

Cabinet

Tuesday, 16th December, 2014

6.10 - 6.55 pm

Attendees	
Councillors:	Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Finance), Rowena Hay (Cabinet Member Healthy Lifestyles), Peter Jeffries (Cabinet Member Housing), Andrew McKinlay (Cabinet Member Development and Safety), Jon Walklett (Cabinet Member Corporate Services) and Chris Coleman (Cabinet Member Clean and Green Environment)

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 meeting held on 9 December would be approved at the January meeting of Cabinet.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

There were no questions or petitions.

5. GENERAL FUND REVENUE AND CAPITAL-INTERIM BUDGET PROPOSALS 2015/16 FOR CONSULTATION

The Cabinet Member Finance introduced the report which set out the Cabinet's interim budget proposals for 2015/16 for consultation. He explained that it was a difficult time for all councils. Core government funding for Cheltenham had been cut by £5 million since 2009/10 and there was likely to be a further grant reduction of 15.3 % in the coming year. Due to the robust local economy the council had a larger share of business rates of approximately £700 k. In terms of efficiency savings £686 k had been incorporated into this year's budget due to the restructuring of senior management, shared services, GOSS procurement and £284 k from the Cheltenham Trust.

The Cabinet Member Finance highlighted the importance of commissioning and shared services which were generating £2.6 m of savings annually and by 2018/19 this would amount to £10.4 m. It was being proposed to freeze Council tax and car parking charges in addition to the weekly charge for the Lifeline service. He reported that there had been an increase in New Homes Bonus income but a cautious approach in its use would continue due to uncertainty about its sustainability longer term. Accordingly the amount of NHB being directly taken into the revenue budget would be 68 % of the total expected income in 2015/16. It was proposed that the remainder should be earmarked for

one off or time-limited spending and £400k would be set aside to fund the initial cost of the restructure for Vision 2020. One off uses included £50 k to support the Community Pride fund. It was also proposed that the council would continue to contract CHAC for its outreach work with the homeless.

The Cabinet Member Finance took the opportunity to thank the Finance Team, in particular Mark Sheldon and Paul Jones, for their work and sense of corporate focus in developing the medium term financial strategy. Public consultation would take place and would be on the website and in leaflets and this year there would be specific consultation on the list of potential capital schemes in the capital programme which represented a real opportunity for residents to help shape the future of Cheltenham. He informed that an open forum on the budget would be held on January 15 2015 at 7pm in the Council Chamber and all were invited to attend.

The Leader added his thanks to all who had been involved in the process. He noted that in previous years consultation had been low as no particularly significant changes had been proposed. This year however there was an exciting opportunity for residents to express their views on the serious projects detailed in the proposed capital programme.

RESOLVED THAT

- 1. The interim budget proposals were approved for consultation 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).**
- 2. The growth proposals, including one off initiatives at Appendix 3, be approved for consultation.**
- 3. The proposed capital programme at Appendix 6, as outlined in Section 7 be approved.**
- 4. Authority be delegated to the Director of Corporate Resources, 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, including responses to potential wider investment priorities, be sought by 26th January 2015.**
- 6. It be noted that the Council will remain in the Gloucestershire business rates pool for 2015/16 (para 2.7)**

6. HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL REVISED BUDGET 2015/15 AND INTERIM BUDGET PROPOSALS 2015/16 FOR CONSULTATION

The Cabinet Member Finance introduced the report which summarised the Housing Revenue Account revised forecast for 2014/15 and the Cabinet's interim budget proposals for 2015/16. He made the following points :

- there had been an increase in the surplus for the year of £58k compared to the original estimate and this was despite an increase in repair and maintenance costs.

- Expenditure of £4.5 million to enhance capital expenditure on existing stock
- Investment of £6.7 million in property improvements and major works
- £400 k invested in services for tenants including the vulnerable and those impacted by welfare reform
- Healthy reserves of £2 million
- £188k income had been generated from the feed in tariff due to the investment in solar panels.

He congratulated CBH on these achievements.

The Cabinet Member Finance reported that rents would be increased in accordance with the Government rent formula meaning a 2.2 % increase and would take effect when a property is re-let.

The Cabinet Member Housing added that tenant satisfaction was high. He made particular reference to the value placed on the additional services and support provided by CBH with regard to welfare reform. He paid tribute to the CBH new build programme and the significant investment in housing stock. CBH had undertaken its own consultation with tenants and these comments had been taken into consideration.

RESOLVED THAT

- 1. The revised HRA forecast for 2014/15 be noted**
- 2. The interim HRA budget proposals for 2015/16 be approved for consultation including a proposed rent increase of 2.2% and increases in other rents and charges as detailed at Appendix 5.**
- 3. The rent for all properties be converted to formula rent on re-letting.**
- 4. The proposed HRA capital programme for 2015/16 be approved as shown at Appendix 3.**
- 5. The transfer of £2m to an earmarked revenue reserve be approved to finance future new build in the HRA.**
- 6. Authority be delegated to the Director of Resources, 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.**
- 7. Consultation responses be sought by 29th January 2015.**

7. A 2020 VISION FOR JOINT WORKING

The Leader of the Council introduced the report which summarised the progress which had been made on the 2020 Vision for Joint Working since Cabinet had received a report in June 2014. He explained that due to cuts in the Council's core funding from central Government which were expected to continue beyond the next election, there was an ongoing need to find savings. The Council had

been very proactive to date in responding to the challenge of reduced funding and had been successful in delivering savings and additional income from its approach to commissioning of services including sharing services with partner councils. It was now being proposed to progress the partnership with the GO councils. The Leader reported that the consultants Activist had provided a detailed report on the options on how the project should progress and there were some initial recommendations which required further work. A further report would be considered in September 2015 in terms of any recommendations for future governance arrangements of the partnership venture and which services would be included.

