

Council

Friday, 13th February, 2015
2.30 - 6.05 pm

Attendees	
Councillors:	Simon Wheeler (Chair), Duncan Smith (Vice-Chair), Matt Babbage, Flo Clucas, Adam Lillywhite, 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, Helena McCloskey, Andrew McKinlay, David Prince, John Rawson, Anne Regan, Rob Reid, Chris Ryder, Diggory Seacome, Malcolm Stennett, Klara Sudbury, Pat Thornton, Jon Walklett, Roger Whyborn and Suzanne Williams

Minutes

1. APOLOGIES

Apologies were received from Councillor Andrew Lansley, Chris Mason and Andrew Wall.

2. DECLARATIONS OF INTEREST

Councillors Smith and Williams declared an interest in Agenda item 9 as board members of Cheltenham Borough Homes and announced their intention to leave the room for that item. Councillor Hay declared an interest in Agenda item 8 as a trustee of the Cheltenham Trust.

3. MINUTES OF THE LAST MEETING

It was noted that the number of councillors voting against the motion in Agenda item was 17 and not 19 as recorded in the papers circulated. This had already been amended on the council's website.

Upon a vote it was unanimously

RESOLVED that the minutes of the Extraordinary meeting of Council held on 26 January 2015 as amended be agreed and signed as an accurate record.

4. COMMUNICATIONS BY THE MAYOR

The Mayor informed Members that he had been advised by the Group Leader of the PAB, Councillor Malcolm Stennett that Councillor John Payne had been appointed as substitute on Planning Committee following notification to the Chief Executive, Andrew North. This followed on from the December Council meeting when Council agreed to increase the size of the Planning Committee to 15 with an additional PAB member. Councillor Adam Lillywhite became a

member of the committee having been a substitute thus leaving a vacancy for a PAB substitute.

The Mayor advised that he had written a letter of sympathy to the Mayor of Annecy following the Paris shootings and he read out a letter he had received back from Annecy who had been very appreciative of the council's gesture.

5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader wished to put on record his thanks to Martin Quantock for his work as Town Centre Manager and in support of the Cheltenham Business Partnership. He had now retired but was still working one day a week on a temporary basis in supporting the bid for the Business Improvement District. Kevin Blackadder had been appointed by the Cheltenham Business Partnership as Martin's interim replacement on a 3 day per week basis and the Leader had already met with him earlier that week.

The Leader advised that the official dates for the public enquiry on the JCS and the Leckhampton Planning Enquiry had now been announced which had required a block booking of all the committee rooms. This may mean some changes to committee meetings in terms of venues and timings during this June/July period.

6. PUBLIC QUESTIONS

There were 7 public questions and these are set out in the appendices to these minutes.

7. MEMBER QUESTIONS

There were 18 public questions and these are set out in the appendices to these minutes.

8. FINAL GENERAL FUND BUDGET PROPOSALS 2015/16 (INCLUDING SECTION 25 REPORT)

The Mayor invited the Cabinet Member Finance to introduce the budget which would then be followed by a statement from the Director of Resources, Mark Sheldon as the Council's Section 151 officer. To facilitate the presentation of the Budget, the Mayor proposed suspension of certain rules of debate, namely:-

That the time limit on speeches is relaxed with regard to the following speeches

- Cabinet Member Finance when moving the motion to adopt the budget being proposed by the Cabinet.
- Group leaders or Group spokesperson when making budget statements on behalf of their group.

The Cabinet Member Finance and Group Leaders could also speak more than once in the debate (in addition to any rights of reply etc.) for the purpose of putting and answering questions.

This was agreed unanimously by Council.

The Mayor reminded Members that a recorded vote must be held 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 8 and 9.

The Cabinet Member Finance introduced the 2015/16 budget proposals with a detailed speech (please see Appendix 1).

The Cabinet Member Finance moved acceptance of the 2015/16 budget as set out in the report. The motion was seconded by Councillor Jordan who reserved his right to speak.

The Director of Resources referred to appendix 2 in the budget papers which set out his assessment of the budget and the financial risks which were set out in the form of a risk table. He explained that he had a statutory duty as the Council's Section 151 officer to make this report to Council and they must have regard to it when making decisions on the Council's budget and at the council tax setting meeting. He made the following points:

- A modest return was predicted as a result of treasury management activity.
- He was satisfied that sufficient provision had been made in the budget and MTFs for future pay awards and pension-fund costs.
- A prudent approach had been adopted in the New Homes Bonus projections after consultation with the budget scrutiny working group.
- Some reserves had been reduced this year through usage but overall the general reserve remained in his previously recommended range of £1.5 to £2 million.
- There was a sound business strategy to support the MTFs through commissioning, shared services and other projects. He acknowledged that there were still some gaps to be filled.
- He acknowledged that the decision to freeze council tax had been a political one but was justifiable given that there was some government funding to support a freeze
- The asset management plan was being reviewed and there would be important decisions to be made later in the year on the use of the North Place receipt and the council would need to look at all the options objectively.

In conclusion his overall view was that the budget was a sound response to continuing, challenging financial circumstances which maintained services as far as possible by delivering them through alternate delivery mechanisms, maximising efficiencies and responding to anticipated future financial challenges.

The Mayor invited questions to the Cabinet Member Finance.

In response to questions from Members, the Cabinet Member Finance gave the following responses:

- What steps would he take if the amount set aside for planning appeals was insufficient?
 - The Cabinet Member advised that if the council's planning policies required the authority to fight an appeal then that would happen. They would need to keep a watch on the use of this

fund and come back at the outturn stage if more funding was needed.

- Referring to the additional underwriting of £90,000 to support the Art Gallery and Museum redevelopment scheme, what type of fund raising is the organisation planning to do to try and raise the money?
 - Although the Friend's organisation had done all sorts of fundraising in the past, the organisation would be looking for fundraising particularly from sponsorship to fill this gap. The figure referred to would be the worst-case scenario if they were unsuccessful in this fundraising.
- What is the additional corporate support referred to in the exempt proposals for growth?
 - The Cabinet Member explained that the Executive Board is now very stretched and needs additional support on particular projects. He would be happy to supply more detail if required outside the meeting.
- It was noted that the actual cash figures in the table in paragraph 4.4 were out by a factor of 1000.
- There is no explanation of the reasons for the increase in car parking equalisation reserve in appendix 6 and for how long that might be required.
 - This fund was set up last year recognizing that with the North Place development under way there could be a hit on car parking income for a period of up to 18 months. There had been a small hit on car parking income but this has been contained within existing budgets and the reserve had not been used. The council was looking at options for increasing car parking revenue across the town.
- In previous years the council has published full details of the public consultation and could the results of this year's consultation be put on the Council's website?
 - Yes this could be done.
- What would the annual contribution to the pensions fund be if it was increased by the £406K per annum?
 - The Cabinet Member did not have the figures to hand but officers later confirmed that there were two elements £1,176,500 being employer's annual contributions and £2,540,000 being pension back funding making a total contribution to the pensions fund in the next financial year of £3,716,500.

Councillor Harman gave a response to the budget on behalf of the Conservative party. He endorsed the thanks given to Officers and personally thanked the Members of the BSWG and the officers who had supported it from Finance. He explained that he was very supportive of lots of things in the budget and his party were committed to improving the town and so welcomed the improvements to the Royal Well Bus Station and the action on seagulls. They also felt the freeze on council tax and car parking charges was the right thing to do. They had concerns that although the new Art Gallery and Museum was a fantastic asset to the town, the financial management of the development had been poor. Given that an overspend had already been reported they were concerned about Rec 7 as there was a risk of the development becoming a money pit with ongoing liabilities. He requested a separate vote on the second

part of recommendation listed as 7 in the report “including the additional underwriting of £90,000 to support the Art Gallery and Museum scheme”

He announced his intention to propose three amendments and he thanked the Director of Resources for his support in assessing their financial implications. His party had wanted to have a thorough look at the budget and see what further action could be done to reduce operating costs.

Councillor Stennett had no amendments to raise on behalf of the People Against Bureaucracy and he felt the administration had produced a sound budget which gave extremely good support to the town. Their one concern was that the New Homes Bonus could be withdrawn by government at any time and it was now a big element of the council's revenue budget.

Councillor Harman formerly proposed the following amendments to the budget which were seconded by Councillor Nelson.

Add the following to the recommendations in the report:

- i. Given the longer term need to reduce costs and protect services, the Council resolves to consider at an early date changing to whole Council elections which would produce on going savings from 2018/19 in the region of £100,000 over a 4 year period.
- ii. The lack of Enforcement capacity in the fields of Planning, Public protection etc. has regularly been highlighted by Members from across the Chamber and was raised at the REST Seminar. This Council requests the Cabinet to consider options to increase capacity with implementation taking place as soon as practicable in line with Council's position.
- iii. The Cabinet consider the possible use of Apprentices across the council to offer opportunities for young people in local government.

In proposing the amendments, Councillor Harman felt that it was important to present people with the options and the business case for four yearly elections and then give them a democratic choice. He reminded Members that to date councillors themselves had not been affected by any budgetary saving measures.

Regarding amendment ii), this was a major issue and he hoped that the Cabinet Member would be prepared to take this on and bring back clear proposals to this Council.

Regarding amendment iii) he was aware that the council already took on apprentices but he felt there were opportunities to have far more.

Councillor Nelson as the seconder for the amendment said it was important to increase the capacity in the field of enforcement. At the national level there had been brilliant cross party working regarding apprentices and the council now needed to do its bit.

Councillor Jordan added his comments as seconder of the motion and on behalf of the Liberal Democrats. He indicated that they would be happy to accept amendments ii) and iii). The council already had a policy on apprentices and there had been some difficulties in recruiting apprentices but they would be happy to revisit this. Regarding enforcement, the REST project was looking to improve effectiveness in this area.

Regarding the proposal in i), the Leader did not support this part of the amendment. There would be an opportunity to review this in 2016 so it may be looked at then and any savings from a move to 4 yearly elections would not be realised for at least three years.

The Mayor invited Members to debate iii)

Speaking for the amendment, a Member supported the change to four yearly elections and in addition thought that there should also be a drastic reduction in the number of councillors.

Speaking against the amendment, a member questioned whether even if the £100 K savings were realised it would be worth it. The council would be more unstable during the change and lose continuity if all 40 Members were elected at one time. There were also savings anyway as borough elections often double up with general elections. Other members felt the timing was premature given the potential change in government after the May elections. Another Member said there was clear evidence to show that a change to a four-year cycle would reduce the number of women candidates coming forward to stand as Councillors. It was important that the council encouraged more women candidates to stand for election. Another member highlighted that this issue had been looked at by a cross-party working group and a report brought to Council in 2013. Repeating the process so soon would give the same result and so would be a waste of resources.

