

Cabinet

Tuesday, 6th November, 2018
6.00 - 6.40 pm

Attendees	
Councillors:	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), Alex Hegenbarth (Cabinet Member Corporate Services), Peter Jeffries (Cabinet Member Housing) and Andrew McKinlay (Cabinet Member Development and Safety)

Minutes

1. APOLOGIES

There were none.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 9 October were approved and signed as a correct record.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

None.

5. IMPLEMENTATION OF ADOPTED WAV POLICY FOR HACKNEY CARRIAGES

The Cabinet Member Development and Safety introduced the report which set out the outcome of the consultation on the revised licensing policy for taxi and private hire licensing in Cheltenham. He highlighted that in addition to the formal consultation, a number of mitigation arrangements were proposed for Cabinet approval as outlined in paragraph 5 of the report. This included accepting the trade representatives request that the council consider waiving new licences fees for proprietors who would be required to change the vehicles. It also included exemptions to be put in place to allow saloon hackney carriage vehicles to re-license as private hire vehicles. This would include the ability for silver hackney carriage saloon vehicles older than 5 years to be licensed as private hire vehicles and would only apply to a single vehicle and not to subsequent vehicles.

The Cabinet Member reported the minor changes to the adopted policy document as outlined in paragraph 6 i.e. updating the policy document to refer to the adoption of the use of the national Register of Taxi Licence Revocations and Refusals and the implementation of the changes to the local knowledge training day.

The Cabinet Member then went on to highlight the paragraphs in the Government action plan of August 2017 with regard to taxi and private hire drivers adjustments for disabled access. There was a less than consistent approach nationwide but this proposed policy was clear with no loopholes. The Cabinet Member also made reference to Appendix 4 and the specification of WAV.

In response to a question with regard to the national register the Cabinet Member confirmed that this was freely available to all licensing authorities and was to be welcomed.

The Leader believed the policy was a sensible way forward and wished to put on record his thanks to the Cabinet Member and all officers involved.

RESOLVED THAT

- 1. the proposed vehicle specification at appendix 4 be adopted ;**
- 2. the proposed mitigation arrangements as set out in paragraph 5 be approved;**
- 3. the other changes outlined in paragraph 6 be approved; and**
- 4. authority be delegated to the Licensing Team Leader to make the necessary changes to the adopted licensing policy and procedures, subject to the outcome of this report and its recommendations.**

6. LOCAL COUNCIL TAX SUPPORT SCHEME

The Cabinet Member Finance introduced the report and explained that in April 2013 the council introduced its local council tax support scheme. She explained that council tax support for pensioners was not localised and continued to be provided for by a national scheme and in Cheltenham there were approximately 2,400 of pension age.

She explained that council tax support was given to around 6,000 households in Cheltenham at an annual cost of just under £6m. This included working and pension age claimants. Approximately 60% (3600) of those households were of working age. The cost of the council tax support scheme was met by this council and the precepting authorities.

The Cabinet Member reported that based on 2017/18 data, CBC was one of 37 councils out of 326 whose local council tax support scheme had not been amended to date to reflect reduced government funding.

The Cabinet Member then went on to explain that Cheltenham became a full Universal Credit area in January 2018.. As the number receiving Universal Credit increased, the administration of calculating local council tax support entitlement became greater. This was because Universal Credit was reassessed on a monthly basis and any changes in income would mean that a different level of income needed to be taken into account for assessing council tax support. A change in the level of council tax support, however small, meant

that a revised council tax bill needed to be issued. Issuing revised bills on a monthly basis was not sustainable for this authority or for those in receipt in managing their budgets.

The Cabinet Member informed Members that a consultation exercise on proposals for a revised council tax support scheme for 2019/20 was undertaken from 25 July until 9 September 2018 and was widely promoted. 130 people responded to the consultation which was considered a good response when compared to some other councils. Consultation was also undertaken with Gloucestershire County Council, Gloucestershire Police and the parish councils. The responses to the consultation had been analysed as outlined in appendix 3. Together with the income and household composition of the current council tax support caseload, these responses had been used to design the proposed scheme which was summarised in appendix 2.

The Cabinet Member explained that the income bands set the percentage discount to be awarded based on the level of household income. The overriding aim of the scheme was to:

- Protect the most vulnerable individuals and families by continuing to provide 100% support to those on the lowest income
- Provide some financial support to low income individuals and families, based on their level of income
- Minimise the number of changes to the amount of support awarded and therefore the amount of council tax payable due to monthly Universal Credit reassessments
- Reduce the overall cost of the scheme to the taxpayer

The scheme was based on 5 income bands with the highest band providing support at 100% of the council tax liability, then reducing to 80%,60%,40% and 20% as household income increased.

