

## **Cabinet**

**Tuesday, 13th December, 2016**  
**6.00 - 7.10 pm**

<b>Attendees</b>	
<b>Councillors:</b>	Steve Jordan (Leader of the Council), Chris Coleman (Cabinet Member Clean and Green Environment), Rowena Hay (Cabinet Member Finance), Peter Jeffries (Cabinet Member Housing), Andrew McKinlay (Cabinet Member Development and Safety) and Roger Whyborn (Cabinet Member Corporate Services)
<b>Also in attendance:</b>	Councillor Matt Babbage, Councillor Tim Harman and Councillor Jon Walklett

## **Minutes**

### **1. APOLOGIES**

Apologies received from Councillor Clucas.

### **2. DECLARATIONS OF INTEREST**

Councillor Whyborn declared an interest in Agenda item 6 as Chair of the Trustees of St Margaret's Hall.

Similarly Councillor McKinlay declared an interest in Agenda item 6 as the Council's representative on the hall committee.

### **3. MINUTES OF THE LAST MEETING**

The minutes of the meeting held on 6 December would be approved at the next meeting of Cabinet.

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

There were no questions or petitions.

### **5. ACCESSIBILITY ISSUES**

Councillor Harman, Chair of the Overview and Scrutiny Committee, was invited to address Cabinet. He referred to an invitation the committee had received to the St Georges and St Vincent Centre where they were given an insight into some of the difficulties faced by disabled people. Following the presentation the committee gave consideration as to what the council could do within its limited powers to address some of the issues. The Chair of O&S thanked the Cabinet Member Clean and Green Environment for his input and then explained that the Committee was seeking an action plan to be produced by Cabinet with actions the council could take within its powers to make Cheltenham a beacon council for disabled access and not just toilets. This would involve working with other providers in businesses to raise awareness of the issues and manage the situation.

In response the Cabinet Member Clean and Green Environment expressed his commitment to public toilet provision in the town. He referred to the “Changing Places” facility and work was ongoing in terms of seeking available funding to make this happen in the town. He understood that it was not just about wheelchair users but also those with profound disabilities where a carer could also be accommodated in the facility so his aim would be to go further and meet the needs of a significant number of people.

Members acknowledged that the private sector had a role to play and the Business Improvement District could raise that awareness.

Members agreed that a formal Cabinet response to the report should be brought back for consideration at a future meeting of Cabinet.

#### **RESOLVED THAT**

- 1. the issues raised at Overview and Scrutiny Committee be noted.**
- 2. a formal Cabinet response to the report be brought back for consideration at a future meeting of Cabinet.**

#### **6. PROPERTY LETTINGS AND DISPOSALS TO THE THIRD SECTOR, VOLUNTARY AND COMMUNITY GROUPS**

Having declared an interest in this item Councillors McKinlay and Whyborn left the room and did not participate in the debate.

The Cabinet Member Finance introduced the report and explained that as part of this Council's wider ambitions to support a thriving voluntary and community sector, the council enabled Voluntary and Community Sector (VCS) organisations to rent its properties through offering a rent support grant scheme.

She went on to explain that the current policy was adopted in 2010 as set out in paragraph 1.2 of the report and in March 2011 the assessment scheme was approved by Cabinet with five criteria to be met by applicants with a 20% discount available on each and an additional 20% if a registered charity.

The Cabinet Member reported that through this current policy 16 organisations had been supported with a value of £200K per year in rent subsidy. She highlighted that as the current assessment scheme was based on the council's corporate priorities for 2010-11, the criteria did not reflect the current priorities of the Council. She explained that the key aim of this revision was to improve and create greater transparency in the assessment of rental subsidy grant submissions and the value added by the VCS organisations in helping to meet the council's corporate strategy outcomes.

She emphasised that appropriate rent support to community-based organisations and services could support the viability of such organisations and the services they provided to the benefit of the social and economic well-being of the town.

With applicants being able to reach 120% rental discount under the current system, there was a sense that this new approach should be introduced which would enable any rent support grants to be more carefully targeted at those organisations that could demonstrate that they could deliver the best outcomes

at best value to the tax-payer.

She asked Cabinet to consider a twin-phased approach. The maximum rent support grant that any organisation would be able to apply for would be 80% of their current market rent. The rent support grant scheme would not apply to those organisations where, for historical reasons, the rent had been set at less than market level.

