

Cabinet

**Tuesday, 8th February, 2011
6.00 - 7.21 pm**

Attendees	
Councillors:	Steve Jordan (Leader of the Council), John Rawson (Cabinet Member Built Environment), Klara Sudbury (Cabinet Member Housing and Safety), Andrew McKinlay (Cabinet Member Sport and Culture), John Webster (Cabinet Member Finance and Community Development), Roger Whyborn (Cabinet Member Sustainability) and Colin Hay (Cabinet Member Corporate Services)

Minutes

1. APOLOGIES

None received.

2. DECLARATIONS OF INTEREST

Councillor Hay declared a personal and prejudicial interest in agenda item 10 as a member of the Board of Cheltenham Borough Homes.

Councillor Rawson declared a personal but non-prejudicial interest in agenda item 9 as a non-voting observer on the Cheltenham Festivals Board and the Council appointed member on the Cheltenham Arts Council. Councillor Sudbury declared a similar interest with regard to the Cheltenham Arts Council.

3. MINUTES OF THE LAST MEETING

Resolved that the minutes of the last meeting held on 18 January 2011 were approved as a correct record.

4. PUBLIC QUESTIONS AND PETITIONS

None received.

5. MARKETING BRIEF FOR DISPOSAL OF NORTH PLACE AND PORTLAND STREET

The Cabinet Member Built Environment introduced the report which sought Cabinet approval for the proposed bidder evaluation matrix relating to the proposed disposal for mixed use development of the North Place and Portland Street sites (the 'Sites'), currently used for surface car parking.

An amendment to the Financial implications had been circulated by the Chief Finance Officer at the start of the meeting. This section should now read "The council is looking to the development of the site to provide a net capital receipt to support the pump priming of public realm improvements across the town. The

scoring criteria allows for this important element in the list of outcomes to be measured.” And these be attributed to Mark Sheldon.

Following public consultation the revised Development Brief and Supplementary Planning Document (SPD) relating to the North Place and Portland Street sites was formally adopted by the Council on 13th December, 2010. The SPD provides the context for the marketing of the North Place and Portland Street development sites which has commenced. Officers commenced marketing of the sites on 24th January 2011.

The selection of the preferred developer needs to follow the requirements of the EU procurement rules. He talked through the timetable for the identification of a preferred bidder to develop the sites, with the final decision going to Council for approval.

He concluded that this was the biggest development opportunity in Cheltenham for 30 years so it was very important to get it right. He was looking forward to seeing what proposals come forward and having the preferred developer selected in a year's time.

The Leader commented that it was very welcome news and the start of a major development for Cheltenham. He reminded members that a tremendous amount of work had been done to get to this stage and he commended those involved for their efforts.

Resolved that:

- 1. Authority be delegated to the Head of Property and Asset Management in consultation with Cabinet Member for Built Environment to enter into competitive dialogue with bidders to dispose of the Sites, whether in whole or in part, acknowledging that disposal could be by way of a freehold transfer, leasehold disposal or a mixed freehold and leasehold disposal. The final structure of the proposed disposal to be determined by dialogue procedure and the evaluation methodology referred to below;**
- 2. Authority be delegated to the Head of Property and Asset Management in consultation with Cabinet Member for Built Environment to select the developer in accordance with the evaluation methodology, as set out at Appendix 2;**
- 3. Authority be delegated to the Assistant Director Built Environment in consultation with the Cabinet Member for Built Environment to finalise the Evaluation Criteria before sending them out to the final 5 bidders.**

6. GLOUCESTERSHIRE WASTE CORE STRATEGY CONSULTATION

The Leader introduced the report. The report explained that Gloucestershire County Council is the waste planning authority for the county. The County Council has prepared the Gloucestershire Waste Core Strategy (WCS) Publication version for public consultation from Monday 13th December until Monday 7th February 2011. Once adopted, it will provide the planning

framework for waste management across the county for the period 2012 to 2027 and will form part of the Waste Development Framework and part of the statutory development plan for Cheltenham.

The Leader explained that this was largely a technical response to a technical document and repeated some of the council's responses already made. However it gave the council an opportunity to re-emphasise some of their concerns which were set out in appendix 1. Whilst the council supported the general principle that waste facilities should be located in close proximity to the source of the waste, this needed to be balanced against the impact of such sights on the existing communities living in close proximity. He also emphasised that as a member of the Gloucestershire Waste Partnership, the districts were now seeking to have an influence on the disposal of waste which up to now had been a county matter.

