

Council

Friday, 11th February, 2011
2.30 - 6.45 pm

Attendees	
Councillors:	Anne Regan (Chair), Barbara Driver (Vice-Chair), Garth Barnes, Ian Bickerton, Nigel Britter, Chris Coleman, Tim Cooper, Bernard Fisher, Jacky Fletcher, Wendy Flynn, Rob Garnham, Les Godwin, Penny Hall, Colin Hay, Rowena Hay, Diane Hibbert, Sandra Holliday, Peter Jeffries, Steve Jordan, Robin MacDonald, Paul Massey, Helena McCloskey, Andrew McKinlay, Heather McLain, Paul McLain, John Rawson, Diggory Seacome, Duncan Smith, Malcolm Stennett, Charles Stewart, Klara Sudbury, Lloyd Surgenor, Pat Thornton, Jon Walklett, John Webster, Paul Wheeldon, Simon Wheeler and Roger Whyborn
Also in attendance:	Sara Freckleton, Andrew North and Mark Sheldon

Minutes

1. PRAYERS

Reverend Maz Allen opened the meeting with a prayer.

2. APOLOGIES

Apologies had been received from Councillors Wall and Teakle.

3. DECLARATIONS OF INTEREST

Councillors Rawson and Seacome both declared a personal interest as Council appointed non-voting members on the Cheltenham Festivals Board and Council appointed members on the Cheltenham Arts Council.

Councillor Sudbury declared a personal interest as a Council appointed member on the Cheltenham Arts Council.

Councillors C.Hay, Walklett, Wheeldon and Driver all declared a personal and prejudicial interest in agenda item 13 (HRA) as Board Members of Cheltenham Borough Homes.

Councillors Stennett and Fletcher declared a personal and prejudicial interest as Directors of Gloucestershire Airport, were it to be discussed during the Budget debate.

4. TO APPROVE AND CONFIRM THE MINUTES OF THE LAST MEETING

Upon a vote it was unanimously

RESOLVED that the minutes of the meeting held on the 13 December 2010 be agreed and signed as an accurate record.

5. PUBLIC QUESTIONS

No public questions were received.

6. APPOINTMENT OF MAYOR ELECT AND DEPUTY MAYOR 2011/12

The Chief Executive introduced the report as circulated with the agenda.

He informed Council that in accordance with the Council's constitution the appropriate procedures to seek the appointment of Mayor and Deputy Mayor for the Municipal year 2011-2012 had been put in place.

As a consequence Councillor Driver as Deputy Mayor for 2010-2011 would become Mayor and Councillor Smith had indicated his willingness to be put forward as Deputy Mayor for 2011-2012.

Upon a vote it was unanimously

RESOLVED that Council note the Order of Precedence in Appendix 2 and that Councillor Barbara Driver and Councillor Duncan Smith would be put to the Annual Council Meeting for election as Mayor and Deputy Mayor respectively for the municipal year 2011-2012.

7. COMMUNICATIONS BY THE MAYOR

The Mayor welcomed members of the public which included three apprentices who had been invited to observe proceedings.

She reminded all members of the Parisienne Party Night to be held at the Town Hall on Saturday 5 March 2011 in aid of the Mayor's charities and encouraged all members to attend.

The Mayor informed members that a batik sponsored by the Everyman Theatre and created and donated by the Cheltenham Sahara – Saheli women's group (the name means supportive friends) had been donated to hang in the Municipal Offices.

8. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader took the opportunity to wish Councillor Driver and Councillor Smith good luck as Mayor Elect and Deputy Mayor respectively for 2011-2012.

He had recently reviewed the timetable which detailed the Joint Core Strategy consultation. This would include member seminars, which would be organised in a matter of weeks and which he hoped members would attend.