Once the scheme was considered by Council in December the Revenues and Benefits team would notify all those claimants who would be affected by the change to make them aware that they would face an increase in council tax in 2019/20. When council tax bills were issued in March next year further letters would be sent with bills to explain payment options.

The Cabinet Member referred to the Equality Impact Assessment for the proposed scheme in appendix 4. This had been undertaken once the consultation had finished and analysed at which time the proposed scheme was designed.

The Cabinet Member wished to put on record her thanks to all those who had responded to the consultation and to the significant contribution officers had made.

Members welcomed the scheme and its focus on protecting the most vulnerable and were pleased that the discretionary hardship scheme had been included.

Finally, the Leader noted that the scheme would continue to protect the vast majority with two thirds of current claimants still eligible. He believed this was a fair outcome.

RESOLVED THAT

- 1. the outcome of the consultation on proposals to change the Local Council Tax Support scheme in Appendix 3 be noted**
- 2. the council tax support scheme for working age customers summarised in Appendix 2 be approved as the preferred option for 2019/20 and the Head of Revenues and Benefits be instructed to prepare the full scheme operating conditions**
- 3. Council be recommended to approve the proposed Local Council Tax Support Scheme for working age customers for 2019/20.**

7. QUARTERLY BUDGET MONITORING REPORT JULY-SEPTEMBER 2018

The Cabinet Member Finance introduced the report, the purpose of which was to notify members of any known significant variations to budgets for 2018/19 and highlight any key issues. The table at 2.1 summarised the net revenue impact position of the variances identified at this stage in the financial year, of anything over 50K and areas with volatile income trends, the detailed reasons illustrated in paragraphs 2.2 to 3.1

The Cabinet Member reported that there were no variances to report in the Housing Revenue Account (HRA). HRA capital of the existing stock showed the current forecast for capital expenditure on existing stock was £7,666,000, a reduction of £396,000 in comparison to budget (£8,062,000). Within that figure there had been the following significant project variations:-

- External Works (£143,000 reduction from budget of £543,000).
- Windows & Doors (£121,000 reduction from budget of £2,425,000)
- Door Entry Systems (£95,000 reduction from budget of £130,000)

In terms of the HRA capital on new builds or acquisitions as set out in 6.4 the Cabinet Member Finance drew members' attention to the fact that good progress on development sites in both 2017/18 and the current year had reduced the pressure to identify potential acquisitions this year. It was proposed that any unspent budget would be rolled forward as required into 2019/20.

The monitoring report for the collection of council tax and business rates income was outlined in Appendix 2. She wished to pay particular thanks to the Head of Revenues and Benefits and her team as a predicted collection rate of over 98% did not happen without a lot of proactive hard work.

In conclusion the Cabinet Member stated that the net effect on the general fund of the variances reported was that the outturn position was expected to be delivered within budget.

The Cabinet Member Development and Safety referred to the projected £65k overspend for the High St Public Realm works but highlighted that this was a worse case scenario as due to delays by contractors some costs were likely to be recovered. He also made reference to the off street car parking income and that the overall position was likely to be £70k surplus above budget which would be a significant net contribution to balances.

RESOLVED THAT

the contents of this report including the key projected variances to the 2018/19 budget and the expected delivery of services within budget be noted.

8. BUDGET STRATEGY AND PROCESS 2019/20

The Cabinet Member Finance introduced the report and explained that this would be the final year of the four year funding settlement. She reported that in July this year the government released a technical consultation on the local government finance settlement for 2019/20 to which this Council made a formal response. The headlines from that consultation were:

- Confirmation of the 4 year offer as set out in 2016/17;
- Under the council tax referendum principles, the flexibility to increase council tax by the greater of up to 3% or £5 based on a Band D property; The medium term financial strategy was already predicated on the basis of a 2.99% increase
- A proposal to remove negative Revenue Support Grant (RSG) in full via the governments share of business rates receipts; The removal of this would equate to an increase in funding of around £390K
- Proposals to increase the baseline target for New Homes Bonus (NHB) which was currently 0.4%; if there was an increase in the baseline target it could negate this benefit. An increase to 0.6% would reduce our funding by c. £100k whereas an increase to 0.8% would equate to a reduction of c. £200k and effectively mean no additional NHB would be received in 2019/20 despite the fact that Cheltenham delivered an additional 368 new homes for occupation over the last 12 months.
- An invitation to bid for a pilot programme for 75% business rates retention for 2019/20. Gloucestershire had applied to the government to pilot the 75% Business rates retention. She reported that an important change to the 75% pilot scheme was that there would **not** be a “no detriment” clause. Under the existing pilot, this had ensured that Gloucestershire was no worse-off than the individual authorities would have been in aggregate under the 50% scheme. She explained that significant growth had been achieved across the pool since business rates retention commenced in 2013/14. Detailed modelling acknowledged the significant financial risk that the NHS appeal created, but also acknowledged that this Council could not mitigate this risk by being outside the pool or pilot. The modelling actually acknowledged that there would be a greater financial risk to the council if it were to leave the existing pool.

