

## **Cabinet**

**Tuesday, 7th February, 2017  
6.00 - 6.30 pm**

| <b>Attendees</b>    |   |
|---------------------|---|
| <b>Councillors:</b> | Steve Jordan (Leader of the Council), Flo Clucas (Cabinet Member Healthy Lifestyles), 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) |

## **Minutes**

**1. APOLOGIES**

There were no apologies.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**3. MINUTES OF THE LAST MEETING**

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

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

There were none.

**5. FINAL GENERAL FUND REVENUE AND CAPITAL BUDGET PROPOSALS  
2017/18 (INCLUDING SECTION 25)  
RESOLVED THAT**

**This item be deferred until 24 February Special meeting of Cabinet**

**6. FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS  
2017/18  
RESOLVED THAT**

**This item be deferred until 24 February Special meeting of Cabinet**

**7. TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL  
INVESTMENT STRATEGY 2017/18**

The Cabinet Member Finance introduced the report which had been circulated with the agenda. She explained that the council under the CIPFA code must report annually on its treasury management strategy statement and its prudential indicators and the report incorporated the annual investment strategy which is also a requirement.

The Treasury Management Panel (TMP) had recommended that Cabinet

approve this report and forward it to Council. The treasury & annual investment strategy statements were clearly set out in Appendix 2, and the Minimum Revenue Provision at Appendix 4.

She highlighted the revisions made to the lending list in Appendix 3 and the use of Repo/Reverse Repo as a form of securitised lending and was pleased that this had the support of the TMP.

She gave thanks to council officers and advisors for their achievements. Since the budget monitoring report in September the investment income had improved for 16/17 and was currently showing as a £12,800 surplus above the budget.

The Cabinet Member Healthy Lifestyles asked whether given that PWLB rates were rising gently and the volatility of the current international financial situation, would it be a good time for the Council to use PWLB to make investments in Cheltenham to meet the requirements of the town and the council. The Section 151 Officer advised that this would be possible but there had to be an evidenced need for borrowing based on incurred or imminent capital expenditure and the council could not make a speculative application.

#### **RESOLVED THAT**

**Council be recommended to approve the attached Treasury Management Strategy Statement, Annual Investment Strategy for 2017/18 at Appendix 2, 2017/18 Lending list at Appendix 3 and MRP policy statement for 2016/17 and 2017/18 at Appendix 4, including :**

- **The general policy objective ‘that Council should invest prudently the surplus funds held on behalf of the community giving priority to security and liquidity’.**
- **That the Prudential Indicators for 2017/18 including the authorised limit as the statutory affordable borrowing limit determined under Section 3 (1) Local Government Act 2003 be approved.**
- **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.**
- **The use of Repo/Reverse Repo is accepted as a form of securitised lending.**

**For 2016/17 and 2017/18 in calculating the Minimum Revenue Provision (MRP), the Council will apply a modified Option 1 in respect of supported capital expenditure to repay the debt in equal instalments over 35 years and Option 3 in respect of unsupported capital expenditure, adjusted from 2017/18 by the use of capital receipts to repay debt associated with capital loans as per paragraph 24 in Appendix 4.**

**8. BUDGET MONITORING REPORT 2016-17-POSITION AT DECEMBER 2016**

The Cabinet Member Finance introduced the third financial monitoring report giving the position statement for the financial year 2016/17. The purpose of the report was to notify members of any known significant variations to budgets for 2016/17 and highlight any key issues.

The table at 2.1 summarised the net impact of the variances identified at this stage in the financial year, for anything over 50K and areas with volatile income trends.

With regard to the Housing Revenue Account (HRA), the final budget report for 2017/18 showed the revised forecasts for the current year updated to December 2016. The only amendments to the October figures were a further anticipated saving of £49,600 on repairs and maintenance. Overall capital expenditure was expected to be £74,500 lower at £11,583,100, reducing revenue contributions by the same amount. These variations increased the forecast revenue reserve at 31st March 2017 by £124,100 to £6,176,100.

The monitoring report for the collection of council tax and business rates (NNDR) income was shown in Appendix 5 and indicated the position at the end of December 2016 and the projected outturn for 2016/17.

In conclusion, the net effect on the general fund of the variances reported was a forecast net underspend against the budget of £110,737 for 2016/17. The continued impact of the changes in government funding arrangements and the economic climate presented particular concerns for the Council's budgets. It was clearly important to ensure that budgets continued to be closely monitored over the coming months with a view to taking action at a future date, if necessary.