9. MEMBER QUESTIONS

The following responses were given to the Member questions received:

1.	Question from Councillor Seacome to Cabinet Member Sustainability
	<p>In the light of the shocking state of the cleanliness of some of our streets, can the relevant Cabinet member tell us if there is money for a regular scheduled plan of street cleansing throughout the whole year across the town, but particularly tailored to certain times of the year when accumulated detritus fills gutters, and potentially the drains (autumn for instance)?</p>
	Response from Cabinet Member Sustainability
	<p>The council will spend £841,200 in 2011/12 to keep Cheltenham's streets free of litter and refuse. There are no plans to reduce expenditure next year. As part of this service officers work with residents to clear streets of parked cars and, in conjunction with Gloucestershire Highways, thoroughly clean gutters and drains. This is particularly important during the autumn months when there is the most demand for this type of cleaning operation.</p> <p>In a supplementary question, Councillor Seacome said the key word in the response was "residents" as in Lansdown it was the commuter parking in the vicinity of the station that caused the problem. Did the Cabinet Member have any plans to cleanse these areas on a systematic basis to address the commuter problem?</p> <p>The Cabinet Member said there were a number of hotspots in the town which included the railway station as well as locations of take-away's and shopping centres. These hotspots were cleaned more frequently than other streets and if any member thought there were problems in a particular area they should contact officers at the depot so that the problem could be dealt with.</p>
2.	Question from Councillor Duncan Smith to Cabinet Member Sustainability
	<p>Can the Cabinet Member confirm how many people have paid up for the new green waste service at the cessation of the previous free scheme on 31st January? How many households will have to pay up by April 1st in order for the cabinet to hit the numbers used in the FY 11/12 budget proposals?</p>
	Response from Cabinet Member Sustainability
	<p>As at 31st January approximately 5,800 households had paid for the new garden waste collection service. This number has increased to over 6,500, with 50 to 60 orders being received each day, which is in excess of that expected by 31/03/11. The target set for 31/03/12 is 20,000 households.</p> <p>In a supplementary question, Councillor Smith asked the Cabinet Member how he could be certain that the assumptions made in the budget about the revenue generated by this scheme will hold true when</p>

	<p>he has no idea what the usage was on the free scheme, no idea how many properties will sign up and no idea what he is doing? Isn't this uncertainty the biggest risk factor for the Cabinet's budget delivering on its promise to balance the books?</p> <p>The Cabinet Member refuted the suggestions made and said that he was advised by experts. The assumptions on take-up were based on widespread knowledge of other authorities and he had no reason to deviate from the current forecasts.</p>
3.	Question from Councillor Duncan Smith to Cabinet Member Sustainability
	What are the implications of no longer providing free doggie bags and what operational changes will be made as a result of this decision?
	Response from Cabinet Member Sustainability
	<p>The vast majority of dog owners are responsible citizens who will continue to clean up after their pet. Consequently, no significant operational change is necessary other than increased enforcement presence in areas where dog fouling is perceived to be a problem.</p> <p>In a supplementary question, Councillor Smith asked whether the Cabinet Member accepted that the provision of free doggie bags has encouraged dog owners to pick up after their animals and has helped keep the streets clean? Why hasn't he brought forward funding for the extra work that will be required by the street cleaning teams and the dog warden as our streets and parks become increasingly covered in dog muck?</p> <p>In response the Cabinet Member said that the scheme had originally been introduced to encourage dog owners to clear up their mess at a time when this was not common practice. It is now a very different situation and people were well used to the practice and it was reasonable to expect owners to cover the cost of looking after their own dogs.</p>
4.	Question from Councillor Duncan Smith to Cabinet Member Sustainability
	Does the Cabinet Member think that the streets of Cheltenham are cleaner or dirtier than they were 4 years ago?
	Response from Cabinet Member
	<p>Cleaning the streets of Cheltenham is a significant challenge, particularly with a thriving evening entertainment sector and higher than average footfall compared to other town centres. However, the national performance indicator 195 shows a reduction in for litter and detritus from 12% in 2007/08 to 8% in 2009/10. This therefore suggests that the streets are no dirtier now than they were 4 years ago.</p> <p>In a the supplementary question, Councillor Smith suggested that may be the case in Up Hatherley but if the Cabinet Member had a good look round the rest of the town, he would that things are much worse than they were 4 years ago – Why has he not put forward proposals to improve the frequency and effectiveness of street cleaning in Cheltenham and does</p>

