

## Council

Friday, 24th February, 2017  
6.00 - 9.00 pm

Attendees	
<b>Councillors:</b>	Chris Ryder (Chairman), Klara Sudbury (Vice-Chair), Matt Babbage, Paul Baker, Garth Barnes, Ian Bickerton, Nigel Britter, Flo Clucas, Chris Coleman, Mike Collins, Bernard Fisher, Wendy Flynn, Tim Harman, Steve Harvey, Colin Hay, Rowena Hay, Karl Hobley, Sandra Holliday, Peter Jeffries, Steve Jordan, Adam Lillywhite, Chris Mason, Helena McCloskey, Paul McCloskey, Andrew McKinlay, Chris Nelson, Tony Oliver, Dennis Parsons, John Payne, Louis Savage, Diggory Seacome, Pat Thornton, Simon Wheeler, Roger Whyborn, Max Wilkinson, Suzanne Williams and David Willingham

## Minutes

### 1. APOLOGIES

Apologies were received from Councillors Murch, Stennett and Walklett. Councillor Flynn had advised that she would be late to the meeting.

### 2. DECLARATIONS OF INTEREST

There were no declarations of interest.

### 3. MINUTES OF THE LAST MEETING

The minutes of meeting held on 10 February would be approved at the next meeting of Council to be held on 27 March 2017.

### 4. COMMUNICATIONS BY THE MAYOR

The Mayor presented the Head of Paid Service, Pat Pratley, with a certificate of accreditation from Investors in People, which would be valid for the next three years, and congratulated staff on the achievement.

The Mayor then updated Members on her recent engagements. These included receiving Japanese and Chinese students through our twinning and friendship links. She also reported that it had been a pleasure to play host to our friends from Sochi, including the Deputy Mayor, who shared their ideas about a future film festival. Following this the Mayor attended a function in London and was very much looking forward to this twinning relationship progressing especially between our respective universities.

### 5. COMMUNICATIONS BY THE LEADER OF THE COUNCIL

The Leader reminded Members of the Local Plan consultation which was running until 20 March 2017. He requested Members to encourage residents to respond. He informed Members that the Joint Core Strategy consultation would

start on Monday, 27 February 2017, for six weeks. This would give residents, including those in the West of Cheltenham, an opportunity to take part in the process.

The Leader reported that collectively £22 million had been awarded to the Cyber Zone in Cheltenham. He wished to put on record his thanks to those who had been involved in securing this award. He noted that this however would not override the Joint Core Strategy consultation and that the planning inspector would take an independent view.

Finally the Leader reminded Members that the Place Strategy consultation would take place at 6 pm on 1 March. This coincided with the cemetery and crematorium public consultation session between 1.30-7.30pm so Members would have the opportunity to attend both.

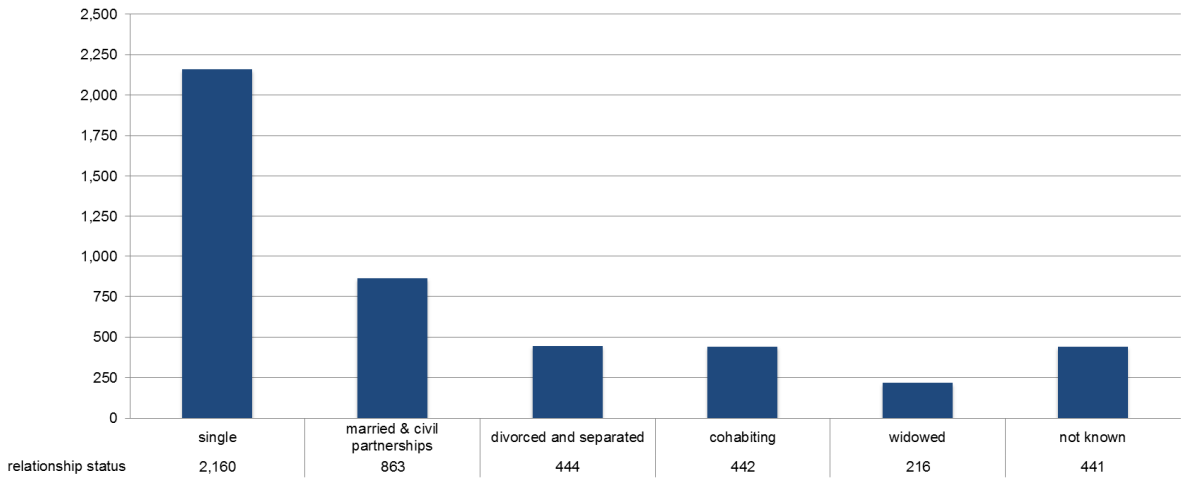
**6. TO RECEIVE PETITIONS**  
No petitions were received.