The Leader also reported that the Council was undertaking some work with regard to alternative options. This work would be concluded in the New Year and would be taken on board as part of the Vision 2020 process.

He also added that the Vision 2020 work had attracted £3.8 m of Government funding which had been received in 3 tranches. This funding would facilitate further work which was required.

The Leader reported that in the meantime various issues had been raised for consideration including the importance of democratic input from members and scrutiny and which services would be included. In terms of the latter it was important to instigate the commissioning process not on the basis of the savings which could be generated but in terms of the distinctiveness of the service for Cheltenham.

The Leader also made reference to the Regulatory and Environmental Services (REST) project which was running alongside the Vision 2020 process.

In summing up he stated that there was no quick fix but hard work and investment was required through the process. He was aware of concerns and unease which had already been expressed but this was the sensible approach at this stage in the process.

Members that spoke in support of the project recognised the savings that GO had achieved above and beyond what had been anticipated and the annual savings of £1.759 m annually from all shared services. It was now important to carefully consider further the Vision 2020 project so that the council could still provide existing services and it was important to involve and engage with members.

Some Members, whilst acknowledging that in the current financial climate further efficiencies were required and that the delivery of shared services had been successful, believed that it should not be assumed that all shared services would experience the same success. The decision to proceed with Vision 2020 should be taken with full information of the risks and issues involved. It was pointed out that the risk assessment in the report covered the risks of not pursuing this route but did not consider the risks of taking this course of action. It was also essential to take account of the uniqueness of Cheltenham as an urban council compared to the other partners. In this respect the REST project was important to ensure that services could be fully resourced and delivered and this may not solely be applicable to regulatory services. The collection of existing shared service arrangements should also be clarified as the partners were not always the same. Any process which was being followed now should be compared to an alternative which should be equal in importance. It was

important for Cheltenham to have the best possible service delivery arrangements recognising its needs and interests and to facilitate decisions on this each and every Member should have the fullest information in order to make a sensible decision.

The recent LGA peer review process was highlighted in terms of the need for proper scenario planning which emphasised that Plan B should be fully considered. It also recognised the specific culture in Cheltenham and praised the political leadership of the Council which was a credit to all Members of the Council. Taking a lead should be very high up on the agenda. Some members also highlighted that there should be full and proper scrutiny of Vision 2020 and the Plan B Option. The principle of joint working was supported but democratic accountability was essential. As an example it was questioned whether joint working in the context of the Joint Waste Committee was being properly scrutinised.

In summing up the Leader recognised the unease of some members. He highlighted that the commissioning arrangements being pursued in Vision 2020 was not necessarily a "one size fits all" approach but would be different in design. Part of the work being undertaken in "Plan B" incorporated what services should be included and excluded. He also understood the concerns expressed with regard to existing shared services as each one operated slightly differently with varying degrees of complexity. It was important therefore to undertake further work on achieving a more standard approach. Finally he stated that all members would need to know how they could input into the design of the services and how they should operate. In addition the involvement of scrutiny was paramount to the process. The Leader believed that the decision at this stage was an appropriate step and partners were trustworthy in approach.

RESOLVED THAT

- 1. A shared services partnership venture be established in early 2015 between the 4 authorities, managed by a joint committee operating under a Memorandum of Understanding (for an interim period pending a further report being considered in the autumn of 2015 as set out in Recommendation 1.8)**
- 2. It be noted that a further report be brought back to the Council to finalise the Memorandum of Understanding**
- 3. The 2020 Programme Board be authorised to allocate the principal roles of Interim Lead Commissioner, Interim Managing Director of the partnership venture and the appointment of the Programme Director**
- 4. The principle of the two principal interim roles, the heads of paid service in each authority, and the Programme Director sharing collective responsibility for the successful delivery of the programme be agreed.**
- 5. The creation of a project to develop effective commissioning arrangements for each authority be agreed, including exploring the potential for sharing commissioning functions where possible**

6. The review of the statutory posts of Head of Paid Service, Monitoring Officer and S151 officer be endorsed during the course of the 2020 Vision implementation programme including the potential for sharing where appropriate and practical with further reports to be considered by each Council as appropriate
7. The principles and recommendations proposed in the Activist report as set out in Appendix 2 to this report be endorsed
8. That a further report be considered in the autumn of 2015 regarding any recommendations for the future governance arrangements of the partnership venture

Council be recommended to approve

9. As part of the 2015-16 budget process, the total allocation of £1.095M one-off funding over 5 years as set out in section 6 of this report.

8. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Healthy Lifestyles informed members that the balance of £40 k from the Health and Equalities Fund from the County Council was open for the second round of bidding which would close at the end of January.

Chairman