That Cabinet retain discretion to award a further grant of **10%**, bringing the maximum rent support grant that any organisation could receive to 90%. This would only be in exceptional cases and any such decision would only be taken after detailed consideration of the organisation's financial and business case for the rent support.

The Cabinet Member stated that the report also set out proposals to update the assessment criteria so that it was more in-line with the council's current priorities and those of its partnerships as set out in sections 3 . Section 4 and 5 of the report set out the new assessment process and principles. She informed that the Asset Management Working Group had been consulted and they resolved to support the recommendations to Cabinet.

The Leader added that this was a valuable policy to the community in terms of the services it provided to residents and not all local authorities had such a policy. He highlighted the rigorous process which had been adapted to the council's objectives.

#### **RESOLVED THAT**

- 1. the previous policy "*Policy for Property lettings and disposals to the third sector, voluntary and community groups*" (Agreed by Cabinet in July 2010) and the associated Assessment Tool and Matrix (Agreed by Cabinet in March 2011) be terminated from the date of this meeting.**
- 2. the updated Policy for Property Lettings and Disposals to the Third Sector, Voluntary and Community Groups, attached as appendix 2 be implemented as from the date of this meeting.**
- 3. a new assessment scheme (as detailed in this report and in appendix 3) be adopted for the award of rent support grants to VCS organisations from the date of this meeting.**

#### **7. TOUR OF BRITAIN INITIATIVE**

The Cabinet Member Finance introduced the report and said that as part of the Financial Outturn report 2015/16 a budget of £100K was committed towards the hosting of the Tour of Britain for 2017. This was approved by Council in July 2016. The intention has been to maximise the benefits that could arise from hosting the event, whilst minimising the overall costs to the council, through partner contributions, sponsorship and other income streams.

She explained that the race represented a major cycling event for the UK. It

also had the potential to draw a large number of visitors and spectators, bringing considerable economic boost, increased overnight stays and provided the opportunity to showcase the town. She gave the example, of the 2013 Sidmouth to Dartmoor stage which attracted 188,000 day visitors and 62,000 overnight visitors, so a total visitor number of 250,000 who spent a reported £13,950,674 during that stage.

She highlighted that hosting such a major event, did have potential risks relating to weather conditions, success of funding activities and the continued support from other stakeholders and partners. In committing to host the event those risks should be carefully considered and these have been identified throughout the report.

To secure the hosting of the event, the council was required to satisfy contractual logistical requirements that were set out in the 'Host Venue Agreement'. These requirements were significant and involved some obligations that were not within the council's direct control (for example highways matters). The council was currently involved in detailed discussions with the county council to ensure that these requirements could be met by the county council or other appropriate body. She highlighted that it would not be possible to proceed with the contract until the detail of these matters had been resolved.

There was wide support from partners for this event to happen, however the Cabinet Member urged members to note that there remained a risk that appropriate terms or arrangements could not be reached with the race organisers and partner organisations, or if the financial risk profile changed. In these circumstances a report would be brought back to Cabinet setting out the reasons why the contract had not been signed, which would likely result in the event not being held in Cheltenham.

The recommendation being put before Cabinet was not to sign the contract but to allow that delegated authority be given to proceed and do so should all of the considered risks be answered.

Members felt this was an exciting event which should be supported providing that the risks were mitigated. The Cabinet Member said that the race was going through Gloucestershire so it was vital that the county discussions were right.

The Leader added that the Business Improvement District were also supportive of the event. He believed that, if successful, the event could be built upon in the future but acknowledged that there was much work to do.

#### **RESOLVED THAT**

**the Managing Director Place and Economic Development in consultation with the Cabinet Member Finance and Leader of the Council, subject to the satisfactory finalisation of outstanding contractual issues, be authorised to enter into a suitable contractual agreement with Tour of Britain Limited to host the Tour of Britain finish event on the 9th September 2017.**

#### **8. GENERAL FUND REVENUE AND CAPITAL- INTERIM BUDGET PROPOSALS 2017/18 FOR CONSULTATION**

The Cabinet Member Finance introduced the report and reminded Members that in the current exceptionally difficult national funding situation, the overriding financial strategy had been, and remained, to drive down the Council's costs.