As proposer of the amendment, Councillor Harman thanked members for their support to ii) and iii). He felt that 4 yearly elections would save money and he wanted to give people a clear choice. He was keen to see more diversity in the members of Council and he couldn't see that this would be affected by the change as members would still be elected for a four-year term.

A recorded vote was required upon the amendment i) and this was LOST

Voting

For 13: Councillors Babbage, Chard, Fletcher, Harman, Lillywhite, Nelson, Payne, Prince, Regan, Ryder, Seacome, Smith, Stennett.

Against 22: Councillors Barnes, Britter, Clucas, Coleman, Fisher, Flynn, R Hay, C Hay, Holliday, Jeffries, Jordan, McCloskey, McKinlay, Murch, Rawson, Reid, Sudbury, Thornton, Walklett, Wheeler, Whyborn and Williams

The substantive motion then became the recommendations as listed in the report with the addition of ii) and ii) from the amendment.

The Leader as seconder of the motion, highlighted the huge amount of effort by officers and members in bringing this budget to Council. He highlighted the

£100K support for the local plan. Theoretically this could be done in house but as there would already be pressure on resources to support the JCS enquiry and the Leckhampton planning appeal, looking for some external support seemed a sensible option. The town's economy was also buoyant with a higher than expected business rates return and there was much evidence of development sites around the town. The contribution made by this council was a factor in the success as was the leisure and culture provision by the Trust, the work done by the CDTF and the retail support from the Cheltenham Business Partnership. There had been a consistent effort by all parties over a series of years to raise business confidence.

He concluded that this was the right budget for Cheltenham.

During the debate Members referred to the overspend on the Art Gallery and Museum project and it was highlighted that the original budget was maintained despite the tender price being lower. One member suggested that the Cabinet Member had hoped to be in a position to report a large underspend to Council if the project was delivered within the tender price. Given the budget was not reduced at the same time it would be too easy for the project team to dip into that as a contingency fund.

In his summing up, the Cabinet Member Finance responded to some of the points made in the debate. He felt that the budget did represent a cautious approach in its use of the New Homes Bonus compared with other councils who had used 100% of it in their revenue budgets.

In response to the points raised regarding the Art Gallery and Museum, he assured members that at all times the project team had been working to the tender price and the member had misconstrued his motives for maintaining the budget at its original level. Regarding the additional underwriting recommended in 7. for the Art Gallery and Museum, he saw little point in voting against the authorisation of this money which had already been spent. The amount would come from capital receipts and therefore there would be a very small impact on the revenue budget. He reminded members that he had brought the original report to councillors in 2009 in which he had highlighted the importance of fundraising to support the development. What was more important was that the council should learn lessons from this development which could be applied to other similar capital projects in the future. The Audit Committee would be considering the outcomes of the internal audit review once completed. He urged members to support the recommendations in the report.

A recorded vote was required upon the substantive motion and this was CARRIED

Recommendations excluding the second part of recommendation listed as 7 in the report *"including the additional underwriting of £90,000 to support the Art Gallery and Museum redevelopment scheme"*

Voting For 34: Councillors Babbage, Barnes, Britter, Chard, Clucas, Coleman, Fisher, Fletcher, Flynn, Harman, R Hay, C Hay, Holliday, Jeffries, Jordan, Lillywhite, McCloskey, McKinlay, Murch, Nelson, Payne, Rawson, Regan, Reid, Ryder, Seacome, Smith, Stennett, Sudbury, Thornton, Walklett, Wheeler, Whyborn and Williams

Against 0:

No Abstentions

Recommendation on the wording excluded from the previous vote

Voting For 23: Councillors Barnes, Britter, Clucas, Coleman, Fisher, Flynn, R Hay, C Hay, Holliday, Jeffries, Jordan, McCloskey, McKinlay, Murch, Rawson, Reid, Stennett, Sudbury, Thornton, Walklett, Wheeler, Whyborn and Williams

Against 11: Councillors Babbage, Chard, Fletcher, Harman, Lillywhite, Nelson, Payne, Regan, Ryder, Seacome and Smith.

No abstentions.

RESOLVED THAT:

- 1. The revised budget for 2014/15 be noted and the one-off contribution from general balances of £178,250 as detailed in Section 3.2 be approved.**

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

- 2. the final budget proposals including a proposed council tax for the services provided by Cheltenham Borough Council of £187.12 for the year 2015/16 (a 0% increase based on a Band D property) be approved.**
- 3. the growth proposals, including one off initiatives at Appendix 4 be approved.**
- 4. the savings / additional income and the budget strategy at Appendix 5 be approved.**
- 5. the use of reserves and general balances be approved and the projected level of reserves, as detailed at Appendix 6 be noted.**
- 6. the proposed capital programme at Appendix 7, as outlined in Section 10 be approved, including the additional underwriting of £90,000 to support the Art Gallery and Museum redevelopment scheme.**
- 7. the Pay Policy Statement for 2015/16, including the continued payment of a living wage supplement at Appendix 8 be approved.**
- 8. a level of supplementary estimate of £100,000 for 2015/16 as outlined in Section 15 be approved.**
- 9. there be no change to the Local Council Tax support scheme in 2015/16 (para 4.19).**

10. it be noted that the Council will remain in the Gloucestershire business rates pool for 2015/16 (para 4.9).

11. In view of the lack of Enforcement capacity in the fields of Planning, Public protection etc. that has regularly been highlighted by Members from across the Chamber and was raised at the REST Seminar, Cabinet be requested to consider options to increase capacity with implementation taking place as soon as practicable in line with Council's position.

Cabinet be requested to consider the possible use of Apprentices across the council to offer opportunities for young people in local government.

9. FINAL HOUSING REVENUE ACCOUNT REVENUE BUDGET 2015/16

Having declared a personal and prejudicial interest in this agenda item Councillors Smith and Williams left the chamber and did not participate in the debate.

The Mayor informed Members that proceedings would return to standing orders.

The Cabinet Member Finance introduced the report which summarised the Housing Revenue Account (HRA) revised forecast for 2014/15 and the Cabinet's interim budget proposals for 2015/16 for consultation.

The Cabinet Member believed that the new Housing Revenue Account budget painted a picture of success. A surplus was being predicted for the current year of £58,000 compared to the original estimate, despite an increase in repairs and maintenance costs caused by storm damage earlier this year.

The budget for the coming year provided expenditure on repairs and maintenance of over £4m. It also provided for investment of £6.7m in property improvements and major repairs and over £400,000 invested in services for tenants, especially vulnerable people and those who are in difficulty because of the Government's welfare reform. The reserves remained sufficiently healthy for an allocation of £2m to a reserve to fund new build.

Encouragingly, in the budget for the coming year an income of £188,000 from the feed-in tariff could be expected, which was as a result of the investment in solar panels in the past year.

The proposed rent increase continued to follow Government guidelines, which makes it 2.2%. It was proposed to align rents with the Government's formula rent when tenancies change hands. This is a small change as rents have almost reached formula rents already. It would be a small increase for most, and for some properties it would actually mean a small reduction in rent.

The budget had been consulted on and had been well received by the Tenant Scrutiny Improvement Panel. Finally, the Cabinet Member thanked management and staff at CBH for their achievements.

The Cabinet Member Housing said that self financing had given CBH more freedom to operate and he commended their achievements and the support of the community services team. Tenants would be moving into the St Pauls

phase 2 development in March or April of this year and CBH continued to offer improved services to tenants, particularly in the management of debts and financial advice.

A member asked how much had been paid to private householders for home improvements as part of this development.

The Cabinet member advised that no cash had gone directly to householders but had been used to pay for the design work and work subsequently undertaken.

In his summing up the Cabinet Member Finance highlighted that the HRA budget was in a healthy situation and they must continue to ensure they deliver cost effective and value for money services given the opportunities offered by self-financing. He thanked CBH and their senior management team and commended the recommendations to Council.

A recorded vote having been required, upon a vote the recommendations in the report were all CARRIED unanimously.

Voting For 29: Councillors Babbage, Barnes, Britter, Chard, Clucas, Coleman, Fisher, Fletcher, Harman, R Hay, C Hay, Holliday, Jeffries, Jordan, Lillywhite, McCloskey, McKinlay, Murch, Payne, Rawson, Regan, Reid, Ryder, Seacome, Stennett, Thornton, Walklett, Wheeler and Whyborn.

Against 0: and no Abstentions

RESOLVED THAT

- 1) the revised HRA forecasts for 2014/15 be noted.**
- 2) the HRA budget proposals for 2015/16 including a proposed rent increase of 2.2% and increases in other rents and charges as detailed at Appendix 5 be approved.**
- 3) the proposed HRA capital programme for 2015/16 as shown at Appendix 3 be approved.**
- 4) the transfer of £2m to an earmarked revenue reserve to finance future new build in the HRA be approved.**

10. TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2015/16

The Cabinet Member Finance introduced the report and explained that the Treasury Management and Annual Investment Strategy 2015/16 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. The priorities for the Council's investments had been security and liquidity and this is represented a prudent approach in the current financial climate. In terms of the annual investment strategy the Council operated a very sophisticated system to determine the creditworthiness of

investment counterparties. The Cabinet Member hoped that this strategy and general approach of investment gave the Council the confidence and security it needed.

Upon a vote it was unanimously

RESOLVED that the Treasury Management Strategy Statement and Annual Investment Strategy for 2015/16 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 2015/16 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 Asset Services and are prudent enough to ensure the credit quality of the Council’s investment portfolio remains high.**
- 4. For 2015/16 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.**

11. APPOINTMENT OF MAYOR AND DEPUTY MAYOR

The Chief Executive introduced the report which explained that Councillor Duncan Smith had served as Deputy Mayor since last year’s Annual Council Meeting and Members would be asked to elect him as Mayor at this year’s Annual Meeting. In accordance with the Order of Precedence in Appendix 2 Members had been approached to ascertain if they were willing and able to have their name put forward for appointment as Deputy Mayor for 2015-16. Councillor Chris Ryder had indicated a willingness to put her name forward as Deputy Mayor subject to no other eligible councillor wishing to do so.

RESOLVED that

The Order of Precedence in Appendix 2 be noted and that Councillor Duncan Smith and Councillor Chris Ryder will be put to the Annual Council Meeting for election as Mayor and Deputy Mayor respectively for the municipal year 2015 - 2016.

12. NOTICES OF MOTION

None received.

13. TO RECEIVE PETITIONS

None received.