**7. PUBLIC QUESTIONS**  
There were no public questions.

**8. MEMBER QUESTIONS**

<b>1.</b>	<b>Question from Councillor Peter Jeffries to Chair of Overview and Scrutiny, Councillor Tim Harman</b>
	Following the submission of the 1000 signature petition in October 2016 from the residents of Springbank and the subsequent council debate, the Overview & Scrutiny committee were asked to review bus services in general and how they could be better provided in Cheltenham. How is this work progressing, have any actions or recommendations been proposed or agreed?
	<b>Response from the Chair of O&amp;S</b>
	<p>At its meeting on the 17 October 2016, Council considered a petition regarding changes, by Stagecoach, to the C Service; namely the removal of the service to Springbank Way in its entirety. During the debate it was decided that the Overview and Scrutiny Committee should consider bus services in general and how they could be better delivered in Cheltenham.</p> <p>Rupert Cox, Managing Director for Stagecoach (West), attended the 28 November 2016 meeting of the Overview and Scrutiny Committee. He gave a presentation which was followed by a question and answer session with members (draft minutes are attached).</p> <p>Some of the key points included:</p> <ul style="list-style-type: none"> <li>• The biggest challenge facing Stagecoach was congestion. The knock on impact of a journey taking 5-10 minutes longer than it should ultimately resulted in a journey not operating, currently measured at 0.5% of journeys. Bus priority measures would not only allow bus journeys to be speeded up but they would also be more predictable as the bus would journey unhindered. Tewkesbury Road in particular would benefit from a bus lane, and whilst unpopular with the public, the business case for the A40 scheme had merit.</li> <li>• North West Cheltenham was, in Stagecoach's view, a good area for development as</li> </ul>

	<p>there was potential to add a park and ride service. This would allow for existing services to be made more frequent and given the size of the site, allow for new services: to the Hospital and/or train station for example. It was suggested that affordable housing should be located closer to bus stops and that it was not advisable to build initial phases at the back of a site and furthest away from existing bus stops.</p> <ul style="list-style-type: none"> <li>The cost of parking in Cheltenham for two hours was the same as it had been 10 years ago. Stagecoach, were willing to work in partnership with the council and develop a written agreement that if parking charges increased, bus fares would be reduced. Nottingham City Council had introduced a Workplace Parking Levy (WPL); a charge on employers who provide workplace parking, a type of congestion charging scheme. Money raised from the WPL goes towards the extension of the existing tram system, the redevelopment of Nottingham Rail Station and also supports the Link bus network.</li> </ul> <p>The Overview and Scrutiny Committee felt that these were areas where there was scope to explore the options within existing projects/initiatives such as when planning the North West Development and reviewing the car parking strategy for Council. The congestion issues should be raised with the county council as part of local transport planning for Cheltenham.</p> <p>Council may like to instruct Officers to ensure these areas are covered in relevant project scopes or request that Gloucestershire County Council, where applicable, investigate further.</p>
<b>2.</b>	<b>Question from Councillor Chris Nelson to Cabinet Member Development and Safety, Councillor Andrew McKinlay</b>
	<p>If the Housing White Paper becomes law as currently drafted, will the Council increase its planning fees by 20 to 40% from July 2017 and invest that additional income into increasing the number of our planning officers?</p>
	<b>Response from Cabinet Member</b>
	<p>The White Paper is currently out for consultation, to which we will be responding.</p> <p>We welcome the ability of local authorities to increase planning fees as this was part of the Gloucestershire devolution bid and recent lobbying by Cheltenham's Director of Planning to DCLG over autumn 2016.</p> <p>Over the past 2 years focus has been placed upon the efficiency and effectiveness of the planning team and as a result we have seen an increase in performance, helping to deliver decisions in a timely manner.</p> <p>As part of this improvement process and the commercialisation agenda, the planning pre application service has been redesigned, including reviewing pre application and advice fees. It is important that we maintain momentum on this performance and investment in capacity will help us do that.</p> <p>Since the publication of the White Paper government has now written to all local planning authorities setting out the 'offer' of the 20% increase in fees; this is wholly conditional on existing baseline and income assumptions not being adjusted down and the additional 20% being committed to investment in the planning department.</p> <p>As part of this improvement process and the commercialisation agenda I welcome this offer, and will be instructing the Council's 151 Officer to confirm our acceptance within the next few days.</p>