	<p>he think the streets will be cleaner or dirtier in 2 years time as a result of his inaction?</p> <p>In response the Cabinet Member advised members that a retargeting exercise had been carried out in 2010 and as a result resources had been dedicated to town centre areas and other hot spots. Special arrangements could be made to clear streets for cleaning of both residents and commuters cars and this had already been done in the St Paul's area. Again he encouraged members to report any problems to officers at the depot.</p>
5.	Question from Councillor Duncan Smith to Cabinet Member Sport & Culture
	<p>What is his assessment of the the impact of withdrawing the £109k grant to Cheltenham Festivals at one go rather than phasing it out over 3 years?</p>
	Response from Cabinet Member Sport & Culture
	<p>In 2010/11 the Council gave Cheltenham Festivals a grant of £109,000 while Cheltenham Festivals gave the Council £101,200 in commission for the Box Office. The Council's net balance to Cheltenham Festivals was £7800.</p> <p>The 2011/12 budget proposes to make no grant to Cheltenham Festivals but will receive no income from Cheltenham Festivals for Box Office commission. Thus the reduction in net balance will be £7800.</p> <p>It is my assessment that the reduction of £7800 will be of limited impact on a successful company with a multi million pound turnover.</p> <p>In a supplementary question, Councillor Smith asked the Cabinet Member to explain to Council why the request from Sir Michael McWilliam for transitional funding had not been listened to? Does he not understand that the loss of festivals in Cheltenham will impact on local jobs, local businesses and local residents?</p> <p>In response the Cabinet Member reminded members that the budget did contain a £140,000 investment for improvements in the Montpellier and Imperial Gardens which would enable users and Cheltenham Festivals to use the parks more effectively. He was committed to maintaining the high level of all the festivals in the town and not just Cheltenham Festivals and encouraging a wider audience.</p>
6.	Question from Councillor Duncan Smith to Cabinet Member Finance & Community Development
	<p>Can the Cabinet Member detail what representations he has personally made to government ministers in relation to the poor financial settlement that CBC has received?</p>
	Response from Cabinet Member Finance & Community Development
	<p>The council formally responded to the formula grant review in October 2010, the provisional Finance settlement in December 2010 and the final</p>

	<p>settlement in January 2011.</p> <p>The responses covered the lack of clarity and timing of the level of cuts, the unfairness of the £1m contribution to formula damping and the removal of the total £2.25m spend on concessionary fares, including the £171k spent on local discretions i.e. 9:00 – 9:30 start and disabled taxi vouchers. We also raised the concern that we have been given a settlement for the next two years, but not for the following two years as originally promised and the difficulty this created in firming up the Medium Term Financial Strategy.</p> <p>In the interim period myself and the Chief Finance Officer met Cheltenham's MP on Monday 24th January to raise the issue of the settlement and how he could help us press our case and, in particular, the way in which concessionary fares had been dealt with. Information used for the meeting was also sent to Lawrence Robertson MP.</p> <p>The final financial settlement for the coming financial year was £22k better than had originally been the case.</p> <p>In a supplementary question, Councillor Smith said that he understood from the answer given that the Cabinet Member has made no personal representations to government ministers himself. If I am wrong, can he detail those representations and circulate them to all members as a matter of public record?</p> <p>In response the Cabinet Member repeated that he had made a formal response but he had not talked personally to ministers who were far more engaged in the national budget.</p>
7.	Question from Councillor Duncan Smith to Cabinet Member Sustainability
	Can the Cabinet Member give any advice to the residents and visitors to Charlton Kings as to where they may go for a wee after he has closed their public toilet?
	Response from Cabinet Member Sustainability
	<p>Negotiations are taking place with other potential service providers in this area.</p> <p>In a supplementary question, Councillor Smith said that given that Cabinet Members have promised that the council will put together a list of private and community facilities that may be used instead of the closed facilities – How long will they have to hold on until he has worked out what is going to be available for them?</p> <p>In response the Cabinet Member said negotiations were ongoing but were well advanced. There would be a report back at Outturn on the public toilet situation and more detailed figures about investment could be supplied at that time.</p>
8.	Question from Councillor Duncan Smith to the Leader of the Council

	Can he confirm which Cabinet Member will be attending the Olympics briefing for SW councils on 14 March?
	Response from the Leader of the Council
	The council will be represented at the meeting but exactly who will attend will be decided in due course.