The key aims in developing this approach to the budget were to:

- Do everything possible to protect frontline services with a modest increase in council tax
- Identify savings that could be achieved through reorganisation of service delivery or raising additional income rather than through service cuts.

The Cabinet Member informed the meeting that the council had taken up the offer of a four year settlement from central government and the decision to grant this was received on 16 November. It should be noted that in applying for a multi-year settlement the Council was guaranteeing a minimum settlement allocation, not a fixed allocation. She referred Members to the table at 2.7 which illustrated the proposed levels of government funding for the council.

Between 2009 and the present there had been an unprecedented squeeze on finances. Government core funding for the council had been reduced from £8.8 million to £3.1 million a year. The proposed settlement for 17/18 was indicating a further reduction of 17.5 % or £0.677 million in cash terms. To address these reductions without cutting services, radical changes had already been embraced in the way services were organised.

With regard to retained business rates In April 2017, a new rating list would come into effect which would impact each business rate property in the borough and, would impact upon the value of business rates collected. Under the Scheme, this volatility was expected to be smoothed by an adjustment to the "tariff" set by central government.

The Cabinet Member highlighted that a significant level of risk remained due to the volume of outstanding business rates appeals which were being processed by the Valuation Office. She reported that the Council had made provision for its share of the cost of outstanding appeals in its financial statements. The level of provision would be reviewed as part of the preparation of the business rates estimates for 2017/18 in January 2017.

The amount of New Homes Bonus (NHB) used to fund the base budget was capped at £1.75 million in 2016/17, with the excess bonus (c. £0.400 million) contributing to the Council's New Initiatives Fund, deferred REST savings, the Community Pride scheme and other one-off supported growth schemes. The interim budget proposals for 2017/18 maintained the capped amount of £1.75 million.

The Cabinet Member explained that for 2018/19 onwards, it was assumed that NHB of c. £1.9 million could be payable. This value reflected the following: the scale of housing development expected in the Borough; that NHB would be awarded for 4 years rather than the current 6 years; and provided for the introduction of some further changes to the scheme which were yet to be determined by government, once this was received further modelling would be carried out and confirmed in the budget proposals for the February Council

meeting.

She reported that for 2013/14 through to 2016/17, the value of grant awarded to the 5 parish councils for Local Council Tax Support was £10,269. Funding for LCTS was “rolled” in to the Revenue Support Grant and the Retained Business Rates Baseline Funding Position. As Government funding reduced, the Council was under increasing pressure to reduce the funding available for Local Council Tax Support available to the parish councils. However, in order to give parish councils a degree of financial stability and give them the assurance they required to set their own precepts, once again it was not proposed to pass on any reductions in 2017/18, although it was likely reductions would commence in 2018/19.

The Cabinet Member said that looking at the uncertainties surrounding the future of NHB, which represented a significant proportion of the council’s income, and the actual final local government settlement which was not likely to be announced until January 2017, and could place a number of the council’s discretionary services at risk, consideration as to the level of council tax increase which was sustainable, without creating an increased risk of service cuts and/or larger tax increases in the future was necessary. Therefore, at this stage the proposal was for an increase in council tax in 2017/18 of £5.00 for the year for a Band D property.

She went on to explain that in preparing the interim budget proposals, a general philosophy of no growth in services unless there was a statutory requirement or a compelling business case for an ‘invest to save’ scheme was being proposed. The full list of proposals for growth, including one off initiatives, was included in Appendix 3.

As in previous years, the budget for the coming year was the result of a great deal of activity and hard work throughout the year. The interim budget proposals for closing the budget gap in 2017/18, which was the result of this work, was detailed in Appendix 4.

The Bridging the Gap programme and the commissioning process had helped to move towards a robust four-year strategy for closing the funding gap. The work done on leisure and culture services, shared services with partner councils, management restructuring and the accommodation strategy, as well as a number of smaller pieces of work, had given the council the opportunity to think ahead over a period of several years, rather than planning its budgets a year at a time.

The Cabinet Member referred to the third recommendation of the report and amended the reference to Section 7 to Section 6. She then wished to put on record her thanks to all staff, particularly the leadership team and the specific support provided to her by the Section 151 Officer.