**14. ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH
REQUIRES A DECISION**

Simon Wheeler
Chair

13 February 2015

Public Questions (9)

1.	Question from Ken Pollock to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Improving access to car parks for a minority of the circulatory traffic is insufficient reason per se to reduce flow dramatically in a working Inner Ring Road.</p> <p>Does you now accept that it is more sensible to trial the closure of Boots Corner first, BEFORE throttling (irreversibly, due to cost) the major East-to-West traffic flow through Oriel Road and onward into St. George's Road, (considering that the alternative Northern Relief Road is overloaded before taking any further East-West flow)?</p>
	Response from Cabinet Member
	<p>Issues such as this were considered at length by the Gloucestershire Traffic Regulation Committee on 15/01/15 and their recommendations were then debated and supported by Cheltenham Borough Council on 26/01/15.</p> <p>As a contributor to both those debates, I am sure Mr Pollock recognises that the final determination and implementation of any scheme rests with Gloucestershire County Council so I feel your question is better directed to the Highways Authority.</p> <p>In a supplementary question Ken Pollock said that he believed answer 1 was another refusal to answer (by pushing the matter off to GCC), although he noted that there was no longer an insistence that the two-waying in front of the Town Hall needed to be done irrevocably, before the trial closure of Boots Corner.</p> <p>Ken Pollock believed that no specific developments could now be claimed to depend on the Cheltenham Transport Plan, and asked whether the Cabinet Member would be very content for its implementation (and even any further trialling) to be pushed out beyond the Council elections of May 2016?</p> <p>In response the Cabinet Member said that the question was under a false premise as there was no change since the Council meeting held on 26 January.</p>
2.	Question from Ken Pollock to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>Has Augur Buchler (AB) proposed/discussed a revision of their planning application for North Place (currently for superstore & car park), and have CBC planners informed AB that cutting Cheltenham's Inner Ring Road</p>

	<p>would remove easy access to their site from the majority of the town which lives south of the High Street ?</p>
	<p>Response from Cabinet Member</p>
	<p>No revised planning application has been proposed, discussed or received. Augur Buchler are fully conversant with the proposed highways changes.</p> <p>In a supplementary question Ken Pollock asked that when a revised planning application from Auger Buchler was discussed, could the Cabinet Member not see that "viability" of development would now override all other considerations, including 40% affordable housing (which would be unlikely to exceed 20%), and including town-centre car parking provision, if there was no longer a superstore to overlap usage with? He believed that if Auger Buchler secured planning permission via appeal, the (unpublished) "covenants" and parking "protections" (stated in another of the Cabinet Member's answers) would be impractical.</p> <p>In response the Cabinet Member said that a planning application had yet to be received but the usual pre-planning advice processes would be followed. He stated that the major consideration for Auger Buchler would be financial viability and emphasised that the Council's commitment to 40 % affordable housing and car parking provision was no more diminished.</p>
<p>3.</p>	<p>Question from Mary Nelson to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Now that a new development scheme is required for the North Place/Portland Street site, do you believe that the Cheltenham Transport Plan will be viewed as an advantage or as a disincentive to any future developer or occupier of this site, bearing in mind how much more difficult the site would be to access if the CTP were implemented, particularly for residents (and visitors) coming from the south of the town, whose journeys would be more circuitous and exacerbated by much greater traffic congestion, especially along the Northern Relief Road (Swindon Road to Fairview Road) ?</p>
	<p>Response from</p>
	<p>Any new proposal will be progressed by the developer and owner of the site Augur Buchler. We understand that Augur Buchler is currently considering all their options and they are fully aware of the Cheltenham Transport Plan.</p> <p>In a supplementary question Mary Nelson asked whether, given the acute shortage of brownfield housing sites, the council would agree to all of the site being given over to residential development thus enabling the council to claim the government's £50,000 brownfield development incentive on offer until the 11th March, provided that the North Place car park requirement was still met?</p>

	<p>In response the Cabinet Member said that at this stage nothing would be ruled out or insisted upon. It was highly unlikely that a planning application for a supermarket would come forward. Any application for a development which did come forward would be different to the original so it was a question of waiting for its submission.</p>
<p>4.</p>	<p>Question from Mary Nelson to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>There has been much media coverage of Morrisons withdrawal from North Place, with a poll requesting residents to vote for various suggested alternative uses.</p> <p>However the reality is that Cheltenham's residents and even the Borough Council, will have little if any influence into what actually gets developed there, as the land has been sold. It will be the decision of the landowner only as to what scheme comes forward next, with financial viability being the overriding consideration, and the only control left available to CBC will be via the planning process.</p> <p>Would you therefore agree that selling a key town centre site owned by the Council was not the best way of retaining control of its future use, and involved considerable risks, because the land could now remain an undeveloped eyesore for a considerable time? Alternatively if the Council now refuses any replacement scheme it does not like or want, Augur Buchler could appeal resulting in expensive legal costs for the Council.</p>
	<p>Response from</p>
	<p>I do not agree, as in addition to securing a significant capital receipt, Cheltenham Borough Council (CBC) has exercised control over the wider site including a covenant for 40% affordable housing and long lease protections over the car park requirement.</p> <p>How long the site remains part developed is yet to be determined but clearly neither of the two parties to that dispute will wish to see a long running battle.</p> <p>The site is still subject to a development brief adopted by CBC so any proposal will legitimately have to comply with those constraints.</p> <p>In a supplementary question Mary Nelson quoted the Cabinet Member 'how long the sites remains part developed is yet to be determined but clearly neither of the two parties to that dispute will wish to see a long running battle'.</p> <p>She said that the statement acknowledged that the site would be part developed in the first instance, and asked for confirmation of the following:</p> <ol style="list-style-type: none"> 1. That it will be the housing development which will proceed first 2. Who are the two parties you refer to 3. And does the dispute you mention relate to the councils frustration at the likely long delay before any agreement is reached for the

	<p>commercial replacement of the Morrisons supermarket, or does it relate to a dispute between the housing developer and Augur Buchler?</p> <p>In response the Cabinet Member stated that the two parties in dispute were Auger Buchler and Morrisons with regard to the withdrawal from North Place. The other party involved was Skanska on the separate Portland Street site. Skanska were currently managing this site as a car park. It was difficult to predict what would happen pending a decision but he stressed that these were separate sites with separate issues.</p>
<p>5.</p>	<p>Question from Andrew Riley to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>When the High Street West is closed to buses for 3 months to allow the Brewery Phase 2 road works to be done, where are all the buses which currently use this section of the High Street going to stop, and how will they be re-routed?</p>
	<p>Response from Cabinet Member</p>
	<p>My understanding is that Stagecoach will re-route its services via North Street, St Margaret's Road and Henrietta Street. Bus stops will be provided as close to the existing locations as possible and Stagecoach plan to have additional staff on the ground to assist with the redirection of passengers.</p>
<p>6.</p>	<p>Question from Andrew Riley to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Is it the intention that the Brewery Phase 2 High Street work and re-routing of the buses will take place before any trial closure of Boots Corner, or is it possible that they could coincide?</p>
	<p>Response from Cabinet Member</p>
	<p>The Brewery works are scheduled to begin on 16/03/15. GCC have advised that no final decision will take place on the Cheltenham Transport Plan before April 2015, and if affirmative there would be considerable further design and implementation works, so there is no likelihood of these two sets of works coinciding.</p>
<p>7.</p>	<p>Question from Peter V. Christensen to Cabinet Member Finance, Councillor John Rawson</p>
	<p>In looking at the Budget documents I have been unable to see anything referring to Tourism. As you know, Tourism is a very big and important contributor to Cheltenham's economy. Cheltenham hotels are struggling to recover after the downturn and with a number of businesses leaving the town and some Festivals having cancelled Cheltenham as a venue the situation is exacerbated.</p> <p>In the Tourism Strategy of April 2011, written by Councillor Rawson, concern was raised about the material damage that would be caused to the hotels in the town as well as expressing a caution not to disrupt the existing balance, should the town overdevelop its hotel sector. The JCS</p>

	<p>meticulously calculated at great expense, what it considered to be an appropriate level of hotel occupancy, between 68 and 72% average occupancy p.a above 72% it is considered viable to introduce more hotels.</p> <p>We are currently below this level, yet already new hotels have arrived on the scene as well as the planned new 104 room Premier Inn at the Brewery and the plans for what appears to be the Clarence Aparthotel .</p> <p>So why is the Council planning for the Municipal offices building to be yet another hotel project?</p>
	<p>Response from Cabinet Member</p>
	<p>This Council has and will continue to encourage and support tourism to Cheltenham, and realises the importance and significance the various festivals and race week has to the economy of the town. We operate or substantially fund many services, facilities and events that significantly contribute to attracting visitors to Cheltenham.</p> <p>Any plan to market the Municipal Offices will depend on the Council finding suitable alternative accommodation. If and when this happens, there are no preconceived plans for alternative uses for the Municipal Offices. The existing development brief for the building has a wide range of options, of which a hotel may possibly emerge as part of a mix of uses.</p> <p>Incidentally I am touched that the local hospitality industry attaches such importance to the Tourism Strategy. At the time it was produced I was told by the then Chairman of the Cheltenham Hospitality Association that I should hang my head in shame.</p> <p>In a supplementary question Mr Christensen said that there appeared to be no evidence of any recent in depth tourism research to support the addition of new hotels in the town. He asked the Cabinet Member to tell him which department of the council was responsible for Tourism Strategy in supporting the additional of further hotels in the town?</p> <p>In response the Cabinet Member Finance stated that the council was responsible for the policy but responsibility for the implementation of the policy lay with the Cheltenham Trust. There remained a great desire to attract visitors to the town and there were initiatives within the budget to facilitate this. He informed members that Pat Pratley was the Executive Board member responsible for tourism.</p>
<p>8.</p>	<p>Question from Geoffrey Bloxsom to the Leader, Councillor Steve Jordan</p>
	<p>The borough council spent 6 weeks undertaking a survey to seek the public's views on how to spend the £8 million from the sale of North Place, yet succeeded in getting just 222 responses out of the 106,000 people who</p>

	<p>live in Cheltenham, which is clearly not sufficiently representative.</p> <p>Was it a deliberate decision to hold the so called Forum to discuss the options for this money on exactly the same day that the Cheltenham Transport Plan TRO Committee Meeting was held, which the Council knew would keep all the CTP objectors away and thus provide the best opportunity to gain more support and therefore votes for the new Public Square at Boots Corner, which depends entirely upon the Transport Plan being implemented?</p>
	<p>Response from Cabinet Member</p>
	<p>I would like to thank everyone who responded to the consultation as it provided very useful feedback. It was in fact a higher response rate than to previous budgets no doubt due to the chance to comment on the various options in the draft capital programme.</p> <p>Mr Bloxson's conspiracy theory about the 2 meetings is interesting, but since the Traffic Regulation Committee meeting finished well before the Budget Forum started I'm not sure how it makes any sense. In any case the Forum was an informal meeting where the indicative vote taken did not count towards the 222 formal responses received.</p>
<p>9.</p>	<p>Question from Geoffrey Bloxson to Cabinet Member Development and Safety, Councillor Andrew Mckinlay</p>
	<p>Given that you are the Cabinet Member responsible for the Cheltenham Transport Plan why did you not attend the TRO Committee meeting in the Town Hall on the 15th January to hear the many important concerns raised by a large number of the public speakers?</p>
	<p>Response from Cabinet Member</p>
	<p>A strategic decision was taken that the Cheltenham Borough Council presentation supporting the adoption of the Cheltenham Transport Plan to the Traffic Regulation Committee (TRC) on the 15th January 2015 would have most impact if it was made by the Leader of the Council rather than by me as Cabinet lead.</p> <p>The concerns and comments of both the objectors to and the supporters of the proposed Cheltenham Transport Plan were already well known to me and to the Council as a whole as a result of the three consultation exercises that had been undertaken. Had any new concerns been raised at the meeting, they would have been reported via the TRC minutes and the report to be considered by the Gloucestershire County Council Cabinet.</p>