10. ART GALLERY AND MUSEUM DEVELOPMENT SCHEME

The Cabinet Member Sport and Culture introduced the report as circulated with the agenda.

The development of the Art Gallery and Museum (AG&M) had been a long standing issue for the Council since the initial outline proposals in 2005.

There were no issues with the current scheme, however, recent changes with the Heritage Lottery had resulted in the need to ensure that that the fundraising campaign either secured or had underwritten £5,500,000.

The report sought approval by Council to underwrite any shortfall to the £5,500,000 funding required for the development scheme, up to a maximum of £922,000 and subject to a wholly successful Heritage Lottery Fund bid of £750,000.

The Cabinet Member Finance and Community Development confirmed that Cabinet fully supported the development scheme, which he felt was more practical than that proposed by the previous administration. He did however reinforce the prudential borrowing risks detailed within the financial implications of the report.

Councillor Smith felt that the recommendations were sensible given that they underpinned the guarantees required by the HLF.

The following responses were given by the Cabinet Member Sport and Culture to questions from Members;

- He was not aware of specific details of meetings with individual groups, which had included disabled groups, but he could arrange for the minutes to be incorporated into the report and Members were assured that access and practical usage issues had been addressed.
- Risk 1.02 in Appendix 1 related the risk of the development scheme being aborted and was being managed through ongoing dialogue with the media and key stakeholders. The Gloucestershire Echo had already written some very favourable articles. It was felt that the public and stakeholders may be sympathetic to the current economic climate and reduction in funds since the original development scheme was proposed.

Upon a vote it was unanimously

RESOLVED that:

- 1. Subject to a wholly successful Heritage Lottery Fund bid, underwriting of any shortfall to the £5,550,000 funding required for the Development Scheme up to a maximum of £922,000 be approved.**
- 2. The final project cost of £6.3m as outlined in the report be approved.**

11. SECTION 25 REPORT

The Chief Finance Officer referred Members to the Budget papers as circulated with the agenda. He explained that under Section 25 of the Local Government Act 2003 he was required to report to the Council on the robustness of the estimates made for the purposes of setting the Budget and the adequacy of the proposed financial reserves.

The Council was under a statutory obligation to have regard to this report when making its decisions on the proposed Budget.

The Chief Finance Officer gave a presentation on his Section 25 report (*copies of this presentation are available from Democratic Services*).

The Chief Finance Officer then responded to questions on the report as follows;

- A member queried whether the £197k grant from the Government in respect of the Council Tax freeze could be jeopardised if Parish Councils were to raise their Council Tax?
 - The grant was independent of the County Council, Police Authority and Parish Councils precepts.
- What was the breakdown of the £500k reported reduction in target for car parking income?
 - The shortfall was made up of £365k of parking fees and £135k of fines.
- Should members be concerned about the organisation's capacity to deliver on the Bridging the Gap programme (BtG) referred to in section 5.12 and did this present a major risk?
 - The section 25 report was emphasising the challenge of the programme and resources were closely monitored. £80K of additional capacity building funding had been agreed by Council as part of the Section 4 report on commissioning to target resource hot-spots.
- Did the statement in section 8.5 imply some risks were not being addressed and if so which ones?
 - Significant risks were detailed in the Corporate Risk Register. Risk management was now far more embedded in the organisation and in services and the corporate risk register was reviewed on a monthly basis by the Senior Leadership Team.
- What had happened the £1.6m returned to the Council to date from the Icelandic Banks and where would any future recoveries be used?
 - Any returns were not a bonus and were part of the annual £400m of council's cash flow.