	In a supplementary question Councillor Nelson stated that it was excellent news that the opportunity to increase planning fees by 20% had been embraced. He requested that the West of Cheltenham be prioritised with the £22 million for the Cyber Park. He asked if the Cabinet Member Development and Safety thought this to be a priority to which he responded yes.														
<b>3.</b>	<b>Question from Councillor Chris Nelson to Cabinet Member Housing, Councillor Peter Jeffries</b>														
	How many tenants managed by CBH take up the £500 incentive to downsize to a smaller property (via the My Move Scheme)? How many CBH homes are occupied by couples and single occupiers?														
	<b>Response from Cabinet Member</b>														
	<p>Since its introduction in December 2012 the number of CBC tenants to date who have been assisted to downsize using the My Move scheme is 125. The total number of CBC and CBH tenancies is currently 4,566. Of this there are 3,518 sole tenancies and 1,048 joint tenancies. Please note that sole tenancies will include couples and not necessarily “single occupiers”. In terms of “relationship status” our latest profiling information shows the following:</p> <p style="text-align: center;">relationship status, of a total of 4,566 current tenancies at 22nd February 2017</p>  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>relationship status</th> <th>count</th> </tr> </thead> <tbody> <tr> <td>single</td> <td>2,160</td> </tr> <tr> <td>married &amp; civil partnerships</td> <td>863</td> </tr> <tr> <td>divorced and separated</td> <td>444</td> </tr> <tr> <td>cohabiting</td> <td>442</td> </tr> <tr> <td>widowed</td> <td>216</td> </tr> <tr> <td>not known</td> <td>441</td> </tr> </tbody> </table> <p>In a supplementary question Councillor Nelson stated that due to only thirty homes per year downsizing, which represented just 1% of tenancies from Cheltenham Borough Homes, there was the opportunity to encourage people such as singles, divorced or widowed to downsize in order to open up the limited number of houses to those on the waiting list. He asked whether the £500 incentive could be increased to achieve this. The Cabinet Member Housing, Councillor Jeffries responded no, but that this was reviewed regularly and that ongoing work would continue.</p>	relationship status	count	single	2,160	married & civil partnerships	863	divorced and separated	444	cohabiting	442	widowed	216	not known	441
relationship status	count														
single	2,160														
married & civil partnerships	863														
divorced and separated	444														
cohabiting	442														
widowed	216														
not known	441														
<b>4.</b>	<b>Question from Councillor Chris Nelson to the Leader, Councillor Steve Jordan</b>														
	Recent research by commercial property firm Savoy Stewart shows that Cheltenham is historically one of the toughest towns in the UK to launch a new business. Business start-ups have an 87% chance of failing within Cheltenham. What is the Council doing to improve this shocking situation?														
	<b>Response from Cabinet Member</b>														
	Whenever statistics like this are produced it is important to understand their significance. When Savoy Stewart produced them last year David Owen, chief executive of GFirst LEP, said: “It is important to understand that the definition of ‘failure’ in this report includes businesses that have														

been taken over or merged, as well as those that actually closed. Within Gloucestershire we see a very active merger and acquisition market across the whole county.”

It is equally true that any business moving out of the borough but continuing to trade would also be included in the figures quoted.

It is also interesting to note that in 2016 there were 1041 new business start-ups in Cheltenham which is the highest for any district in Gloucestershire and over 25% of the total 3980 in the county.

The Cheltenham Economic Strategy (2015) which informs both the emerging Joint Core Strategy (JCS) and the emerging Cheltenham Plan draws attention to improving business survival rates since the time of the recession. Between 2007 and 2010, the percentage of businesses surviving for 1 year fell from 97.5% to 88.2% but in 2011, this rate had increased substantially to 93.2%. Whilst these statistics are not directly comparable figures contained in the Savoy Stewart Report, at the very least they seem to be at considerable odds.

As part of the JCS this council is aiming to ensure new employment sites are provided to assist local businesses who wish to expand without having to move out of the area. We have also encouraged successful start-ups by funding a small business advice service for a number of years and are now working to secure a base for the Gloucestershire Growth Network in Cheltenham to continue and enhance that role. This seems to be nearing a successful conclusion and I would hope that details can be announced shortly.

