were not taken at this time and instead tabled the following recommendations to Cabinet :

1. CBH, in consultation with the Joint Programme Group, reconsider the St Pauls Phase 2 transformation works specification to enable the project to be delivered within the budgets approved by Council at its meeting on 14 February 2014
2. The Joint Programme Group engage with the Cabinet Member Housing with regard to the re-specification of the project, the estimated project costs and the impact on the overall St Pauls regeneration project
3. With regard to the transformation of the 13 privately owned properties within the St Pauls Phase 2 transformation works project, the Joint Programme Group be requested to provide the Cabinet with a report outlining the options with

regard to the funding for these properties together with an assessment of the associated overall impact on the deliverability of the scheme objectives were all or some of these properties excluded from the transformation works.

The Leader added that it was important that the transformation improvements to Folly Lane were undertaken but as the tender process was considerably over budget it was necessary to assess the situation and understand the issues to see if there were alternative options or if it was necessary to revise the budget. The report had therefore been withdrawn from the Council agenda until this piece of work had been completed. The proposed resolutions represented a sensible way forward.

The Cabinet Member Finance acknowledged that this was a difficult issue. Whilst a mandate had been agreed by Council for these works this was in the form of an appendix to the budget papers without bringing to members' attention to the reasoning behind the project and how private properties are dealt with in this context. He could therefore fully understand that when the report was considered by AMWG it took members by surprise as they did not understand the background nor why it was being taken to Cabinet and Council as an exempt item.

The Cabinet Member Finance also addressed why it was important not to treat the HRA any differently from the General Fund. He supported the new recommendations as it was important to look again to see if the original budgets could be adhered to. This could mean that only the most important part of the project is undertaken.

Members supported the revised recommendations to receive further detail as spending at this level could not be approved with a lack of information.

In summing up the Cabinet Member Housing referred back to the Neighbourhood Renewal Assessment for St Pauls dated 2005 and the 2008 design brief and specification document which were key documents relating to the regeneration of St Pauls. In terms of timeframe to bring a report back to Cabinet CBH proposed February at the earliest.

In response to a question from the Head of Legal Services Cabinet agreed that the revised recommendations and the responses to the member questions for Council should be made public. The Leader informed that under communications at the forthcoming Council meeting he would explain the issue to all Members.

## **RESOLVED THAT**

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**2. The Joint Programme Group engage with the Cabinet Member Housing with regard to the re-specification of the project, the estimated project costs and the impact on the overall St Pauls regeneration project**

**3. With regard to the transformation of the 13 privately owned properties within the St Pauls Phase 2 transformation works project, the Joint Programme Group be requested to provide the Cabinet with a report outlining the options with regard to the funding for these properties together with an assessment of the associated overall impact on the deliverability of the scheme objectives were all or some of these properties excluded from the transformation works.**

**Chairman**