- Why was the Section 151 Officer insisting that the reserves were not be used to off set cuts despite the comments of the Secretary of State?
 - All reserves were earmarked for a specific purpose and only the general reserve was available for non specific purposes. Using earmarked reserves would therefore be at the expense of current programmes and, given the financial outlook, the level of the General reserves needed to be maintained. His role as CFO was to recommend prudent levels for those reserves.
- What were the CFO's views on the use of prudential borrowing to further waste management as detailed in the budget report?
 - Under the move to International Financial Reporting Standards, the council would be obliged to represent any leasing arrangements as borrowing on the council's balance sheet and in the prudential indicator borrowing limits. This had necessitated a review of all the council's leases many of which were associated with vehicle fleets such as refuse vehicles and the option of purchasing rather than leasing new vehicles has been considered. Buying vehicles would give the council more flexibility in the coming years as it moves forward with joint waste shared service arrangements
- Section 5.9 refers to rejected options – why were these not subject to scrutiny as part of the budget process
 - These were included in the budget papers last year but a different approach was taken this year. Many of the options put forward were not ones that Cabinet members even wanted to consider. Including the numerous options considered in the budget papers would not add value to the council in setting he budget and council tax.

Upon a vote it was unanimously

RESOLVED that the contents of the Section 25 report be noted and regard given to it when setting the budget and level of council tax for 2011/12.

Members retired for tea at 3.50pm.

12. FINAL GENERAL FUND BUDGET PROPOSALS 2011/12

Members returned at 4.10pm.

The Mayor, to facilitate the presentation of the Budget, proposed suspension of certain rules of debate, namely:-

- That the time limit on speeches is relaxed with regard to the following speeches
- Cabinet Member Finance and Community Development when moving the motion to adopt the budget being proposed by the Cabinet.
 - Group leaders or Group spokesperson when making budget statements on behalf of their group.

The Cabinet Member Finance and Community Development and Group Leaders could also speak more than once in the debate (in addition to any rights of reply etc) for the purpose of putting and answering questions.

This was agreed by Council.

The Cabinet Member Finance and Community Development referred Members to the joint report of himself and the Chief Finance Officer as circulated with the agenda. The report summarised the revised budget for 2010/11 and Cabinet's final budget proposals for 2011/12 following consultation.

The Cabinet Member Finance and Community Development introduced the budget proposals with a detailed speech (Appendix x).

The Cabinet Member Finance and Community Development moved acceptance of the 2011/12 Budget as set out in the report. The motion was seconded by Councillor Jordan, who reserved his right to speak.

The Cabinet Member Finance and Community Development then responded to questions on the proposed Revenue and Capital Budget, with some input from the relevant Cabinet Members;

- Why under the new waste collection scheme, were areas such as Lansdown Road considered differently?
 - It was recognised that areas such as Lansdown Road had a large amount of multiple occupation housing and didn't necessarily have storage at the front or rear of the building to house additional bins. All residents would be offered this service but some tailor made solutions were required.
- With dwindling resources and the cost of maintaining the Municipal Offices, when would Cabinet accept the benefits of moving to a new location?
 - Cabinet were awaiting a report on the accommodation strategy but in reality, the Municipal Offices were relatively cheap to occupy and as such there was doubt about whether major savings would be achieved by such a move. Overview & Scrutiny Committees would be given the opportunity to comment on the report.
- Why was it taking such a time to arrange new management for the various park cafes, surely this didn't bode well in view of strategic commissioning?
 - All cafes would be open by Race Week (15-18 March) and this had always been the timescale to which officers had been working. A significant amount of effort had gone into finalising arrangements with the new contractors.
- The Council Tax freeze was shown as a cost incurred and not a grant in future years, why was this?
 - The £197k grant that had been received from Government in support of the council tax freeze was shown in Appendix 2. The MTFS at appendix 11 took consideration of marginal changes over the next 5 years which indicated that the £197k grant would cease in 2015/16.
- Were Cabinet effectively putting this grant into Asset Management to pay for maintenance of council buildings?
 - This was not the case.
- How did Cabinet intend to bridge the cumulative shortfall of £1.5m in 2015/16?