13 February 2015

Member Questions (19)

1.	Question from Councillor Andrew Chard to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Following the sudden end to the traffic trial on the Bath Road will the Cabinet Member please explain where this leaves the Cheltenham Transport Plan?
	Response from Cabinet Member
	<p>During the Bath Road trial Gloucestershire Highways (GH) had difficulty with temporary traffic signal equipment failures which led to significant congestion and a general perception that the scheme was a failure. To this end GH was asked by the Leader of the County Council to pull the trial scheme early. The final journey time surveys were done on Tuesday 3rd Feb and officers agreed that sufficient 'learning' had been achieved to influence any potential future scheme design.</p> <p>In a supplementary question Councillor Chard asked whether the Cabinet Member thought that the Bath Road trial affected the Cheltenham Transport Plan.</p> <p>In response the Cabinet Member said that it did affect the plan but it was a free-standing part of the process which informed the provision of the Cheltenham Transport Plan later on. He emphasised that just because the trial had been curtailed it was not necessarily bad for the outcome of the plan as a whole.</p>
2.	Question from Councillor Andrew Chard to Cabinet Member Development and Safety, Councillor Andrew McKinlay
	Can the Cabinet Member please explain the consequences to the entire Cheltenham Transport Plan if the Bath Road part of that plan were not implemented?
	Response from Cabinet Member
	<p>The Bath Road trial was specifically looking at improving pedestrian safety on a stretch of road which has seen some serious pedestrian accidents and which during off-peak times is often referred to as a 'race track'. If a scheme is implemented on Bath Road it is likely to be later in the CTP process as the early stages of the CTP are likely to be about safely delivering the changes to the inner-ring road and bedding these changes in before starting the Boots Corner Trial.</p> <p>In a supplementary question Councillor Chard asked that if the Bath Road</p>

	<p>plan was not implemented would it have an effect on the Cheltenham Transport Plan as a whole and its viability.</p> <p>In response the Cabinet Member said that the Cheltenham Transport Plan works as a whole as the Bath Road element was primarily a safety scheme and would not affect the net flow of traffic into the network.</p>
<p>3.</p>	<p>Question from Councillor Andrew Chard to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Following the decision of the Cabinet of Gloucestershire County Council to delay making a final decision on the Cheltenham Transport Plan, could the Cabinet Member please explain what the new timetable is for implementing this mis-judged scheme?</p>
	<p>Response from</p>
	<p>Should the GCC Cabinet approve the TROs then Gloucestershire Highways would begin the task of finalising the designs of the inner-ring road changes and setting out the timescales for implementation and for the Boots Corner Trial. It is unclear at this point when the 10 month trial will start but it is unlikely that it will be this year.</p> <p>In a supplementary question Councillor Chard asked whether it was likely that the whole Cheltenham Transport Plan would be delayed until the end of 2015 or beyond.</p> <p>In response the Cabinet Member said that was dependant on how quickly the decision by Gloucestershire County Council could be made. He did say that it was highly unlikely that the Boots Corner element of the scheme would be implemented this year even if there was an early decision, as a number of things had to be implemented first. .</p>
<p>4.</p>	<p>Question from Councillor Andrew Chard to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Can the Cabinet Member please assure this Council that all possible steps have been taken to ensure that the Transport Plan could not be subject to Judicial Review and that the taxpayers of this Borough will not be expected to meet the cost of any such review of this plan which was approved by Liberal Democrat votes against strong opposition from both my own Party the PAB and two of his own Councillors?</p>
	<p>Response from</p>
	<p>Any local authority decision can be subject to legal challenge and this includes this Council's decision to support the scheme as well as the County's processes for approval of the scheme. We believe we have followed due process and County officers are also confident that the County's decisions have followed due process and would strongly refute any legal challenge.</p>

5.	Question from Councillor Tim Harman to the Leader, Councillor Steve Jordan
	<p>In an official report our Towns Economic Development Strategy was described as being "out of date and no longer fit for purpose"</p> <p>Would the Leader of the Council agree with me that this is a not acceptable and will he outline what urgent steps he is taking to give Cheltenham a robust Economic Strategy that is fit for the 21st Century?</p>
	Response from Cabinet Member
	<p>Cllr Harman should be able to answer his own question since his quote is taken from my report to cabinet in June 2014 which proposed the development of an updated Cheltenham Economic Strategy to replace the current 2007 – 2017 version and allocated funding to do it.</p> <p>Subsequently the council commissioned Athey Consulting Ltd to undertake the work. This strategy provides the local detail which will inform the preparation of the Cheltenham Plan and help deliver the economic development policies of the Gloucester, Cheltenham and Tewkesbury Joint Core strategy. The strategy is in 3 parts; firstly providing an economic assessment of the borough, secondly considering the portfolio of employment sites and lastly providing a strategy which provides the council with a suite of priorities and delivery options for consideration. The Planning and Liaison Member Working Group considered a draft report by the consultants and received a presentation on 27 January 2015. Final amendments are currently being completed and this will be circulated to all members in advance of a member seminar scheduled Monday 16 March. Following this presentation the report will be published.</p> <p>This local strategy follows on from this council's involvement in developing the Gloucestershire Strategic Economic Plan which was successful in recently securing a Growth Deal for Gloucestershire.</p> <p>In a supplementary question Councillor Harman asked for a realistic timescale for a robust, up to date economic plan.</p> <p>In response the Leader said that the new economic plan was now in its final draft stage. A member seminar would be held on 16 March which would give members the opportunity to discuss it. The plan provided an evidence base for the local plan and there may be issues raised which Cabinet wish to take forward before that.</p>
6.	Question from Councillor Anne Regan to Cabinet Member Housing, Councillor Peter Jeffries
	<p>How many privately owned houses in the St Pauls area have been given improvement funding from the Borough Council General Fund and at what cost?</p>

	Response from Cabinet Member
	<p>13 privately owned properties were improved as part of the major regeneration project in St Pauls Phase 1 at a cost of £126,701 in 2012-13 against an approved budget of £130,000, funded from General Fund capital receipts. Aligning to the vision set out in the 2006 Neighbourhood Renewal Assessment, this contribution led to complete transformational change of the phase 1 area and will contribute to the overall success of the St Paul's regeneration project.</p> <p>The description of the scheme that went in front of full Council was 'Transformational improvements to private households in St. Paul's to assist them in raising the standard of their dwellings in line with new build council housing stock'.</p> <p>Further detail was specified in the HRA 30 year Business Plan which was approved by Full Council in February 2012 (i.e. the year before the spend was incurred).</p> <p>The investment of improvement funding to secure regeneration outcomes has been a longstanding approach, including national grant support by successive governments.</p>
7.	Question from Councillor Anne Regan to Cabinet Member Housing, Councillor Peter Jeffries
	<p>How many more privately owned houses in that area will be given this funding in phase two, and what will be the total cost of both phases be to the taxpayer?</p>
	Response from Cabinet Member
	<p>There are 13 privately owned properties along Folly lane in the neighbourhood transformational works area that are currently being considered as part of the potential Phase 2 transformational improvement programme. No decisions have yet been take in respect to funding for the transformation works.</p> <p>The cost of the works to these properties has yet to be determined as the scope of the works, the estimated costs, and the funding mechanisms have yet to be finalised.</p> <p>Cheltenham Borough Homes are undertaking a review which will provide reassurance for tenants, private residents, cabinet and council that value for money is being achieved, as any funding requested could be from both the housing revenue account as well as from general fund capital receipts.</p> <p>Once the review is complete, proposals will be presented to all members</p>

	<p>prior to seeking approval from Full Council for the transformational improvements to proceed.</p> <p>In a supplementary question Councillor Regan asked why £200 k for the transformation improvement of private homes had been withdrawn from the budget papers. She asked whether this was due to embarrassment or that an incentive had not been offered to private home owners across the town.</p> <p>In response the Cabinet Member said this was sensible management and there was no embarrassment. The review was underway to ensure value for money was still being achieved given the higher costings.</p>
8.	Question from Councillor Anne Regan to Cabinet Member Housing, Councillor Peter Jeffries
	<p>Will this opportunity be extended to the rest of the town to those struggling financially?</p>
	Response from Cabinet Member
	<p>This is not envisaged currently.</p> <p>The funding provided to date relates specifically to the St Pauls regeneration scheme and objectives identified in 2006, following an extensive analysis of the area using a prescribed national methodology known as Neighbourhood Renewal Assessment.</p> <p>Means-tested grant funding or a loan facility is currently available to homeowners on income-related benefits who have a serious hazard associated with their home. Grant assistance is only available where a charge cannot be attached to the property to recover a loan and there must be an imminent risk of injury associated with the hazard.</p>
9.	Question from Councillor Chris Nelson to Cabinet Member Finance, Councillor John Rawson
	<p>At the extraordinary Audit Committee meeting on 29 Jan you said that you were fully aware of the lower than expected £5.6M contract for the Wilson (set in July 2011) and deliberately made no change to the budget provision of £6.3M, because you thought it prudent to keep some headroom within the budget to cope with the inherent risk in the contract. If that was the case, why did you not regularly scrutinize the on-going progress of the Wilson contract, so that you could assess whether the known risk had matured or not?</p> <p>Why did you not establish when the £600, 000 contingency fund within the contract had been expended and why did you not monitor the financial impact of the 1,000 plus user change proposals which, in all probability, must have contributed to the £1.2M overspend?</p>
	Response from Cabinet Member
	<p>When I spoke to the Audit Committee it was to confirm what might seem</p>

obvious: that as Cabinet Member for Finance when the 2013 budget was introduced I take responsibility for the fact the amount allocated to the AGM redevelopment project in the capital programme was £6.3m. I added that at that time I did not consider it prudent to reduce the amount.