Finally, the Cabinet Member Finance informed members of a letter that had been sent by the District Councils Network expressing serious concerns about the future of the New Homes Bonus which may go beyond the 6-4 years reduction in order to find £800m for adult social care. It was encouraging district councils to seek support from their local MP by setting out to Government what

NHB had enabled the council to do in terms of investment in supporting infrastructure and the delivery of homes where they were needed most.

The Leader added that this was a sensible approach which should be supported. He reiterated thanks to officers in producing the interim budget proposals for consultation.

#### **RESOLVED THAT**

- 1. the interim budget proposals be approved for consultation including a proposed council tax for the services provided by Cheltenham Borough Council of £197.12 for the year 2017/18 (an increase of 2.60% or £5.00 a year for a Band D property).**
- 2. the growth proposals be approved, including one off initiatives at Appendix 3, for consultation.**
- 3. the proposed capital programme at Appendix 6 be approved, as outlined in Section 6.**
- 4. authority be delegated to the Section 151 Officer, in consultation with the Cabinet Member for Finance, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for consultation.**
- 5. consultation responses be sought by 13<sup>th</sup> January 2017.**

#### **9. HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL-REVISED BUDGET 2016/17 AND INTERIM BUDGET PROPOSALS 2017/18 FOR CONSULTATION**

The Cabinet Member Finance introduced the report and explained that the Government's rent reduction policy resulted in Cheltenham Borough Homes (CBH) having to make provision over the next four years to mitigate the £6.7 million rental income loss up to 2020. Government proposals beyond this date were unknown.

She explained that the approach CBH had taken was a balanced one, making management and maintenance savings of £1.7 million, realigning the capital programme therefore reducing their outlay up to March 2020 by £2.7 million, the use of reserves totalling £2.2 million also some smaller cost savings of £100,000

CBH were still able to maintain existing service levels, retain the decent homes standard, continue delivery of the major windows and doors replacement, complete the new build programme up to March 2018 whilst leaving £1.5 million in reserves for contingency.

The Cabinet Member added that a number of future challenges due to significant changes in government policy that have not yet be finalised, would have an impact which was yet to be determined, with the details outlined in the report.

Appendix 4 outlined the property improvements and major repairs as part of the capital programme for the next two years. She highlighted that it remained unclear whether the additional operating surpluses forecast in the previous 30 year business plan would be restored after 2020 and there was the potential unknown impact of the high value asset sales. Therefore, until these two key areas became clearer the focus would be on the medium term.

The Cabinet Member Finance thanked CBH's finance team for ensuring that the challenges they faced would still include new builds and deliver the same level of service to tenants.

The Cabinet Member Housing stated that CBH was mindful of the risks as outlined in the risk assessment. He also highlighted the plans and progress section of the report and the wide array of work it was still able to undertake which was of great credit to it as an organisation. This was endorsed by the Leader who thanked CBH for the great work it undertook on behalf of the town.

#### **RESOLVED THAT**

- 1. the revised HRA forecast for 2016/17 be noted.**
- 2. the interim HRA budget proposals for 2017/18 (Appendix 2) be approved for consultation including a proposed rent decrease of 1% and changes to other rents and charges as detailed within the report.**
- 3. the proposed HRA capital programme for 2017/18 as shown at Appendix 3 be approved.**
- 4. authority be delegated to the Section 151 Officer, in consultation with the Cabinet Member for Finance, to determine and approve any additional material that may be needed to support the presentation of the interim budget proposals for consultation.**
- 5. Consultation responses be sought by 26<sup>th</sup> January 2017.**

#### **10. BRIEFING FROM CABINET MEMBERS**

The Cabinet Member Housing referred to the briefing note which had been included in the agenda pack and explained that the Safeguarding Review had been postponed due to the strands of work which were ongoing which would better inform the policy once completed. He also referred to the Serious Case Review which would be published that week and he was due to have a meeting with the Director of Children's Services, Gloucestershire County Council and the Detective Superintendent of Public Protection. He undertook to keep Members informed of discussions.