- All services would be reviewed to assess how things could be done more efficiently and cost effectively. This was the only way forward.
- Were Cabinet monitoring the use of Council owned car parks and had they considered reducing fees, to increase usage?
 - Ticket sales were monitored and Cabinet had not considered reducing parking fees in CBC car parks as local businesses had indicated that current levels were acceptable.
- The £58k associated with abolishing South West Councils was included in the draft budget but had been omitted from the final proposals, why?
 - The £58k was included to cover any potential pensions liability if South West Councils should be abolished. Indications were that 30 out of 41 local authorities had expressed their support for the future arrangements for South West Councils. Consequently this provision was no longer necessary.
- What would be the approach to the cutting of grass verges beyond 2011-2012?
 - This was a serious issue for Cheltenham and the council would be negotiating with Gloucestershire Highways when the contract ended next year.
- Original proposals had suggested that the 2.5% increase in grant from Government in support of the council tax freeze would be a two year deal. If this was the case, why wasn't it included in the MTFS?
 - Whilst a two year deal may have formed part of the original proposals this has yet to be firmed up. As such, no assumptions had been made about the grant being repeated in future years.

Councillor Smith on behalf of the Conservative Group gave his response to the budget. He accepted that the budget was a result of external circumstances affecting all local authorities. He gave thanks to the work of the Bridging the Gap group and to all the staff who had the challenge to deliver the savings. Whilst acknowledging the challenge of producing a balanced budget in those circumstances he also had concerns that some of the proposals in the budget would put the standing of Cheltenham at risk, providing people with no reason to want to live, visit or invest in the town.

He took issue with the claim that the Budget had been consulted widely, when in actual fact there had been very little public response to the proposals published in December. The art of a good budget was finishing past commitments as well as planning for the future and he felt this budget demonstrated a loss of direction.

Some of the key reasons that he was unable to support the budget were;

- The street cleaning proposals ignored the need to change the service and demonstrated a lack of understanding of the issues being faced by residents.
- The proposal to cease providing dog bags was a short sighted one which failed to acknowledge the success of the initiative. He was not confident that the impact of this decision had been fully considered and felt that residents would suffer as a consequence.

- The impact on the outreach work carried out by the Everyman Theatre. Geoffrey Rowe, Chief Executive of the Everyman Theatre had attended a meeting of the Social and Community O&S Committee and confirmed that outreach work would reduce as a result of the proposed reduction in grant. This would make Cheltenham's cultural offering unattainable to many of those who can't afford to get involved.
- Community groups had not been properly consulted regarding the proposals for the flowerbeds and the impact on visitor numbers had not been assessed.
- In the relation to verges, Gloucestershire County Council had always funded 5 cuts annually, which CBC had complimented with an additional 10 throughout the year. He queried whether Cabinet had fully considered the safety issues of overgrown verges, which could be 14 inches in height in some places and the impact on the aesthetics of Cheltenham.
- The assumptions made about the new (chargeable) green waste system posed the biggest risk to the budget. The Cabinet Member Sustainability had been unable to confirm to what extent the free service was currently being used and as such the targets could prove unachievable.
- Cabinet were using the transfer of Concessionary Travel to Gloucestershire County Council as the reason for cancelling the taxi voucher scheme for people with disabilities, but this was a CBC commitment made to residents of Cheltenham.
- He could accept the rationale for the closure of some public toilets but stressed that Overview & Scrutiny Committees had been promised a list of alternatives, which was yet to materialise and were now told that this would be ready for the mid term outturn report? His understanding was that many of those businesses that had been approached had shown reluctance to the idea.
- The Council had entered into a partnership to raise funds for the Brizen Young's people centre to deliver the extension and business plan and yet, were now reneging on it at a critical time in this transition period. Couldn't the £45k being used to support the Warm and Well project have been used to support Brizen for another year?
- Whilst he welcomed the commitment to invest £140k into the gardens, he felt that without a transitional grant to Cheltenham Festivals (CF), the investment would be pointless. At a stage when CF were close to full independence the decision seemed petty and not driven by business need. He urged Council to heed the request from Sir Michael McWilliam for funding to be sustained.

In closing, he urged his Liberal Democrat colleagues to change the proposals which he felt would lead to a dirtier, less cultural and less attractive Cheltenham.

He would not be moving an amendment to the budget proposals.