At that time the main risk that persuaded me to take that view was the possibility that the project might under-achieve its fundraising target, rather than that it might exceed its tender price. Members will be aware that the funding for the project came very substantially from funds raised from trusts, the Heritage Lottery Fund, sponsors and donors; and fundraising was still ongoing at that stage. Indeed it still is.

I was also clear through the period from May 2012 when I was Cabinet Member for Finance that I had a duty to be informed about the finances of the project. The way I did this was to be aware of the regular reports which came from the Operational Programme Board to the Senior Leadership Team.

On this basis, at the start of November 2013, I thought I knew what the position was: namely that the project costs were on target, but that the fundraising might fall short by about £200,000.

It would not have made the slightest difference if I had asked questions to the finance team more frequently, or more persistently, or more aggressively. They would have given me the same answers because at that time they were receiving the same faulty information. Indeed the problem was not that no information was coming forward: it was rather that information was being reported but was highly misleading.

I mention November 2013 because it was towards the end of that month that the true position became clear when the Project Sponsor disclosed it to a member of the finance team. I was briefed very quickly thereafter, at a meeting of the Bridging the Gap Programme Board on November 26th. Steps were immediately taken to try to contain the overspend, but by that stage it was too late to have much of an impact.

I have set these facts out, not to justify what as a very serious organisational failure, but to make the point that, whatever the roots of the problem, they were not the supposed lethargy or indifference of senior management or the cabinet.

In response to Cllr Nelson's final paragraph, I could not have monitored all the variations in the contract without taking day to day control of the project, which was clearly well outside my remit or that of any other councillor.

In a supplementary question Councillor Nelson asked whether the council

	<p>would have been in a better position now if there had been a culture of robust questioning when managing this complex construction project.</p> <p>In response the Cabinet Member clarified that a large proportion of funding for the Art Gallery and Museum had come from external sources. He highlighted that a clear and simple structure was in place and there was a responsibility on officers to report upwards, particularly if there was any information which could cause alarm. The Finance team had no reason not to believe in any of the information they had been given. Involving the Cabinet Member Finance and the Cabinet Member Healthy Lifestyles in the operational elements of the project would have been in his view a “recipe for chaos”. He believed strongly that political and operational functions should not be confused therefore it would not be for the Cabinet member to seize operational control of the project.</p>
10.	<p>Question from Councillor Chris Nelson to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>As the Cabinet Member with specific responsibility for the Wilson project at contract award, you had an opportunity to regularly monitor its progress within the monthly Project Board meetings, as required by the all important Project Initiation Document, which apparently you yourself approved. However, these Project Board meetings never took place. Why did you not insist that these Project Board meetings take place so that you could carry out your responsibilities? If you felt that was not appropriate, what measures did you take to keep yourself accurately informed about such a high profile project within your portfolio of responsibilities? When you handed over responsibility for the Wilson, who did you brief and what information did you give the new Cabinet Member about the risks within the project?</p>
	<p>Response from Cabinet Member</p>
	<p>The Project Initiation Document provides for both a Project Board and a Project Team. In effect the Project Board never met because it was felt that the Project Team included all Board members with the exception of the Cabinet member and would have led to duplication. The Project Sponsor was responsible for delivering all the projects objectives and represented the Project Team at Senior Leadership level.</p> <p>The internal audit review will consider if this was the correct judgement.</p> <p>The Project Sponsor briefed myself on a two weekly basis. The Internal audit will consider if this was the best approach.</p> <p>Cabinet responsibility was handed to Cllr Hay. Risks for the project were recorded in the projects Risk Register. Two briefing meetings were held between Cllr Hay and myself which included input from the relevant officers.</p>

	<p>In a supplementary question Councillor Nelson asked whether the Cabinet Member’s statement “it would not have made the slightest difference if I had asked questions to the finance team more frequently, or more persistently, or more aggressively” meant that the Cabinet Member brought no added value to the process.</p> <p>In response the Cabinet Member said this was not the case as there were different processes in place. The Project Board was the officer based body. As Cabinet Member his main point of contact was with the project sponsor who he met with on a regular basis for an update. The Cabinet Member had fed in to the process at an early stage and was involved in the selection of contractors. The current investigation would produce lessons learned but as the Cabinet Member he felt that he was being correctly informed and there was nothing that caused him undue alarm.</p>
<p>11.</p>	<p>Question from Councillor Chris Nelson to Cabinet Member Healthy Lifestyles</p>
	<p>As the current Cabinet Member with specific responsibility for the Wilson project, you had an opportunity to regularly monitor its progress within the monthly Project Board meetings, as required by the all-important Project Initiation Document. However, these Project Board meetings never took place. When you took office, why did you not insist that these Project Board meetings take place so that you could carry out your responsibilities? If you felt that was not appropriate, what measures did you take to keep yourself accurately informed about such a high profile project within your portfolio of responsibilities?</p> <p>Having now shown commendable interest in attending both Audit meetings that have investigated the Wilson overspend, have you now any public statement to make about your failure to actively monitor the progress of the Wilson project? If you feel you have no responsibility for identifying and controlling the £1.2M overspend who, in your opinion, was responsible?</p>
	<p>Response from Cabinet Member</p>
	<p>As the current Cabinet Member with specific responsibility for the Wilson project, you had an opportunity to regularly monitor its progress within the monthly Project Board meetings, as required by the all-important Project Initiation Document. However, these Project Board meetings never took place. When you took office, why did you not insist that these Project Board meetings take place so that you could carry out your responsibilities?</p> <p>The Project Initiation Document provides for both a Project Board and a Project Team in effect the project board never met because it was felt that the Project Team included all of the Board Members with the exception of the Cabinet Member and it would have led to duplication.</p>

	<p>The Internal Audit review will consider if this was the correct judgement.</p> <p>If you felt that was not appropriate, what measures did you take to keep yourself accurately informed about such a high profile project within your portfolio of responsibilities?</p> <p>I believe that my involvement in the project was active and proportionate receiving regular briefings from the Project Sponsor generally on a monthly basis, asking questions and receiving information reacting appropriately. The Internal Audit review will also consider if this was the best approach.</p> <p>Having now shown commendable interest in attending both Audit meetings that have investigated the Wilson overspend, have you now any public statement to make about your failure to actively monitor the progress of the Wilson project?</p> <p>No as I disagree with the premise of the question.</p> <p>If you feel you have no responsibility for identifying and controlling the £1.2M overspend who, in your opinion, was responsible?</p> <p>As Councillor Nelson well knows internal Audit are carrying out a further review, it would be both premature and irresponsible to speculate prior to the conclusion of that.</p> <p>In a supplementary question Councillor Nelson asked what the Cabinet Member assumed to be the premise of the question.</p> <p>In response the Cabinet Member said that she disagreed that she had failed in her responsibilities. She was a member of Audit Committee and Grant Thornton had produced a report and further investigation would be undertaken by Internal Audit.</p>
<p>12.</p>	<p>Question from Councillor Chris Nelson to Leader, Councillor Steve Jordan</p>
	<p>There appear to be alarming organizational parallels between a number of high-profile situations at other councils and public bodies and the recent report into the Wilson overspend of £1.2M. Information that should have been passed on did not take place, the performance management system did not work as anticipated and comprehensive risk assessments were yet again absent or inadequate. The scrutiny "system" in place seems to have placed too much store on the assurances of people in authority that everything was fine. On top of this, there were jumbled accountability arrangements, in which responsibilities for oversight overlap and duplicate, allowing individuals and organizations to complacently assume that</p>

	<p>'someone else' was doing the important job of scrutiny.</p> <p>Although the Council now has a clear set of recommendations to introduce to correct the numerous shortcomings identified in the Wilson project, do you as Leader not accept that you and your Cabinet Members have a formal responsibility to actively manage your portfolios and ask staff challenging questions about projects such as the Wilson?</p>
	<p>Response from Cabinet Member</p>
	<p>Yes, Cabinet Members have a formal responsibility to actively manage portfolios and ask staff challenging questions about projects such as the Wilson as this is covered within the council's governance and risk management arrangements.</p> <p>This is a responsibility that the Cabinet accepts as illustrated by a quote from the recent LGA Peer Review, "We were very impressed with the sustained and visible political leadership at CBC. Everybody we spoke to expressed their real confidence in the leader of the council. We saw properly briefed and confident cabinet members. Your reputation for delivering through partnership and the leadership this portrays is undisputable."</p> <p>As was made clear to Cllr Nelson at the Audit Committee, Cabinet Members and senior management were asking questions, but the problem was that the answers were inaccurate. For Cllr Nelson to try to make comparisons with other councils before the Internal Audit investigation is complete is foolish even allowing for his inexperience.</p> <p>In a supplementary question Councillor Nelson asked whether the assumption was that the Leader was relaxed about the £1.2 m overspend and that he had no concerns?</p> <p>In response the Leader questioned Councillor Nelson's interpretation. He stated that one investigation had been concluded and a further investigation via Internal Audit was ongoing. Until this had been concluded it was inappropriate to take a judgement.</p>
<p>13.</p>	<p>Question from Councillor Chard to the Leader, Councillor Steve Jordan</p>
	<p>Does the Leader of the Council share his colleague and Lib Dem MP, Martin Horwood's 'disgust' that the JCS was voted through despite the Leckhampton Local Green Space application not having been considered?</p>
	<p>Response from Cabinet Member</p>
	<p>No as that isn't what he said. As Cllr Chard is aware Cheltenham Borough Council is carrying out a Local Green Space review. While I would have preferred a joint review across the JCS area, since colleagues in</p>

	<p>Tewkesbury and Gloucester didn't see this as a priority, it was important that we made progress in Cheltenham. This work will help protect valued green spaces as part of the Cheltenham Local Plan.</p> <p>In a supplementary question Councillor Chard made reference to MP Martin Horwood's criticism of the new design for the Leckhampton green space review and asked if the Leader didn't agree why he was still promoting it?</p> <p>In response the Leader said that he was in favour of a local green space review outside the JCS framework. He advised that Tewkesbury Borough Council were not keen to undertake one but Cheltenham took the view that it was sensible to do one ahead of the local plan and may give the council more control..</p>
<p>14.</p>	<p>Question from Councillor Adam Lillywhite to the Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>What is happening on North Place? Do we have any ongoing costs or outstanding liabilities over this site. When and how is a decision to be made over what to do with it and would it not be a good idea if we reserved the 8 million to buy it back?</p>
	<p>Response from Cabinet Member</p>
	<p>As has been reported in the press Augur Buchler, the developer received notice from Morrisons of their intention to rescind the contract, just before Christmas but regrettably not before they had allowed the developer to actually begin work with their contractor. As a consequence the developer ceased material operations pending legal resolution.</p> <p>Whilst Cheltenham Borough Council (CBC) is not party to any of these contractual relationships I think it reasonable that we can assume that neither Morrisons nor any other foodstore operator will emerge to take the proposed store.</p> <p>Although this is disappointing it is however also an opportunity for the developer and CBC as planning authority to revisit the opportunities that the site offers.</p> <p>CBC has no outstanding costs relating to this site, having received the capital receipt in early 2014. CBC has a requirement for a 300 space public car park but given that a new scheme may be the only solution, we await a response from the developer. The decision is one for the developer, as owner of the site, with whom CBC continues to liaise. Re-acquisition is always an option but that assumes that the developer wishes to dispose.</p> <p>In a supplementary question Councillor Lillywhite made reference to the fact that Maidstone Planning Committee had won a judicial review with regard to its refusal of a development by Augur Buchler. He asked whether</p>

