

Cabinet

Tuesday, 15th December, 2015
6.00 - 6.30 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

None.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF THE LAST MEETING

The minutes of the meeting held on 8 December would be considered at the January 2016 meeting of Cabinet.

4. PUBLIC AND MEMBER QUESTIONS AND PETITIONS

There were none.

5. GLOUCESTER, CHELTENHAM AND TEWKESBURY JCS - BUDGET REQUEST FOR 2016/17

The Leader of the Council introduced the report which had been circulated with the agenda. He explained that due to the extended period of the examination of the Gloucester, Cheltenham and Tewkesbury Joint Core Strategy (JCS) and the extensive additional evidence and legal advice to support the process the budget implications for each of the JCS authorities had been revised for the period 2016/17.

He went on to explain that the JCS authorities had, since 2008 provided an annual contribution per authority of £60 000. Section 2 of the report set out the detail of the request for a total contribution of £195 000 (i.e. £135 000 per Council in addition to the £60 000) per JCS authority for the financial year 2016/17.

The Leader added that the report identified the continuing resource needs of work to deliver a Community Infrastructure levy (CIL) and ways in which management and set up costs could be claimed back.

The Cabinet Member Finance added that this was a cost that the council had to pay. The work on CIL represented an opportunity to generate income in future

but should alternative funding options for the shared CIL post be unavailable further budgetary provision would be required.

The Cabinet Member Development and Safety emphasised that the delays in the examination of the JCS was not of the council's making but it was important that a sound and solid document was finalised to take the council forward.

Finally, the Leader added that Gloucester and Tewkesbury councils were concluding a similar arrangement.

RESOLVED THAT

- 1. the recommendation of the JCS Cross Boundary Programme Board for inclusion within the 2016/17 budget of a total of £195,000 (£60,000 + £135,000) to complete delivery of the JCS examination and its adoption be endorsed.**
- 2. the Director of Planning be tasked to investigate options for a management fund facilitated through S106 and CIL and how alternative funds may support a shared officer resource.**

6. GENERAL FUND REVENUE AND CAPITAL-INTERIM BUDGET PROPOSALS 2016/17 FOR CONSULTATION

The Cabinet Member Finance introduced the report which set out the Cabinet's interim budget proposals for 2016/17 for consultation. He explained that the financial situation was now alarming. Between 2009-10 and 2015-16 there had been a 12 % decrease in net budget in actual cash terms which equated to 30 % in real terms. Revenue Support Grant and business rates would have reduced by a half if projected to 2016/17. Whilst the council had struggled to deal with this level of cuts the New Homes Bonus had helped to address the situation as it had increased gradually since its introduction. However, it was now under threat as the government was seeking to reduce the length of payments from six to four years, in part to make savings from the grant which would go towards social care costs.

The Cabinet Member Finance reported that under the government's provisional financial settlement for local authorities the council faced a further cut in its revenue support grant with a 74% grant reduction over the next two years (from £2,110,000 to just £544,000).

The Cabinet Member Finance explained that the council's Medium Term Financial Strategy (MTFS) identified £735k of efficiency savings in 16/17 and a further £657k over the following three years by sharing more services with neighbouring authorities. However, in these current circumstances the council tax freeze could no longer be maintained and an increase of just under 2% was proposed which equated to £190.84 per year for a band D property. Similar council tax increases were being proposed by other local authorities across the county. The Cabinet Member said that there would be no increase in car parking charges or to the garden waste service and no cuts to frontline services.

In terms of savings in the coming year, these had been identified as £150k from the restructure of senior management, £231k from the reduction in the management fee paid to the Cheltenham Trust, £63k from new income generated from the advertising and sponsorship contract, £97k from the vehicle operating lease at Ubico and £100k from the impact of the purchase of Delta House.

The Cabinet Member wished to highlight a number of important projects which the council was undertaking including the Pittville Play Area, the new crematoria and in terms of economic development support for Business Improvement Districts and strength for the planning service. He said that further work on the budget would continue in January and a five week consultation period would commence seeking the views of the public. This included an online questionnaire, consultation with the voluntary sector, the business community and Parish Councils and a public forum would be held on 14 January.

Finally, the Cabinet Member wished to put on record his thanks to officers for drafting the interim budget proposals. He gave special thanks to the Director Resources for the support he had given him personally as Cabinet Member, the S151 Officer and his deputies for their intelligence, skill and ingenuity in compiling the Medium Term Financial Strategy and the Executive Board for their input to the budget which maintained the current level of services.