Councillor Godwin on behalf of the PABs gave his response to the Budget. His group recognised that setting a balanced budget was always a challenge and this year, in spite of the severe cuts, this had been achieved and it was for this reason that he would support the proposals. Local savings were necessary however he did have some concerns about their long lasting impact.

He expressed his opinion that the Conservatives had missed their opportunity to put forward an alternative budget if they were so strongly against the proposals. He thanked the Cabinet Member Finance and Community Development for the many opportunities Members had been given to discuss the proposals, particularly at the overview and scrutiny committees.

In seconding the budget, Councillor Jordan said this had proved a difficult budget necessitating proposals which he would have preferred not to have had made. Thankfully there had been no major cuts to services and the 5% reduction in staffing was mostly frozen posts which would be deleted. He highlighted the difficulties caused by the delay in the settlement figures. In his capacity as Leader of the Council, he had signed a letter to the Government, which, whilst accepting that the deficit had needed to be addressed, had raised issue with the delay to the final settlement, which had also been worse than anticipated

In response to some of the concerns raised by Councillor Smith, he was confident that people would recognise that Cabinet had only done what they had to do. He felt that the low public response to the Budget consultation could be as a result of the highly successful consultation in the summer and the public recognising that some of the issues they had raised had been addressed in the proposals.

He took the opportunity to thank all those involved for their hard work and outlined some of the measures being considered as part of his portfolio in the areas of economic development, admin support and communications.

In the debate that followed a number of Cabinet Members spoke in support of the budget proposals for their portfolio giving more details on the rationale. Members felt the budget had been achieved without any major cuts to services and did protect key aspects of the town including its cultural environment.

Speaking against the budget, some members felt it lacked vision and had deferred difficult decisions to later years and had missed the opportunity to create more certainty in future years. In response a member highlighted the work that had already been done in planning for the future and working in partnership. Becoming a strategic commissioning authority was a key part of this and there was an opportunity for all members to be engaged in this.

In his summing up, the Cabinet Member Finance and Community Development advised that he had been saddened by the comments of some Members. They had criticised the proposals but not put forward any alternatives. He thanked the PABs for supporting the budget.

The Cabinet had based the decision about Cheltenham Festivals (CF) on the business case rather than any personal feelings as had been suggested and at the point of the outturn report Cabinet would look again at the needs of CF.

The Council had already reduced the grant to the Everyman Theatre by £5k, which the Everyman had accepted and importantly, the council had borrowed monies on their behalf for restorative works.

Members were advised that recommendations 1 and 7 were for approval rather than to note as stated in the report.

Upon a vote it was

RESOLVED that;

- 1. The revised budget for 2010/11 be approved;**
- 2. The final budget proposals detailed in this report and supporting appendices, including a proposed council tax for the services provided by Cheltenham Borough Council of £187.12 for the year 2011/12 (a 0% increase based on a Band D property) be approved;**
- 3. The growth proposals, including one off initiatives at Appendix 3 be approved;**
- 4. The reserve re-alignments at Appendix 8, as outlined in section 10 be approved.**
- 5. The proposed capital programme at Appendix 9, as outlined in Section 11 be approved and the intention to fund the replacement of vehicles and recycling bins through prudential borrowing where deemed appropriate be approved;**
- 6. The proposed Property Maintenance programme at Appendix 10 be approved;**
- 7. The updated Medium Term Financial Strategy at Appendix 11 including the impact of the 'bridging the gap' programme on the forecast budget gap be approved;**
- 8. A level of supplementary estimate of £100,000 for 2011/12 as outlined in section 15 be approved;**
- 9. The creation of the budget working group be approved, with 2 members nominated from each overview and scrutiny committee, to support the process of developing the budget process and improving scrutiny as outlined in Appendix 13.**

(Voting: 24 For, 6 Against, 2 Abstentions)

13. FINAL HRA BUDGET PROPOSALS FOR 2011/12

The Cabinet Member Finance and Community Development introduced the joint report of himself and the Chief Finance Officer as circulated with the agenda.