The MTFS projections were in the process of being updated to reflect the best estimates of the financial pressures impacting on the Council. The estimate of the funding gap for 2019/20, based on the previous iteration of the MTFS was £2.096m. As in the previous year, given the current uncertainty surrounding business rates retention, new homes bonus and the Ubico contract sum, it was prudent to defer the full publication of the MTFS to the Cabinet meeting in December as part of the interim budget proposals. This would enable the Cabinet to react positively to any changes announced and ensure that the MTFS was robust and fit for purpose.

The Cabinet Member explained that part of the drive towards financial

sustainability included identifying new opportunities to generate income and investment in projects which provided good financial returns. The commercial strategy aligned closely with other key strategies including place-making, economic growth, digital transformation, workforce and skills development, investment and asset management. This sent out the combined message that Cheltenham Borough Council had entered a new era of business enterprise, growth and innovation. CBC would work with partners who shared the council's ambition and values and would continue to put the best interests of Cheltenham residents at the heart of everything.

The Cabinet Member Finance elaborated that in February this year some aspirational targets were set which had already resulted in overachieving the new revenue income target through the adoption of the car parking strategy, development of a new crematoria, and the acquisitions of 4 new commercial investment properties Ellenborough House, Sainsbury's, Café Nero and 53-57 Rodney Road. In addition, investment in public realm across the town had attracted major new businesses such as John Lewis and Partners and Urban Outfitters which had a positive effect on both business rates income and the vibrancy across the town.

The Cabinet Member explained that the Budget Scrutiny cross party working group would continue to support the budget process and she referred to the proposed key stages in the process for setting the budget for 2019/20 at Appendix 2.

Finally, she stated that In the current exceptionally difficult national funding situation, the Cabinet's overriding financial strategy had been, and remained to drive down the Council's net costs via a commercial mind-set. The aim was to hold down council tax as far as possible, now and in the longer term, while also protecting frontline services from cuts – an immensely challenging task in the present climate with so much uncertainty surrounding future funding.

In concluding the Cabinet Member wished to thank officers for their commitment and exceptionally hard work.

RESOLVED THAT

- 1. the budget setting timetable at Appendix 2 be approved.**
- 2. the budget strategy outlined in section 5 be approved**
- 3. the estimated funding gap of £2.096m in 2019/20 and the large amount of work done so far to close this gap be noted.**
- 4. the intention for this Council to remain in the Gloucestershire Business Rates Pool in 2019/20 as outlined in section 6 be noted and that it be noted that Gloucestershire has applied to the Government to pilot 75% Business Rates Retention in 2019/20.**
- 5. the Section 151 Officer and the Cabinet Member for Finance be requested to consider suggestions from the Budget Scrutiny**

Working Group in preparing the interim budget proposals for 2019/20 as outlined in section 7.

9. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Healthy Lifestyles informed that she had awarded £5k to the Cheltenham Film Festival which would take place in May/June 2019. She hoped that in line with other funding, this would provide young people and the university with the opportunity to present films.

The Cabinet Member Healthy Lifestyles advised that a Member Seminar would be taking place on Wednesday giving an assessment of childrens' needs in Cheltenham which formed part of the year of action.

She also told Cabinet that she had attended a workshop the previous week with Social Enterprise UK which examined the role of social value in contracts. A full report would be forthcoming in March 2019.

The Cabinet Member Healthy Lifestyles paid tribute to the hard work involved in the events being hosted as part of the Cheltenham Remembers project. She thanked officers, the Everyman Theatre, the Cheltenham Trust, Service organisations, University of Gloucestershire and Evenlode Productions as well as Layla Mann who had undertaken much research for the project.

The Cabinet Member Development and Safety informed that Phase 1 of the High Street project which included the work outside John Lewis was now complete. This acted as a template for ongoing High Street works. This was the first time that the council had undertaken major public realm works using skills inhouse. It had been a very valuable learning experience and he congratulated all those involved.

The Leader reported that all three JCS councils had now adopted the JCS Issues and Options and the CIL recommendations. The JCS Issues and Options would now be subject to consultation from 12 November to 11 January 2019.

10. CABINET MEMBER DECISIONS TAKEN SINCE THE LAST MEETING OF CABINET

Cabinet Member Housing	Council response to the government's Social Housing Green Paper	https://democracy.cheltenham.gov.uk/ieDecisionDetails.aspx?ID=1145

Chairman