In a supplementary question Councillor Chris Nelson asked if we are working with the Cheltenham BID Business Improvement to help businesses to thrive and prosper to which the Leader, Councillor Steve Jordan responded that the GFirst LEP (Gloucestershire's Local Enterprise Partnership) currently have funding for this.

**5. Question from Councillor Chris Nelson to the Leader, Councillor Steve Jordan**

How much has CBC spent on consultancy support over the last 5 years, by management area?

**Response from Cabinet Member**

Consultancy services are bought in as needed to provide expert advice on an ad-hoc basis, rather than retaining specialist staff on the payroll. In many instances, these costs are part of a wider project, with funding being contributed by other parties. For instance work relating to 2020 Vision and Gloucestershire Airport was jointly funded with other councils.

The figures below are based on transactions coded to consultancy and professional fees on the Agresso finance system.

**Consultancy Fees 2012/13 to 2016/17 (@21/2/17)**

<b>CostC</b>	<b>CostC(T)</b>	<b>Amount</b>
<b>Head of Paid Service -</b>		
<b>COR001</b>	Corporate Management	67,664.04
<b>COR102</b>	2020 Vision	108,049.44
<b>CSM001</b>	Cultural - Service Management and Support Services	12,943.00
<b>SUP104</b>	L & C Trust set up costs	61,073.39

<b>TOU002</b>	Tourist/Visitor Information Centre	9,205.15	
<b>SUP017</b>	Business Improvement/Transformation	4,464.70	263,399.72
<b>REST -</b>			
<b>AIR101</b>	Gloucestershire Airport	105,914.00	
<b>ECD001</b>	Economic Development	20,000.00	
<b>SUP040</b>	Built Environment	5,668.68	131,582.68
		<b>394,982.40</b>	<b>394,982.40</b>

In a supplementary question Councillor Nelson was surprised at the figures quoted and referred to part of the Leaders response, "The figures below are based on transactions coded to consultancy and professional fees on the Agresso finance system" and stated that this sentence suggested that something was missing and asked if consultancy support costs were additional or included. The Leader, Councillor Steve Jordan responded that the finance team produced figures on a coding system, therefore he was not 100% confident in their exactness.

**6. Question from Councillor Chris Nelson to Cabinet Member Development and Safety, Councillor Andrew McKinlay**

How much has CBC raised from off-street parking charges in the last 5 years and what has it been spent on?

**Response from Cabinet Member**

The Council publishes, on an annual basis, full details of its parking income and expenditure on the transparency pages of the website.

In 2012-13, the Council was still responsible for on-street parking, so for clarity of comparisons, I have excluded this year from my response and provide data for each of the last four years.

I can confirm the following in relation to the last four years:-

Year	Income	Expenditure	Net surplus
<b>2013-14</b>	£3,848,283	£1,939,639	£1,908,914
<b>2014-15</b>	£3,504,859	£2,192,492	£1,312,368
<b>2015-16</b>	£3,547,562	£2,383,275	£1,164,287
<b>2016-17 to 22/02/17</b>	£3,356,175	£2,463,874	£ 892,301
<b>Totals</b>	<b>£14,256,879</b>	<b>£8,979,280</b>	<b>£5,277,870</b>

The net surplus we receive from supplying car parking services firstly helps to fund car park improvement projects, and secondly helps to pay for other council services, as allowed for under S.55 of the Road Traffic Regulations Act 1984.

These other council services include:-

Street cleansing, sports and open spaces, parks and gardens. However, it should be noted that the council spends far more on these services than it generates in 'surplus' parking revenue.

Across the years shown above, net expenditure on these services was as follows:-

Street cleansing	£3,199,396
Sports and open spaces	£5,011,715
Parks and gardens	£4,245,221
<b>Totals</b>	<b>£12,456,332</b>

In a supplementary question Councillor Nelson stated that it was difficult to go into depth in the absence of the Car Park Strategy. It was responded that the draft Car Parking Strategy was expected back next month and would be presented to the Car Park Working Group in April.

**7. Question from Councillor Chris Nelson to Cabinet Member Housing, Councillor Peter Jeffries**

Following his experience sleeping rough earlier this month, how has that developed his thinking on how to address the very real problem of people sleeping on the streets? Is he closer to recommending a solution/range of solutions? What extra money and resources will be found to help these unfortunate people find homes and live a more normal life?