He explained that the HRA budget has been prepared to meet 3 financial objectives:

- To adequately fund services to tenants
- To maintain a revenue reserve of at least £1m
- To put additional funds into capital investment in the stock

The disappointing news for tenants was that, according to the Government formula that seeks to adequately finance housing, rents will rise from (on average) £66.88 to £70.51 – or £3.63 a week over a 52 week year. This amounts to a total of £188.76p – greater than the entire annual Band D Council Tax for Cheltenham.

A key risk in the self-financing proposals is future Government rent policy and associated welfare reform, with over 70% of tenants reliant on housing benefit. It was important to understand what the impact of such rent rises will be and how changes in the benefits system may affect HRA finances. CBH have proposed the employment of a money and benefits officer – to give advice on benefits, borrowing and help in controlling rent arrears. This will give much needed additional help to our tenants in these difficult times.

The Finances are in sound order. CBH is well managed and effective and The CBH Board had endorsed the budget for 2011/12.

He moved the recommendations which were seconded by Councillor Jordan.

The Cabinet Member Finance and Community Development responded to questions on the HRA budget proposals.

Upon a vote it was

Resolved that;

- 1. The HRA revised budget for 2010/11 be approved;**
- 2. The HRA 2011/12 budget including a proposed average rent increase of 5.43% applied in accordance with the rent restructuring guidelines (subject to restraints on individual property increases when aggregated with service charges) and increases in other rents and charges as detailed at Appendix 5 be approved;**
- 3. The revised HRA capital programme for 2010/11 at Appendix 6 be approved;**
- 4. The HRA capital programme for 2011/12 at Appendices 6 and 7 be approved;**
- 5. Receipts of up to £3m from the sale of HRA assets (other than through Right To Buy) in the period 1st April 2011 to 31st March 2014 be used for affordable housing provision.**

(CARRIED, with 1 Abstention)

14. TREASURY MANAGEMENT POLICY AND ANNUAL INVESTMENT STRATEGY 2011/12

The Chief Finance Officer introduced the report which had been circulated with the budget papers. He explained that the Council had a responsibility to set out its Treasury Management Strategy Statement for borrowing and to prepare an Annual Investment Strategy for council approval prior to the start of a new financial year.

The strategy had been approved by the Treasury Management Panel at its meeting on the 27 January 2011.

The strategy included prudential indicators based on the budget decisions that had been made today, as well as details of next years loans to the Gloucestershire Airport, Everyman Theatre and Cheltenham Borough Homes.

Upon a vote it was unanimously

RESOLVED that the Treasury Management Strategy Statement and Annual Investment Strategy for 2011/12 at Appendix 2 be approved 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 2011/12 including the authorised limit as the statutory affordable borrowing limit determined under Section 3 (1) Local Government Act 2003 be approved;**
- **Additions to the Council’s lending list are proposed in order to provide some further capacity. These proposals have been put forward after taken advice from the Council’s treasury management advisers and are prudent enough to ensure the credit quality of the Council’s investment portfolio remains high;**
- **To increase the time period of investing up to two years with counterparties noted in the recommended lending list;**
- **For 2011/12 in calculating the Minimum Revenue Provision (MRP), the Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure as per section 21 in Appendix 3.**

15. NOTICES OF MOTION

No motions were submitted.

16. TO RECEIVE PETITIONS

No petitions were submitted.

17. ANY OTHER ITEM THE MAYOR DETERMINES AS URGENT AND WHICH REQUIRES A DECISION

The Mayor invited the Chief Executive to introduce an urgent item which required a decision.

The Chief Executive explained that as per part 10.1 of the constitution, Council were to be advised of changes of nominated substitutes on committees, which were as follows;

Councillor Whyborn would no longer be a Liberal Democrat substitute on Staff and Support Services Committee (S&SSC).

Councillors Fisher, Jeffries, Massy, McCloskey, Stewart, Sudbury and Wheeldon would now be Liberal Democrat substitutes on S&SSC.

Councillors Cooper and Hall would now be Conservative substitutes on S&SSC.

Councillor Hibbert would now be a People Against Bureaucracy substitute on S&SSC.

And finally, Councillor Walklett would fill the Liberal Democrat vacancy on Economy and Business Improvement O&S Committee.

Anne Regan
Chairman