The Cabinet Member Sustainability highlighted three concerns:

- A 'one site solution' for residual waste could result in excessive transport from collection to disposal.
- As recycling increases, and if certain processes such as incineration were to be chosen for residual waste, the critical mass required for the viability of the new site(s) may result in increased commercial waste or waste from outside the county having to be brought in
- Concerns about the siting of sites dealing with hazardous waste as set out in paragraph 1.13.

Resolved that the Cabinet approve the appended consultation response for submission to Gloucestershire County Council.

7. FUTURE JOINT WORKING IN THE SOUTH WEST

The Leader introduced the report. He explained that the Council is a member authority of South West Councils (SW Councils) and pays a subscription to support the running of a secretariat. Given the current budget situations of member councils, reductions in government funding to the regions and indeed the demise of many regional structures, South West Councils are requesting councils to confirm whether or not they wish to remain a member. The council's liabilities have been set out for both options.

The alternative proposal was to establish a smaller organisation called an 'Employers Plus' option which would be in a position to provide ongoing human resources advisory support and networking opportunities with other councils but would not be undertaking the range of activities that are currently provided through the current model. There is a meeting of the SW Councils Resources and Management Committee on 11 February and the council has been requested to provide confirmation of their position.

An amendment to the report had been circulated to members at the start of the meeting. Under financial implications it should read, "the financial liabilities of the proposal and options are set out in paragraphs 1.4 to 1.6 of the report", the contact officer being the Head of Financial Services.

The Leader indicated that 28 out of the 41 councils had already indicated their support for SW Councils continuing and therefore he felt confident that it would continue to be a viable organisation going forward. He also noted that the

resulting annual subscriptions would be less than the council had currently budgeted for.

The Cabinet Member Corporate Services gave his support for continued membership. He felt that SW Councils provided a national voice and were particularly valuable in employer/union negotiations. They also provided a valuable training and development network to members and officers.

Resolved that:

- 1. The Chief Executive be authorised to sign the letter in appendix 3 to this report on the basis that further clarification is provided, to his satisfaction, on the proposed mechanism for the apportionment of liabilities and assets and subject to consultation with the Leader of the Council, the Cabinet Member Finance, Borough Solicitor and the Chief Financial Officer.**
- 2. That subject to above, the South West Councils' Secretariat be advised that Cheltenham Borough Council is in favour of pursuing the Employers Plus option and will enter into membership of new arrangements on that basis, subject to them being viable and the annual subscription costs not exceeding those currently paid.**

8. SECTION 25 REPORT

The Chief Finance Officer (CFO) introduced this report which had been circulated with the budget papers. He explained that under Section 25 of the Local Government Act 2003 the CFO was required to report to Council on the robustness of the estimates made for the purpose 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 decisions on the proposed budget.

The Chief Finance Officer highlighted the challenges caused by the lateness of this year's settlement announcements. The lack of clarity from government over funding levels for future years had also added greater uncertainty to the Medium Term Financial Strategy forecasting and planning.

He also highlighted the council's concern about the handling of concessionary fares and that the final settlement removed the total cost of £2.2 million including the local discretion and taxi vouchers that the council had opted to support. He and the Cabinet Member Finance had already met with Martin Horwood MP to lobby for the retention of the estimated £171,000 cost of the local discretions funded by the Council. This may be rectified in the future but no assumption had been made in the budget proposals at this stage.

Resolved that the contents of the report be noted and that Cabinet have regard to it when making their recommendations to Council regarding the budget and level of council tax for 2011/12.

9. FINAL GENERAL FUND BUDGET PROPOSALS 2011/12

The Cabinet Member for Community Development and Finance introduced the joint report of himself and the Chief Finance Officer which had been circulated

with the budget papers. The report summarised the revised budget for 2010/11 and the Cabinet's final budget proposals for 2011/12.

The Chief Finance Officer highlighted an amendment to the report. The council had received notification on 7 February of a change to the government settlement and the figure for the Formula Grant in 2012/13 set out in table 4.1 of the report should now read £5.518 million and not £5.473 million. He emphasised that this was a one-off amount in that particular year where the government had found some additional funding to support councils.

The Cabinet Member highlighted the changes that had been made to the draft budget presented to Cabinet on 21 December 2010 following a period of extensive consultation. These changes were supported by additional funding made available by a rephrasing of pensions costs.