Cabinet and Council would decide in July 2017, when the outturn is finalised, how to apply any potential further savings. However it was recommended that any underspend identified on outturn be transferred firstly to the Budget Deficit (Support) Reserve and secondly to support general balances, bearing in mind the need to keep the level of reserves robust and the uncertainty surrounding future budget funding gaps, as outlined in the Council's Medium Term Financial Strategy report.

The Cabinet Member Healthy Lifestyles commended the council tax officers for their sterling work in maintaining the high rate of collection referred to in Appendix 5.

The Leader commended the excellent financial control which the report demonstrated by officers across the council.

**RESOLVED THAT**

- 1. the contents of this report including the key projected variances to the 2016/17 budget and the expected delivery of services within budget be noted.**

**2. the budget virements to the 2016/17 budget, as detailed in Appendix 7 be approved.**

**3. Council be recommended to approve a contribution of £110,737 to the Budget Deficit (support) reserve, as detailed in paragraph 10.1.**

**9. REVIEW OF HACKNEY CARRIAGE FARES**

The Cabinet Member Built Environment introduced the report which explained that section 65 of the Local Government (Miscellaneous Provisions) Act 1976 permitted the council to set fares for hackney carriage or taxi vehicles licensed by it. The council had adopted a fare formula which was used annually to calculate the running costs of a licensed hackney carriage vehicle. He highlighted that there had not been a fare increase since November 2013 as the calculated increases would be too small to be practically reflected. However the cumulative percentage increase since the last fare adjustment in 2013 had resulted in a proposed 6% increase. The report asked Cabinet to approve readjustment of the current maximum fares and the new tariffs which were set out in Appendix 2.

**RESOLVED THAT**

**1. the proposed maximum fare increase for hackney carriages be approved; and**

**2. authority be delegated to the Director of Environment to carry out the necessary advertising requirements to comply with section 65 of the Local Government (Miscellaneous Provisions) Act 1976; and**

**3. Subject to there being no substantive amendments being made following consultation, authority be delegated to the Director of Environment to adopt the proposed fares.**

**10. BRIEFING FROM CABINET MEMBERS**

The Cabinet Member Corporate Services was pleased to announce that the council had been successful in its recent reassessment for Investors in People and had retained its award. This was important as it demonstrated that the council considered its staff to be its biggest asset and invested in them accordingly. It would be reassessed in three years time.

The Cabinet Member Built Environment announced that the Cheltenham Local Plan had been put out for informal consultation over the next six weeks. This document sat beneath the Joint Core Strategy which would be debated at Council on Friday. This was an opportunity for residents to put forward their views on the draft document before the formal consultation and he encouraged everybody to give their feedback by following the link on the council's website.

The Cabinet Member Housing indicated that he would be attending an important affordable housing conference on Friday and therefore would be giving his apologies for Council. He updated members on his recent first-hand experience of rough sleeping in Cheltenham and he was pleased that this had helped to raise awareness of the current crisis across the county with strong support from local media. It had provided him with a good insight of the issues and problems and he would share his ideas with colleagues at a future date

once he had had time to reflect on his experience.

The Cabinet Member Healthy Lifestyles noted that the Public Art Strategy for Cheltenham was currently being reviewed and one of her aims was that it should celebrate the achievements of legendary females which was currently lacking. She advised that plans were being drawn up for a revamp at Leisure@ which would be reported to Council in March. She hoped that the project could then move forward as it would have a major benefit for families in the town.

The Leader announced that the government had launched a White Paper on housing and commended the Cabinet Member Housing for highlighting the rough sleeping issue. He referred to the imminent retirement of Rob Bell and wished to formally note the council's thanks for the huge amount of work that he had done for the council and for the town in both his previous role and in his current role as Managing Director of Ubico.

**11. CABINET MEMBER DECISIONS TAKEN SINCE THE LAST MEETING OF CABINET**

|          |  |  |
|----------|--|--|
| 13/12/16 | Cabinet member<br>Clean and Green<br>Environment | Procurement of kerbside sort recycling vehicles  |
| 13/01/17 | Cabinet Member<br>Finance                        | To appoint Emmdee Electrical to upgrade lighting and electrical infrastructure within communal areas of CBC sheltered accommodation and general needs block of flats |
| 23/01/17 | Leader   | Appointment of new Managing Director of Ubico Limited  |
| 3/02/17  | Leader   | Ubico Ordinary Resolution-extension of the existing arrangements with various support service providers for 12 months  |

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

**13. EXEMPT MINUTES**

The exempt minutes of the meeting held on 13 December 2016 were approved and signed as a correct record.

**Chairman**