	<p>a Member of Planning Committee would get the same level of support from the Council if the planning committee did not agree with what Augur Buchler wished to develop on North Place.</p> <p>In response the Cabinet Member said that this was a hypothetical question. Once a planning application came forward it would be considered in the usual way. He was unaware of the Maidstone case.</p>
15.	Question from Councillor Adam Lillywhite to the Cabinet Member Development and Safety, Councillor Andrew McKinlay
	<p>For the last year the main question in Cheltenham was, Has Morrisons pulled out yet? given their widely publicised move online, away from superstores to 'local' shops as well as their poor trading figures, What questions were asked when Augur Buchler arrived at the end of November 2014 wanting to rush through the deal when so clearly the driving force would not have been Morrisons?</p>
	Response from
	<p>The developer Augur Buchler had an agreement to develop with Morrisons as the anchor tenant, and had all necessary planning consents in place. The trigger to begin works rested entirely with the developer. The fact that Morrisons waited until the developer had physically instructed a contractor to begin works, before deciding their course of action is one best posed to the Morrisons board.</p> <p>In a supplementary question Councillor Lillywhite asked whether the Cabinet Member could quantify the cost to the town of closing North Place car park two weeks before Christmas and asked whether it was expected that those who had visited the town during this period would return next year.</p> <p>In response the Cabinet Member said that this was a false premise. He explained that the site had been sold in 2013 and had in fact remained open for a longer period than anticipated as it was due to have closed in the summer of 2014.</p>
16.	Question from Councillor Adam Lillywhite to the Cabinet Member Finance, Councillor John Rawson
	<p>What consideration was made of the implications of the Borough being complicit in the Stamp Duty Land Tax evasion scheme to purchase North Place, this has both reputational and ethical implications and also invites HMRC inspection for the next seven years. Please supply the minutes or risk assessments that enabled you to consider it safe to override Councillors' concerns and circulate a memo to request that this decision not be called in.</p>
	Response from Cabinet Member
	<p>I am quite used to being denounced as a villain by Cllr Lillywhite, but tax evasion is illegal, and I think I am entitled to ask him to produce his</p>

	<p>evidence for such a serious accusation or withdraw it.</p> <p>The transaction that Cllr Lillywhite refers to was not in any way illegal or unethical. Indeed the developers' accountants Grant Thornton specifically sought advice on the matter from HMRC, who confirmed in writing that the secondary transaction concerned would not attract SDLT.</p> <p>I understand officers requested the O&S chairman to waive the call-in period because of the urgency of the decision and the risk of loss to the Council if it was delayed.</p> <p>My experience of Cllr Lillywhite suggests that he is not always persuaded by evidence and that he is liable to repeat accusations that have already been refuted. I would ask him not to do it in this case, as such a grave accusation is clearly not a matter that can be taken lightly by me or by officers.</p> <p>In a supplementary question Councillor Lillywhite asked whether the Council had been stamp duty compliant in the purchase of North Place and why risk assessments had not been produced. He asked if it was true that 8 days after the ground had been broken on North Place was the first time that Augur Buchler was aware of the withdrawal of Morrisons from the site. He asked whether CBC was involved in the decision to break the ground in order to expedite compensation. He also asked the Cabinet Member to provide figures on the retail deficit due to the closure of North Place as a car park, the ongoing damage to the town and the loss of car parking receipts.</p> <p>In response the Cabinet Member did not believe that these supplementaries related to the original question. He was opposed to the accusation by Councillor Lillywhite of being involved in a tax evasion scheme which was illegal and confirmed that the HMRC had approved the purchase of North Place.</p>
<p>17.</p>	<p>Question from Councillor Adam Lillywhite to the Cabinet Member Finance, Councillor John Rawson</p>
	<p>What are the current plans for the Municipal offices and do we believe it is safe to sell them to a developer in the light of the North Place situation. Why are we suggesting their use as a Hotel when the town is already considerably oversubscribed with hotels, are we not better keeping control of these iconic buildings?</p>
	<p>Response from Cabinet Member</p>
	<p>Any plans to put the Municipal Offices to new uses would depend on the Council finding suitable alternative accommodation. In approving the current accommodation strategy last March, the Council was mindful of the iconic nature of these buildings and expressed a wish to retain the freehold of the building. Also it would be important to ensure that any move was</p>

	<p>timed so that the building was not left empty for any length of time.</p> <p>I have considerable experience of Cllr Lillywhite's rather innovative approach to politics. Even so, I am astonished that, as a hotelier, he should use his position as a councillor to lobby to protect his business against a potential competitor. He needn't worry unduly. A hotel is only one of a range of possible commercial uses to which the Municipal Offices might be put in a new phase of its life. They include retail, leisure, offices and residential uses.</p> <p>In a supplementary question Councillor Lillywhite asked how the public would feel if the Municipal Offices were sold in a similar fiasco to North Place with the result that the premises would be boarded up and surrounded by scaffolding.</p> <p>In response the Cabinet Member stated that it was crucial to arrange the timing of a move from the Municipal Offices so that the building would not lie empty for a substantial period of time. He would ensure that this did not happen.</p>
<p>18.</p>	<p>Question from Councillor Matt Babbage to Cabinet Member Finance, Councillor John Rawson</p>
	<p>Following the stopping of work on the supermarket at the former North Place car park, could you please give details of the impact of this decision on CBC with respect to future share of car park revenues, penalty clauses, and any other implications?</p>
	<p>Response from Cabinet Member</p>
	<p>The site has been disposed of to the developer and whilst a reverse occupational lease was in place which gave the Council an unexpected bonus in terms of on-going car park income, this ended in December when the development began.</p> <p>We always recognised that there would be an impact on our car parking income while the redevelopment of North Place took place. However our agreement with Augur Buchler stipulates that a 300 space public car park will be provided with income accruing to the Council when the development is built out. The withdrawal of Morrisons will undoubtedly delay the development, though we are working with Augur Buchler to help find a positive way forward.</p> <p>In the meantime, we have projected our car park income for 2015/16 at a figure of £3.2 million which reflects the loss of North Place. We also retain a £350,000 car park income reserve which we set up last year to protect ourselves against a drop in parking income.</p> <p>I am not content to leave the matter there, however. That is why we are</p>

	<p>looking for opportunities to increase car parking capacity and income. We are aiming at opening a temporary car park on the Shopfitters and Synagogue Lane sites in the autumn. There are also other options that we are considering.</p> <p>Regarding penalty clauses, we have sold the site and received our capital payment in full and we are of course not party to any legal discussions or proceedings that may take place between Augur Buchler and Morrisons.</p> <p>In a supplementary question Councillor Babbage asked whether given the £350k car parking reserve, safeguards had been included in the original contract to ensure that this revenue did come through.</p> <p>In response the Cabinet Member stated that Augur Buchler had a contractual obligation to provide 305 public car parking spaces and this obligation remained in place. He said that the best course of action was to work with Augur Buchler to ensure a development on North Place was progressed. A plan to set out how to deal with the downturn in car parking income had been taken into account.</p>
<p>19.</p>	<p>Question from Councillor Matt Babbage to Cabinet Member Development and Safety, Councillor Andrew McKinlay</p>
	<p>Could you please give an update on the Banksy artwork on Hewlett Rd, and what steps CBC are taking in relation to it?</p>
	<p>Response from Cabinet Member</p>
	<p>A planning application seeking retention of the Banksy mural was validated on 5th September, 2014. The application is a retrospective application for listed building consent for the mural and a communication dish on the south-east facing flank wall of 159 Fairview Road. When the application was submitted, officers were unable to make a recommendation, as it was unclear how the damaged render could be addressed without affecting the artwork. This fundamental detail was requested, however, when it was submitted, further points needed clarification. Officers received further information in January 2015 and as such are now able to make a recommendation to Planning Committee. Committee will consider the application on 19th February, 2015.</p> <p>The flank wall of 159 Fairview Road is within private ownership. The Council's main priority is to secure the preservation of the Listed Building. However, the Council recognises the wider public interest in the mural. The Council has recently erected Heras fencing around the flank wall to protect the public from the risk of loose render falling from the building.</p>

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**BUDGET PRESENTATION BY THE CABINET MEMBER FOR FINANCE,
COUNCILLOR JOHN RAWSON, 13th FEBRUARY 2015**

Mr Mayor,

I have great pleasure in presenting the revised budget for 2014/15 and the final budget proposals for 2015/16.

Groucho Marx once defined a budget as 'a way of going broke methodically'. I don't believe this is the case with this budget or any others that I have presented to this Council. I don't believe budgets have to be bad news, even in a difficult financial climate. Even at a time of shrinking resources we can find ways to do things better. In fact, a budget can be a whole series of positive things - a problem-solver, a dialogue, an enabler, a steward and a springboard. This budget is all of these things.

Let's start by putting the scale of the challenge we face in context. In the last seven years, the Council's net budget has fallen in cash terms by about 12 per cent, from £16.1 million to £14.2 million. If you factor in inflation, our actual spending power has been cut by about thirty per cent.

Much of this has been caused by a series of cuts in our Government revenue support grant amounting to around £5 million, more than half the total grant, between 2009 and the present time. This includes a cut of £810,000 in the coming financial year.

We all understand the difficult economic climate we are looking at and the circumstances that have brought us to this unhappy situation.

Nonetheless, just think what could have happened if we had simply succumbed to despair and reacted by cutting frontline services. The result would have been a bloodbath. Most of our cultural and leisure services would have got the chop. Maybe we would have had to close down our community services and our support for the town's thriving voluntary organisations. Maybe we would have had to mothball important services like the recycling centre. But we didn't do that. We didn't give up on the town. We didn't abandon our vision of a prosperous, vibrant Cheltenham. Instead we straightened our slopey shoulders and tried to find positive ways forward.

We explored the potential for reorganising services, as an alternative to cutting them. We saw the opportunities for delivering services in a different way. We slimmed down senior management, shared our services with neighbouring councils and set up the Cheltenham Trust to run our leisure and culture services. The result is that we found around £8.5m a year of savings and additional income by 2014/15 with remarkably little impact on services to the public.