A question was raised with regard to the Ubico vehicle replacement. It was clarified that this figure related to the Cheltenham share of the Ubico replacement fleet. Officers were working closely with Cheltenham to look for a strategy of whole vehicle fleet replacement rather than on an ad hoc basis.

The Leader wished to put on record his thanks to the Cabinet Member Finance for his valuable contribution. He reminded Members that the consultation process would run until 20 January with the budget proposals being considered by Cabinet and Council in February 2016.

RESOLVED THAT

- 1. the interim budget proposals be approved for consultation including a proposed council tax for the services provided by Cheltenham Borough Council of £190.84 for the year 2016/17 (an increase of 1.99% or £3.72 a year for a Band D property).**
- 2. the growth proposals be approved, including one off initiatives at Appendix 3, for consultation.**
- 3. the proposed capital programme at Appendix 6 be approved, as outlined in Section 7.**
- 4. authority be delegated to the Section 151 Officer, 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 be sought by 20 January 2016.**

6. It be recommended to Council that the Government's recent changes to Housing Benefit, set out in section 5, should not be incorporated into the local council tax support scheme.

7. HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL-REVISED BUDGET 2015/16 AND INTERIM BUDGET PROPOSALS 2016/17 FOR CONSULTATION

The Cabinet Member Finance introduced the report which summarised the Housing Revenue Account revised forecast for 2015/16 and the Cabinet's interim budget proposals for 2016/17 for consultation. He explained that in July the Chancellor had announced that rents in social housing would be reduced by 1 % a year for four years. Whilst this was good news for tenants there was an estimated loss of rental income of £6.7m in the period to March 2020. On the assumption that the Government would revert back to rent increases of CPI +1% in April 2020, the cumulative loss of income over 30 years was estimated at £111m. This would produce a very significant reduction in the previously anticipated surpluses that were forecast in the long term HRA business plan and therefore CBH was faced with a significant challenge to produce a revised business plan that maintained service levels and retained viability.

The Cabinet Member reported that the initial review of the HRA Business Plan had been guided by the following minimum targets :

- Maintaining the recommended contingent balance of £1.5m in HRA reserves
- Allocating sufficient resources to maintain the decent homes standard throughout the stock
- Delivering the windows and doors improvement programme at a pace consistent with value for money
- Ensuring that resources continue to be available to deliver the existing new build programme
- Ensuring the continuation of key service improvements to the disabled, the elderly, young people, employment initiatives and enhanced benefit and money advice

The Cabinet Member explained that these represented considerable achievements but if in four years time the Government insisted that rents should not rise again there would be problems with regard to the viability of the HRA account and the level of service provided to tenants. The HRA draft budget proposals would now be subject to consultation until 29 January.

Steve Slater, Finance Director CBH, was invited to address Cabinet. He said it was a challenging time for the HRA but the plan was to continue the investment in new build and existing housing stock and to continue providing those value added services to the benefit of tenants. He expressed caution with regard to 2020 if the Government decided not to revert to rent increases of CPI +1% and said the business plan would have to be re-examined and plans would be put in place in advance to address these issues.

The Cabinet Member Finance wished to put on record his thanks to CBH and colleagues in CBC who had worked together on the draft HRA budget proposals.

The Cabinet Member Housing welcomed the continuing priorities of CBH in view of the impact of the changes in Government Housing and Welfare Policy. He was however very concerned about future changes. These draft budget proposals were however positive in view of the very difficult circumstances.

RESOLVED THAT

- 7. the revised HRA forecast for 2015/16 be noted.**
- 8. the interim HRA budget proposals for 2016/17 (Appendix 2) be approved for consultation including a proposed rent decrease of 1% and changes to other rents and charges as detailed at Appendix 5.**
- 9. the proposed HRA capital programme for 2016/17 as shown at Appendix 3 be approved.**
- 10. authority be delegated to the Section 151 Officer, 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.**
- 11. consultation responses be sought by 29 January 2016.**

8. BRIEFING FROM CABINET MEMBERS

The Cabinet Member Finance referred to the Government consultation on changes to the New Homes Bonus. Further details would be received in the coming days but he wished to assure Members that the council would be making strong representations.

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

The Cabinet Member Finance reported that he had taken a decision on Individual Framework Contracts for Reactive Maintenance of domestic and non-domestic properties owned by Cheltenham Borough Council.

Chairman