**Response from Cabinet Member**

Homelessness, rough sleeping or just existing on our streets is reaching crisis point as there has been a 100% increase in 4 to 5 years. Government austerity is having the worst impact on the most vulnerable in our town, as the cabinet member with responsibility for the policies which effect the people existing on our streets, it seemed right that I gain an understanding of their life's. Living for 72 hours in the world of the homeless was my challenge, what an eye-opening experience. What kind, polite and empathetic people existing on the edge of humanity mostly invisible and more often ignored. The current support arrangement cannot cope with the drastic rising demand, the system itself is at breaking point. One of my next steps will be to look at our budgets, resources and partnerships to see how they may be better applied. Not all members have had the opportunity to read the statement below so if you will forgive my indulgence, this was an initial reflection of the 72-hour experience, I'm sure this view will play it's part in my thinking moving forward.

**My time living on the streets of Cheltenham**

As I woke up from my third night on the streets, I started to feel it. Sleep deprivation had kicked in, so the word didn't come to me immediately and it still hasn't as I start to write this article at home in the warm. Feeling unable to move my mouth to speak properly or even bring to mind the right words wasn't a side effect I'd imagined.

Stretching in a vain attempt to rid my bones of the deepest imaginable chill, I was sure about one thing: I was in a very different position to the other people who had spent that Saturday night in the nooks and crannies of Cheltenham town centre. As a council cabinet member for housing, I knew I could make changes to help and had already started to ask myself what should be done. And answering that question is how I had found myself waking up on the streets.

As anyone involved in the public sector will tell you, the starting point of answering any question is usually some form of consultation. This means anyone who may be affected by a policy change can have their say. But in the case of rough sleepers or street people you can't really ask the people whose lives will be most impacted. When somebody's main tasks every day are gathering a few pounds for a meal, staying warm and then finding a place to sleep, why would they bother to take part in something like a council consultation? And if they're living on the streets or in insecure accommodation it's pretty unlikely they'd even find out in the first place.

To get over this hurdle I carried out my own hands-on consultation and my experiences over those three nights will stay with me for the rest of my life. I won't be able to shake off that uncomfortable feeling – the name of which I still can't bring to my sleep deprived mind – for some time. I'll always remember the feelings of vulnerability and I'll always remember the bone-creaking cold.

Layer by layer, piece by piece, a homeless person is cast adrift from society to a point where people are either embarrassed or disgusted. I am firmly in the embarrassed category. I'm embarrassed that our nation has totally failed to deal with the housing crisis to a point at which homelessness has doubled in four years. I'm embarrassed that our government has forced people into this situation. Even in Cheltenham, which by most standards is a fairly well-off town, we have experienced a near 100% increase in rough sleeping since 2013.

Add to the ranks of homeless people those who are begging for survival and you have a picture of a system failing to cope. We have so many people in crises that local authorities and charities are at breaking point.

It didn't take long to find out how the failures of government have left homeless people in a situation so horrifically removed from the basic comfort they deserve. Sitting on a street full of shops, cafés and the hustle of bustle of people going about their lives, the first thing I realised was that I had no purpose. I sat without anything to do and this apparently caused me to become invisible. Very occasionally I came back into view when a kind person would stop and talk, but invariably most people walked by, some looking past me and others looking through me. Given the negative perceptions about homeless people and those in poverty perpetuated over many years, this was hardly a surprise.

The lack of human interaction makes the time pass grindingly slowly, but one way to make it speed up is drop in sessions at charity locations. These offer warmth with a hot drink and some food without any feeling that you are invisible or being judged. Spending time speaking to support workers, volunteers and street people quickly equipped me with the little knowledge needed to survive but other nuggets of information would be learned along the way, making survival slightly easier. But you can't stay forever. Just like you can't stay forever nursing one morning warm-up coffee in McDonald's.

Along with the slowness of the day, I also found the nights slowed down. Rough sleeping is a slight misnomer because it implies there is an amount of sleeping involved. A more accurate description would be: "rough lying down, avoiding the damp/wet, lessening the cold, cat napping in fear". Homeless people I spoke to told me that having a choice of a 'spot' is paramount because your previous spot may not be available. If you're lucky, you might even find an upgrade to a better spot. A decent amount of sleep can have such a massive effect on your wellbeing that it does occupy a lot of your thought during the day.