One of the main drivers for these savings has been commissioning and especially shared services. Let me give you an idea of how important these have been

Savings from commissioning now total £2.634m a year, which will add up to a total of £13.5m by 2018/19.

Of that, the saving from shared services totals £1.76m annually, which if the Council maintains the current shared services will add up a total of £12.6m by 2018/9.

Truly necessity is the mother of invention. What's more the service-sharing has not just saved money. It have made our services more resilient and given us access to a bigger pool of talent and expertise.

At the heart of this process is what we call our Bridging the Gap programme and our Medium Term Financial Strategy which creates a five year rolling work plan to find savings by restructuring the organisation. In this budget that process continues, with a further £693,000 of new efficiency savings set out at appendix 5.

They include further savings from restructuring senior management, new savings from shared services including the expansion of Ubico, and procurement savings achieved through GO Shared Services. We will deliver £284,000 of savings as a result of creating the Cheltenham Trust.

In the coming years we have the opportunity to develop shared services further across four district councils through the 2020 Vision programme, to which the Government has contributed £3.8 million to match our local investment.

However, shared services and arms length companies are not the only strings to our bow. We are also undertaking a radical in-house restructuring of our Environmental and Regulatory Services through the REST programme, which engages staff, including front-line staff, in the process of reshaping their services to make them more streamlined, more seamless, more efficient and more customer-focused. This is one of the most exciting innovations of the past year, and all the more vital because our environmental services are so important to the town.

I have explained that over the past five years we have experienced an unprecedented squeeze on our finances. But I don't want to give the impression that the situation is uniformly grim. Indeed in the past year we do seem to have caught a break. Two of the Government's policies do seem to be working in our favour. The first is the Government's policy of sharing business rates revenue with local government. The second is New Homes Bonus, a payment that is made over six years for new homes that are built and empty homes that are brought back into occupation.

Let's not get too excited about business rates. The Government is collecting about £55 million in business rates this year in Cheltenham and giving us back the princely sum of £3.3 million. Nonetheless this modest share of rates income helps us to claw back some of the money we are losing in revenue grant income.

Members will know that we have done all we possibly can to retain as big a share of business rates as possible. The Gloucestershire Business Rates Pool that we are part of has helped us reduce the levy which the Government charges us as a relatively affluent district from 50% to 19%.

But the implications of the Government's rates-sharing policy go wider than this. It has suddenly created a new dynamic in budget-making, giving us a direct financial interest in maximizing business growth and therefore maximizing our business rates income. This is a huge opportunity and we are determined to make the most of it.

That is one important reason why we are promoting and supporting economic development in the town, especially through the Cheltenham Development Taskforce. We are seeking to regenerate empty and derelict sites and generally encourage investment in the town.

It is also why we have been actively involved in developing the Gloucestershire Strategic Economic Plan and why we are now about to launch an updated Cheltenham Economic Strategy to replace the current 2007-17 version. This strategy provides the local detail which will inform the preparation of the Cheltenham Plan and help to deliver economic growth.

Cyber-security has been identified by the Government as a key area of economic growth. Among the proposals in the new Economic Strategy is that the Council should seek to develop a cyber-security business initiative. Part of this approach could be to identify a Cheltenham as a cyber security town or designate an area of Cheltenham as a Cyber Security zone. This along with the opportunity to create new employment land allocations and Local Development Orders could be powerful tools to prompt investment and generate additional economic growth.

Our desire to secure economic growth is also the reason why, along with the business community, we are investigating the feasibility of creating a Business Improvement District in the town centre. Following the recent retirement of the town centre manager, we are also reviewing the future of the replacement post funded by the Business Partnership to see whether it can play a bigger role in promoting business growth.

Already the local economy is in a very healthy state and this is making a direct impact on our finances. In the coming year, we expect our net surplus on business rates baseline funding to be £682,000. That is an improvement of £340,000 on the position we predicted in the consultative budget. And the work we and the Taskforce are doing,

alongside the local business community, is bearing fruit for the future. The town is abuzz with redevelopment and business growth

The other growth factor that I have already mentioned is the New Homes Bonus. Our income from New Homes Bonus in 2015-16 is just over £1.6 million. This helps us to claw back some of the money we have lost in Government grant.

However, I would add one word of caution. Both the business rates income and the New Homes Bonus need to be treated with some reservation as sources of income. Both, as the old phrase has it, can go down as well as up. From year to year, there may be fluctuations, maybe quite large ones, in both sources of income. What's more, with a general election in the offing, there is no guarantee that there will not be major changes in the way these schemes work, including redistribution of the income or top-slicing of the money we receive. With all the political uncertainties ahead of us, I would say very seriously to the Council that this is not the time for splashing the cash or taking unnecessary risks.

That's why I am proposing that the additional income from these sources, even if it appears to be sustainable, should not all be put into the revenue budget. A proportion of both should be used for one off or temporary funding purposes which do not create a long-term commitment. I am thinking particularly of the money I am proposing to put into the Local Plan reserve from Business Rates income; and the money I am proposing to put into match-funding the 2020 Vision work from New Homes Bonus.

In all, about 65 per cent of our New Homes Bonus will be used to support the revenue budget and about 35 per cent will be used for one-off spending. This is a prudent approach, and I am glad it was supported by the cross-party Budget Scrutiny Working Group.

Mr Mayor, by fighting our budget battle on two fronts – saving money and maximizing income – we have brought in a balanced budget this year. And we have done it with without piling new financial burdens on the residents of Cheltenham.

Recognising that many of our residents have been struggling financially since the economic downturn, we have held the borough council's share of council tax at its 2010 level, freezing council tax for four budgets running. And recognizing that the economic recovery was fragile, we also maintained a four-year freeze on off-street parking charges.

What I am proposing today in this budget is that we should continue to freeze both council tax and car park charges for a fifth year. There will also be no increase in the charge for our Lifeline alarm service for vulnerable people. For business reasons there will also be no increase in building control fees.

At the same time, this Council will continue to provide the same level of council tax support for people on very low incomes who are unable to pay the full amount. Members will recall that in 2012 the Government cut its contribution to this Council's council tax support by 9 per cent. We have absorbed this cut for three years running and intend to continue doing so until at least 2017. This makes us one of only 45 out of 326 local authorities still paying council tax support at the same level as it was before the Government cutback.

The Council also awards business rate relief up to £1,000 to occupied retail properties with a rateable value of £50,000 or less. This will rise to £1,500 per property during 2015/16. This is of course part of a Government sponsored and funded scheme, but we are particularly active in encouraging businesses to take it up. The business rates team identify businesses that might qualify and send out the appropriate application form so that as many local businesses as possible can benefit. As a result, we have awarded almost £420,000 worth of business rates relief to about 500 businesses in the current financial year. We estimate that we will be giving a further £650,000 of relief in 2015/2016, making a total of £1.1 million over 2 years.

I have set out this budget's role as a problem-solver. What I want to do now is outline how this cabinet has used it to have a dialogue with the people of Cheltenham.

It's usually quite difficult to get people to engage in public consultation on the budget, because provided you are not doing anything to annoy them, they are content for you to get on with it. But am pleased to say that this year we have put some extra welly into our consultation process. This was enormously helped by the fact that the emerging capital strategy caught people's attention; and I am grateful to the Echo for highlighting the potential options for investing in the town.

As a result, 222 people filled in our questionnaire or dozens more sent in their comments. The Civic Society had a meeting to discuss the capital programme and put forward a collective submission. There were also representations from a number of other local organisations such as the Playhouse Theatre, the Holst Museum and the Honourable Company of Gloucestershire. We held our own consultation forum here in the Municipal Offices which led to a lively but very positive exchange of views. Today I have had a request for a meeting from the Montpellier Traders and I will be meeting them with regard to the capital strategy and any other matters they want to raise.

In addition, I gave informal presentations to the Voluntary and Community Forum, the C5 Group of parish councils and the Chamber of Commerce to obtain their views on what we are proposing.

Perhaps most interesting of all was a session Cllr Coleman held with about 60 children at St Mark's Primary School, who showed they care about the town just as much as the adults. Maybe we should do this at more local schools in the future.

I am proud to live in a town that its people care about so much. The results of the consultation are either appended to the budget papers or available in the members' room.

But what struck me most of all was how positive people are about our budget strategy. 72 per cent of those who answered supported the council tax freeze. 65 per cent broadly supported the savings we are making. And a stonking 86 per cent supported our shared services approach. It is interesting that only 9 cent of those who answered the tax question wanted a cut in council tax.

There is also a broad consensus across individuals and organisations about the investment they would like to see, with public realm improvements, improvements to the Town Hall and investment in sports and leisure being well up the list. Obviously people have their concerns about roads and pavements, street cleaning, street lighting and other basic services, but everywhere I find enthusiasm for our town.

The feedback to the consultation will help to shape our policy and especially our emerging capital strategy.

But the point I want to make most strongly to you is that the dialogue between the Council and the people in the town is a continuing feature of our lives and doesn't just happen at budget time.

One local resident who deserves our thanks is Mr Rogers of Priory Street who highlighted the unsatisfactory state of the bus station in Royal Well by writing to you, Mr Mayor, and contacting the Echo. You passed Mr Rogers' letter to me, I raised the issue with the Asset Management Working Group, and as a result I have included £50,000 for improving the bus station in today's budget proposals. This decision has been influenced by the fact that improving the bus station on its present location was very warmly supported in the budget consultation questionnaire. What we have in mind is to demolish the old shelter and waiting room, replace them with a modern shelter, and provide services to supply a new café facility.

I would also like to thank the Urban Gulls Focus Group for highlighting the continuing problem of noise, nuisance and damage from urban gulls and proposing practical solutions. As a result I have included additional money in the budget so that we can take new measures to control the gull population. This will include an egg replacement programme, replacing the unsatisfactory egg oiling that we have carried out up to now, and a publicity campaign directed at the businesses and residents most affected by the problem.

We have also responded to a request from the Civic Society for a modest grant towards the increasingly successful Heritage Open Days, and to the Host Birthplace Museum for

a modest increase in the very small grant we give them for providing a significant tourist attraction and looking after some of our historic collections.

Following the debate we had in Council last July about badger vaccination, I have received a request for money from the Badger Vaccination Group Gloucestershire for a grant to carry out vaccinations in the Cheltenham area. I am not sure that this complies fully with the terms of the Council's resolution, which envisaged us match-funding a vaccination programme rather than being the sole funder. However, I will be bringing a report to Cabinet so that they can give the matter further consideration.

Mr Mayor, earlier I spoke about the budget being an enabler and I want to explain what I mean by this. There are a number of ways in which this budget is allowing new initiatives to be taken and improvements to be made in the life of the town.

