

Cheltenham Borough Council

Cabinet

Minutes

Meeting date: 23 December 2025

Meeting time: 12.00 pm - 12.25 pm

In attendance:

Councillors:

Paul Baker, Mike Collins, Rowena Hay, Peter Jeffries, Izaac Tailford and Richard Pineger

Also in attendance:

Claire Hughes (Director of Governance, Housing and Communities) and Gareth Edmundson (Chief Executive)

1 Apologies

Apologies were received from Councillors Atherstone, Clucas and Lewis.

2 Declarations of interest

There were none.

3 Minutes of the last meeting

The minutes of the Cabinet meeting held on 16 December will be approved at the next meeting.

4 Public and Member Questions and Petitions

There were none.

5 General Fund Revenue and Capital – Interim Budget Proposals 2026/27 for Consultation

The Cabinet Member for Finance and Assets apologised for the delay in bringing this item, which he said was due to the late government settlement and necessary

adjustments to the funding formula resulting in a huge amount of work for the finance team. He highlighted the following points:

- we are witnessing the transfer of the burden of funding local government to local tax payers - in some ways a good thing, but coming with many limitations and less freedom than we would like;
- the three-year settlement is welcome but a double-edged sword, effectively a real-terms funding cut, in addition to which the potential cost of local government reorganisation - likely to be around £2m – cannot be factored into the budget;
- all reports, and the Q2 figures, point to £1.171m being required to balance the budget. A whole host of reviews will be underway in the coming weeks to close the gap, with protection of front-line services and our most vulnerable residents the main priority, as always. It will be a challenge, but we have faced and overcome similar challenges before.

Members thanked the excellent finance team and Cabinet Member for all their hard work in getting the report ready in such a short time and in such difficult circumstances, and made the following comments:

- it is disappointing that the government has published these figures so late, and appalling that funding is being cut when costs are going up, placing a greater burden and challenges on local authorities – CBC is a well-run council but others will struggle;
- the thoughts of residents and partners will be welcome - it is important that they engage with their town and council - to be followed in the new year by discussions on how we can protect and support our mandatory and discretionary services and work;
- it is noted that CBC is proposing a council tax increase of 2.99%, well below the maximum 5.99% it could charge. It is frustrating to read online comments which suggest that residents are being charged more and services are being cut, but this is not the case – CBC is not proposing the maximum increase, is not cutting any statutory services, and will hopefully be able to maintain its many discretionary services through this budget. It will be interesting to see what comes back from the consultation.

The Cabinet Member for Finance and Assets confirmed that the three-year settlement is transferring the cost of local government to councils, with 75% of estimated income coming from local taxation. The reduction in government funding means that the only way to protect local services is to put up council tax, but CBC's increase is capped at 2.99% and would require a referendum to raise it any higher.

Members made further comments as follows:

- these are really challenging times for officers and Cabinet Members, with so many issues to consider, not least the last-minute nature of the settlement which would not be contemplated in the business world;
- with the year-on-year reduction in government funding, CBC income will be reduced by £1.4m over three years, and with council tax increase capped at 2.99%, we are yet again looking for ways to protect and save frontline services;

- engagement and consultation will help inform our decisions in setting the budget, and Cabinet Members will have to discuss with officers where any cuts can be made, rather than looking at ways to grow and invest as they would like to do. There is a lot of hard work ahead, but CBC can hopefully continue with its great record here, with creative accountancy and thinking outside the box;
- we are all concerned about the need to find a potential £1-2m for local government reorganisation from our own budget over the next two years, and in addition, many residents are worried about any additional tax or levy they may have to pay for a future town or parish council;
- it seems that CBC is being punished for being a progressive, business-orientated council which has done well over the last 20 years, and it will have to use its abilities and intelligence to rebuild and remain as successful.

In response to a Member's question about the fact that local government finance is cut every year and when this started, the Cabinet Member for Finance and Assets said there seems to be a continuing cycle of reorganisation and re-assessing finances, started by the previous government and continued with the current one. He added that it seems ludicrous that the government will make the decision about local government reorganisation but is not going to pay for it.

Thanking Members for their comments, he said it should be made very clear that cuts to services are not being proposed – it is all about balancing the budget. The reduction in government funding always comes with the presumption that council tax can and will be raised, and while as a liberal democrat council we always finds a way to balance the budget and invest in the town, the government is limiting our ability to do this.

The Leader added the following comments:

- in the past, we had growth budgets, but where these still exist they are a necessity, and do not provide any opportunity to deliver on ambition;
- in 2016, it was realised that CBC could no longer rely on council tax income, and the decision was made to become a 'commercial council', investing in the town and a diverse property portfolio within a five-mile radius. Without this, we would not be in our current strong position; the legal obligation to bring in a balanced budget has been addressed by realigning our priorities rather than cutting services. We have undoubtedly had to make cuts over the years – this is one of the reasons why Cheltenham Trust was created, to deliver non-statutory, discretionary services which we have always worked so hard to protect - but with our commercial mindset, we have not been afraid to take hard decisions;
- the three-year settlement has been badged as 'fairer funding' but it feels that some authorities are getting huge increases while others, including those in the south-west and London, do not come off well.

The Cabinet Member for Finance and Assets thanked Members for their comments, and the finance and leadership teams for their hard work in these challenging and unusual times.

RESOLVED THAT:

1. the interim budget proposals for consultation are approved, including a council tax increase of 2.99% for 2026-27, in line with the Local Government Provisional Finance Settlement;
2. the growth proposals at Appendix 3 are approved;
3. the proposed capital programme at Appendix 5 is approved;
4. the Leadership Team is tasked with developing proposals to balance the 2026/27 budget;
5. consultation responses will be sought by 31 January 2026.

6 Briefing from Cabinet Members

There were no updates on this occasion.

7 Cabinet Member decisions since the last meeting

Two Members presented decisions taken since the previous meeting on 16 December:

- i. [Renewal of lease at St James Car Park](#)
Cabinet Member for Finance and Assets, Councillor Peter Jeffries
- ii. [To award a contract to Smith's \(Gloucester\) Ltd](#)
Cabinet Member for Waste and Recycling, Parks, Gardens and Green Open Space, Councillor Paul Baker