- A one-off reinstatement of verge cutting for 2011/12. The council would also be giving the county council notice of their intention to terminate the contract so that it can be renegotiated on more favourable terms.
- There would be no transitional funding to Cheltenham Festivals but instead the budget proposed £140,000 worth of funding for improvements to Montpellier and Imperial Gardens. The Festivals will also continue to have free use of the gardens in the coming year. The changes would support the festivals in their aims but would also be for the benefit of the people of Cheltenham as the Cabinet recognized the need to manage any potential conflicts in the use of the gardens. The renegotiation of the catering contract in 2012 would give the festivals more opportunity to raise additional catering income. He felt that these changes would provide a framework for Cheltenham Festivals being commercially successful in their own right without the need for ongoing financial support from the Council.
- An additional two years extra funding had been allocated for the oiling of seagull eggs to combat the problems with seagulls in the town.
- The budget proposed to reinstate £6,000 of the original £10,000 allocated to the Arts Council. This money was redistributed by the Arts Council and provided valuable support to organisations in the town.
- Finally the Cabinet Member Finance referred members to recommendation 9 which approved the creation of a budget working group to support the process of developing the budget. He felt there was a real need for scrutiny members to keep up to speed with the budget throughout the year and develop their expertise in budget matters and this working group would provide a focus for that.

In commenting on the budget, Cabinet Members made the following points:

- The public consultation had been very effective and had resulted in changes to the draft budget. There had been some very meaningful input from the initial red/green dot exercise and the focus groups that followed and valuable lessons had been learned for the future.
- The council was in a much better position than it might have been because of the long-term planning done in previous years and initiatives such as shared services, the Bridging the Gap programme, the disposal of surplus assets and generally making all services more efficient and reducing the public subsidy element of services such as leisure@. All

these initiatives provided the right framework for further efficiency savings in the future

- Because of the above, the Council had avoided major closures and maintained the facilities that provide the distinctive qualities of the town
- The decision regarding concessionary fares was very unsatisfactory.

Resolved that it be recommended to Council 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 noted.**
 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.**
- 10. FINAL HRA BUDGET PROPOSALS FOR 2011/12**
Having declared a personal and prejudicial interest in this item the Cabinet Member Corporate Services left the room for this item and did not participate in the debate.

The joint report of the Cabinet Member for Community Development and Finance and the CFO had been circulated with the budget papers. The report explained that following the Cabinet meeting on 21 December 2010 where the draft HRA budget proposals for 2011/12 were approved for consultation, the Cabinet was now required to make recommendations to Council on the 2011/12 budget, having regard to the responses to the consultation.

The Assistant Chief Executive, Cheltenham Borough Homes highlighted the changes that had been made since the draft budget and these were set out in paragraph 2.2 of the report. One important change was the bid to fund an additional post of Money and Benefits Officer at a cost of £31,500. This was needed to assist the implementation of the CBH financial inclusion strategy.

Referring to section 8 of the report, he advised members that the coalition government had now confirmed that pooling arrangements would continue for the next four years. Therefore the recommendation was that the policy of using capital receipts to fund investment in affordable housing should continue during that period to protect them from government pooling.

The coalition government had now confirmed their plans for Self Financing. He highlighted the main changes from the former Labour proposals and indicated he would be providing a full briefing to members in due course. Overall it looked like a good deal for Cheltenham with some uplifts. There would be full consultation with members, the CBH Board and the public before the final figure was set in 2012.

The Cabinet Member Finance said that overall CBH had performed well. The 5.4% average increase in rents would be difficult for tenants and therefore he welcomed the additional Benefits Officer post. He was also concerned about those tenants in full-time work, where their salaries were frozen and they too may also be in need of some financial advice.

The Cabinet Member Housing and Safety welcomed the additional post and thought it would also complement the advice services already available in the town.

Resolved that it be recommended to Council 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. That 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.**

11. 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.

Resolved that Cabinet recommend to Council 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.

12. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Sustainability advised that after a long history the work on the Pittville Bridge would start later this month.

The Cabinet Member Sport and Culture announced that the Cheltenham Folk Festival was due to start this Friday and encouraged members to attend.

The Cabinet Member Housing and Safety informed members that the development at Brighton Road was going well and she would be attending as part of an official visit in the near future.

The Cabinet Member Built Environment advised that capital investment would be carried out in the town's car parks. The objective was to make their management more effective by updating equipment and improving the options available to customers for making payments.

13. LOCAL GOVERNMENT ACT 1972 - EXEMPT BUSINESS

Resolved that in accordance with Section 100A(4) Local Government Act 1972 the public be excluded from the meeting for the remaining items of business as it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public are present there will be disclosed to them exempt information as defined in paragraph 3 and 7A, Part 1, Schedule 12A Local Government Act 1972, namely:

Draft minutes to be approved at the next meeting on Tuesday, 15 March 2011.

Paragraph 3; Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Paragraph 7A; Information which is subject to any obligation of confidentiality

14. EXEMPT MINUTES

Resolved that the exempt minutes of the meeting held on 18 January 2011 were approved as a correct record.

Chairman

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