Firstly, this budget allocates a further £50,000 to the Community Pride scheme, which allows community groups to bid for money for small-scale improvement schemes. Community Pride has enabled local amenity groups and parish councils to do a range of good work since we introduced it in 2009 and I am delighted that we are able to continue it.

Secondly I am proposing that we extend our existing contract with the Cheltenham Housing Aid Centre to provide an outreach programme for people with serious and complex housing needs for three more years. This programme has been delivering very good results for some very vulnerable people since we introduced it three years ago. In the first year for which we have full data, 10 out of 12 rough sleepers secured accommodation, and a further 6 out of 11 households with complex needs were helped to stay in their homes. In the second year, 16 out of 21 rough sleepers secured accommodation and a further 9 out of 10 households with complex needs were helped to stay in their homes. That is why the cabinet feels this contract is value for money at £22,000 a year.

Thirdly I am proposing that we set aside £60,000 annually towards the costs of completing the Joint Core Strategy and a one-off £100,000 towards the costs of preparing the Cheltenham Local Plan. We all care about the character and the quality of life in Cheltenham, as do many thousands of our fellow citizens, and we know that the JCS and the Local Plan are vital weapons in defending and protecting what we love about our town. That's because, since the National Planning Policy Framework was introduced in 2012, we have lived under a plan-led planning system. In other words, it's a system with a strong presumption in favour of permitting any development that is not expressly limited or prevented by explicit planning policies.

We need to make all the progress we can to put up-to-date planning polices in place as soon as possible, and not only for environmental reasons. The Local Plan is a really good opportunity to capitalise on the market signals shown in the new Economic

Strategy and enhance the economic base of the town. To do this we need to match the contributions of the other participating councils to the JCS process. We also need to replenish the Local Plan reserve. Although much of the evidence base for the Local Plan will be built in-house, many pieces of specialist work will need to be bought in, such as a biodiversity audit, an AONB boundary analysis and landscape character assessments to protect the settings of historic buildings. That is why this new £100,000 allocation I am proposing is so critical.

I would also like to refer to the War Memorial Restoration Scheme, for which the Council allocated £100,000 from underspends last July. This project is now going ahead thanks to the hard work of officers and partner organisations. In the next few days, we hope to appoint a conservator to carry out a detailed appraisal of the work that is necessary. I and officers met a representative of the Heritage Lottery Fund recently and we plan to submit a first stage grant application to the Fund in May. This is a project that has generated a huge amount of interest and support in the town, among people of all ages and backgrounds.

Mr Mayor, earlier I spoke of the budget as an exercise in stewardship. Prudence, security and sustainability are all at the heart of what this budget seeks to deliver.

Part of the budget papers coming before you today is a revised Treasury Management Strategy Statement and Annual Investment Strategy. This document makes a clear statement on page 1 that the Council's overriding priorities in investing funds are security and liquidity. It also makes very clear that we are operating well within our prudential indicators. These policies are a firm foundation for sound management of our investments and borrowing.

Nor are we making any rash assumptions about interest rates rising. When it happens it is likely to be a slow and faltering process and therefore we have not factored it into our budget calculations.

While I am on the subject of stewardship, can I also mention reserves. Last year I proposed that we should set up three new reserves, for the Leisure and Culture Trust, for parking income, and for business rates income. . The business rates reserve has been depleted but I am proposing that we replenish it with a contribution of £100,000. Overall, reserves remain healthy. The General Reserve remains within the £1.5 to £2 million band that we have previously decided is our optimum level.

Can I also say a word about pensions, which are a huge cost to the Council. It is vitally important that we provide for our future pension costs, following the triennial revaluation which took place last year. Consequently I am proposing that we increase our contributions to the Pension Fund by £406,000 a year for each of the next three years. This is a very large sum of money, but there really is no other prudent course of action.

Finally let me turn to the importance I believe this budget can have as a springboard to progress in the town, to new development, to new investment, and to a better future for Cheltenham.

Let me start with economic development and remind members why the Cheltenham Development Taskforce was set up six years ago. We did it because we realised that political bickering had been holding back our economic progress. It was because we realised that to advance the long term development of the town, we needed political consensus, not chopping and changing every time political control of the Council changed hands. We set up the Taskforce to bring politicians of both political parties together with the business community to find a way forward.

That strategy worked well. It enabled us to agree a redevelopment scheme for the North Place and Portland Street sites and to sell those sites for a very good price, after nearly 30 years of failure. It was also a catalyst for many other developments in the town which are being announced on an almost daily basis. Cast your eyes to the skyline and you will see cranes progressing the sites at Albion Street, Honeybourne Gate and by the end of this month at Brewery phase 2.

The council minutes record that the deal with Augur Buchler on the North Place/Portland Street sites was approved unanimously by the Council on 10th October 2011. The whole project seemed set fair until Morrisons announced that they wanted to withdraw from the scheme last month.

This is a setback but it is not a crisis. It is important for me to make three crucial points. Firstly, we received the full capital amount from the sale of the North Place and Portland Street sites over a year ago. Secondly, we are not involved in any legal dispute with either Augur Buchler or Morrisons. Thirdly, the progress towards developing the North Place site will continue. You don't abandon a journey because one of the passengers, in this case Morrisons, gets off the bus.

As a Council and as a Taskforce, we will work with Augur Buchler as the owners of the North Place site to get a viable and successful development. This is the best way we can deliver the public car park that was part of the deal. North Place is a hugely desirable development site right in the centre of Cheltenham and already companies are taking an interest.

We recognize that it is likely to take longer to bring the development to fruition because of Morrisons' withdrawal. But we are already working hard to help achieve that goal.

In doing this, it is important that we strengthen confidence in Cheltenham as a place where people can invest.

So I was shocked and deeply troubled when Mr Alex Chalk took advantage of the Morrisons setback to launch a nasty and wholly destructive attack on the economic prospects for the town. I am talking about his Echo column on 29th January. Instead of building Cheltenham up, he ran it down. He talked of Cheltenham being in neutral, when he should know that many of our local businesses are growing and making tremendous progress. He talked of a malaise affecting Cheltenham, when he should be well aware of the massive amount of investment currently going on in the town.

The fact that Cheltenham's economy is in relatively robust shape is supported by economic data from sources such as Oxford Economics, Cambridge Econometrics and Experian which show strong jobs growth at around 500 jobs per annum, a strong rate of business growth and higher business survival rates than average.

Despite all this, Mr Chalk's comments seemed designed to put businesses off investing in our town just to prove a political point. It's an utterly disgraceful and contemptible way for a local political leader to behave.

I am old enough and broad-minded enough to have known generations of Conservative leaders in this town. Sir Charles Irving and May Dent, both of them good friends of mine; John Todman; and most recently Rob Garnham. They knew Cheltenham and loved what they knew. They would never have put party political advantage ahead of the interests of the town. But that is what Mr Chalk is doing.

Let us hope that when Mr Chalk has gone back to Shepherds Bush we can get past this unhappy episode and get back to advancing the prosperity of our own.

In the meantime, we are taking steps to adjust to the fact that the North Place redevelopment including the new public car park will not happen as quickly as we previously thought by exploring options for increasing our parking revenues. One option that we are already actively pursuing is to create a new public car park on the Shopfitters and Synagogue Lane sites which will provide additional parking capacity for the town on a temporary basis. But that is not the only option we are looking at.

Finally let me turn to a broader subject, our aspirations for the future of Cheltenham. This is where our capital strategy can be a springboard for change and improvement.

In the 250 years or so that Cheltenham has been a significant town, each generation of Cheltonians have done their best to improve the town, to make it more attractive and more prosperous. That responsibility now rests on our shoulders.

We have built up a pot of capital from land sales - not only North Place and Portland Street but Midwinter and many smaller asset transactions. It gives us a once in a lifetime opportunity to invest in the future of Cheltenham. It can and should be our

legacy to future generations. That is why I have sought to engage the public of Cheltenham in deciding what our priorities should be.

Mr Mayor, some of us will remember the election slogan 'Are you thinking what we're thinking?' One of the most cheering aspects of the budget consultation is that people in Cheltenham do seem to be thinking what we're thinking. They do want Cheltenham to be a beautiful and culturally vibrant place. They do want their town enhanced, with the emphasis being on public realm, and on cultural, sports and leisure facilities. Interestingly there is even substantial support for the accommodation strategy, which at first sight has to be the least sexy capital project ever, though it does offer a huge opportunity to the people of the town.

There is a widespread impression in the town that we want to invest whole £8 million in the next year. I believe it will be a slower process than that, more a slow burn than a big bang. It will be quite some time before we know exactly where we are on Boots Corner. Projects such as the Town Hall and the crematorium will take time to prepare. And although we are active in seeking suitable alternative accommodation for the Council, bringing the accommodation strategy to fruition is not an easy task. But watch this space.

In March I will aim to bring a further report on the capital strategy, setting out how proposals will be evaluated and developed. This will be alongside an Asset Management Plan which outlines an up-to-date, comprehensive and realistic policy for managing our property assets. In the meantime, the capital programme I am presenting today is very much confined to the basic necessities as well projects we have already agreed. The main exception is the capital to improve the bus station.

I should also add that in March I will be bringing to Council a Planned Maintenance programme for 2015/16. This is normally presented at budget time, but this year we want to reassess it against the goals and policies set out in the Asset Management Plan. In the meantime, I am proposing to increase the annual contribution from the revenue budget to the Planned Maintenance Reserve from £700,000 to £850,000. It is very important that we invest adequately in property maintenance to avoid building up problems for the future.

Mr Mayor, I have always made a point when presenting a budget of thanking the officers for their help and support. I do so this year with particular warmth.

First and foremost I would like to thank Mark Sheldon, Paul Jones and the finance team for the intelligence they have brought to bear, the hard work they have done and the long hours they have put in. This year I would also like to mention Jayne Gilpin and her team in Revenues, who are now playing a bigger and more crucial role in our budget-making process. But my sincere gratitude extends much more widely than this.

I have had excellent support from the whole senior management and all the directors in meeting the challenges of this budget. I would like to pay tribute to my cabinet colleagues for their cheerful support and understanding. I would also like to thank the members of the Budget Scrutiny Working Group, the Treasury Management Panel and the Asset Management Working Party from all sides of the chamber for the valuable contribution they have made.

Mr Mayor, I started with one quotation from Groucho Marx and I will end with another. He said: 'Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly and applying the wrong remedies.' But actually I hope we are applying the right remedies in this budget – a commitment to protecting services, a push for efficiencies, an emphasis on supporting the local economy, a proper concern for prudence and sustainability, and a willingness to listen to the public. Above all, a determination not to sit on our backsides but to work hard to make Cheltenham a better place.

At a time of shrinking resources, this budget delivers a lot. Mr Mayor I commend it to you, to the Council and to the people of Cheltenham.