**11. APPLICATION FOR DESIGNATION OF A NEIGHBOURHOOD AREA AND NEIGHBOURHOOD FORUM BY THE WEST CHELTENHAM NEIGHBOURHOOD FORUM**

The Leader introduced the item and explained that it was being taken as urgent due to the legal period in which a response to the application needed to be provided by the council. The Cabinet Member Development and Safety introduced the update report from the Director of Planning and One Legal which had been circulated in advance of the meeting. He referred to the debate held at the 6 December meeting of Cabinet and the concerns expressed relating to that part of the proposed neighbourhood area between the existing urban area and the Borough boundary at the west of Cheltenham. The issues being that the proposed neighbourhood area would bisect the existing ward boundaries and the emerging West Cheltenham Strategic Allocation as proposed by the emerging JCS main modifications. The Cabinet Member highlighted that on the basis of the regulations Cabinet must make a decision to either refuse the application or approve it. To inform Cabinet, officers had agreed to contact Tewkesbury Borough Council and the relevant parish councils and their response was that Tewkesbury BC and the parishes were currently looking into the issue and would be submitting their own plans in due course. Concern had also been expressed that the proposed neighbourhood area would cover only part of the Strategic Allocation and urged Cheltenham BC to defer making a decision. However, as outlined in the report, a further deferment was not an option.

In terms of tonight's decision the Cabinet Member Development and Safety explained that the concerns expressed last week remained and believed that the application was premature and the proposals were not sufficiently formed to take forward. He expressed his full support for the neighbourhood planning process yet regretfully the application could not be supported as it currently stood and therefore proposed that the application be rejected on the basis that the allocation of West Cheltenham in the main modifications of the JCS had not yet been adopted and the neighbourhood area proposed was only part of the strategy. The Cabinet Member emphasised that if Cabinet chose to reject then nothing precluded the applicant from bringing back an application at a future date. However, if it was accepted in its current form then there could be no certainty of alternative proposals coming forward in the future.

Members expressed their reluctance in not being able to approve the application at the current time but this was due to circumstance and timing. They fully supported the neighbourhood planning process and believed it would be sensible to have something in place as soon as practical.

The Planning Policy Team Leader clarified that there were two separate decisions to be taken. He highlighted that if there was approval for a neighbourhood forum there would have to be a neighbourhood area. His professional advice was that the application met the basic criteria for being a neighbourhood forum, having for example at least 21 members who live or work within the area proposed and a written constitution. He advised that the neighbourhood forum could be accepted by Cabinet but the area could be refused if this did not represent an appropriate area due to the concerns expressed concerning ward and allocation boundaries. Cabinet was empowered to designate a smaller area that that applied for if it considered it appropriate to do so. If Cabinet took the view that it did not recognise the

neighbourhood forum this should be on the grounds that the application for the forum was not valid. In response the Leader said it was not possible to agree the forum for that area as it did not represent an appropriate or recognised neighbourhood area. Utilising ward boundaries would be an appropriate starting point for neighbourhood planning. If Cabinet chose to reject both the application for the forum and the area then clear reasons should be stipulated.

The Cabinet Member Development and Safety stated that it was impossible, in his view, to move forward due to the lack of clarity and thus maintained that the application should be rejected on both points. Members supported this approach and said that it was important to get neighbourhood planning right and for those particularly in West Cheltenham the JCS represented a difficult plan. However Members emphasised their support for the neighbourhood planning process.

The Leader added that the council should be proactive in continuing to work with the people in the area concerned and Tewkesbury BC as well as ward councillors, to support the creation of a designated forum and area.

**RESOLVED THAT**

- 1. The designation of the West Cheltenham Neighbourhood Forum area for the purpose of preparing a Neighbourhood Development Plan be rejected**
- 2. The designation of the West Cheltenham Neighbourhood Forum as neighbourhood forum for that area be rejected.**
- 3. It be noted that Cabinet is very keen to continue a dialogue on this, to support the creation of a forum and area.**

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

**RESOLVED THAT**

**in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining agenda items as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3, Part (1) Schedule (12A) Local Government Act 1972, namely:**

**Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)**

**13. HAM HILL**

The Cabinet Member Finance introduced the report and explained the background to the land and its current limitations. Members considered the report and

**RESOLVED THAT**

- 1. the Ham Hill land is marketed for sale and offers sought by sealed bid either for the whole site or for individual parcels, in order to achieve best consideration**
- 2. the Head of Property and Asset Management in consultation with the Borough Solicitor and the Cabinet Member for Finance be authorised to dispose of the Land for 'best consideration'**
- 3. the Borough Solicitor be authorised to conclude such documents as she considers advisable and appropriate to conclude the transaction on the terms negotiated by the Head of Property and Asset Management**

**Chairman**