The remainder of my thoughts on the streets then and at home now turn to the people I met. Understandably they were at first quite wary when faced with someone who they perceived to be in authority. They were also wary about my apparent interest in their plight – perhaps a sign that they were used to being treated as a walking crisis rather than a human. They were shocked and pleased in equal measure when I asked for their opinions. So it didn't take long before word spread and I felt accepted on the street. OK, perhaps I was tolerated rather than accepted, but that was good enough.

I learned so much about the complex array of individual circumstances impacting street people. I won't use their real names for fear of embarrassing them, but I met a man called Dave who had no visible personal crisis at all aside from the lack of a home. I met others, such as Tara, who



was an alcoholic and told me this was the only way she could get through the day. I met John, who was a longstanding drug addict. Many of them had mental health issues to varying degrees. They were old and young, mostly male but a few female, some with accommodation some without. None of them were being treated as an individual, they were victims of circumstance and each had an individual crisis that was worsened by life on the streets. Most hauntingly, I met a man who was in his 50s. He smelt strongly of alcohol. I asked him about his situation and his response was stark and heart-breaking in equal measure: "after twenty years living in my tent I'm just waiting to die". In his case, all hope had gone. In many others, I met hope was very distant.

Spending time with and talking to around 25 people existing on our streets I was blown away by their empathy for others and the kindness they showed towards me. There was also a surprising constant theme, this theme was expressed in a variety of ways, some with anger often with deflated resignation. "It doesn't work" and or "it isn't fair." They were talking about, of course, 'the system'. The set of rules, the bureaucracy and the inflexible approach to dealing with complex individual crises.

Having spent 72 hours in a different world – one growing at an alarming rate - I have a final thought. Where self-worth has been suppressed to a point at which it no longer may be restored, where addiction grips people to the point of near death on the streets and where people lose all hope of ever having even basic shelter, our society has failed.

P.S. As my mind starts to work again I can remember the word I was searching for when I started writing: dehumanised. To be homeless is to have your status as a member of the human race cruelly taken away. Those of us who can help must do everything we can to give it back.

In a supplementary question Councillor Nelson commended Members to read the Cabinet Member Housing's response to his original question and stated that the Street People Working Group had considered the measures mentioned. He enquired as to how long we would have to wait before changes could be introduced to reduce the number of people on the street and suggested that the £41 000 in budget reserves could be used to solve the problem.

The Cabinet Member Housing suggested that Councillor Nelson speak with the Government, Chancellor and Theresa May to get that answer.

## **9. APPOINTMENT OF MAYOR ELECT AND DEPUTY MAYOR ELECT**

The Head of Paid Service, introduced the report and explained the Councillor Klara Sudbury had served as Deputy Mayor since last year's Annual Council Meeting and Members would be asked to elect her as Mayor at this year's Annual Meeting. She referred Members to the list of Members in Appendix 2 who had been approached in order of Precedence to ascertain if they were willing and able to have their name put forward for appointment as Deputy Mayor for 2017-18. Councillor Bernard Fisher had indicated a willingness to put his name forward as Deputy Mayor subject to no other eligible councillor wishing to do so.

### **RESOLVED (unanimously) THAT**

**the Order of Precedence in Appendix 2 be noted and that Councillor Klara Sudbury and Councillor Bernard Fisher be put to the Annual Council Meeting for election as Mayor and Deputy Mayor respectively for the municipal year 2017-2018.**

**10. FUTURE OF LATE NIGHT LEVY IN CHELTENHAM**

The Cabinet Member Development and Safety introduced the report and stated that the Late Night Levy was introduced in April 2014 as a means of raising a contribution towards the costs of policing the late night economy. He reported that since that time it had raised over £250 000 with projects and work funded by the levy including taxi marshalls, free first aid training for licence holders and obtaining Purple Flag accreditation for the town. In August 2016 Cheltenham adopted its first Business Improvement District (BID) that also imposed a levy on relevant businesses. The significant majority of licensed premises paying the levy were also subject to the BID levy which meant they were disproportionately affected. It was recognised that there were anomalies with the LNL and he gave hoteliers as an example as they only sold alcohol to patrons.

The Leader stated that using the BID was the appropriate way to take the issue forward and a positive point was that the funds from the LNL would be available for another year. He referred to the Purple Flag accreditation which had reflected the success of the LNL. He reported that three responses had been received to the consultation on whether the levy should cease to apply of which all were in support of the proposal. He paid tribute to the effective joint working between the Police and CBC on mutually agreeing priorities for allocating the levy.

**RESOLVED THAT**

- 1. The consultation feedback be noted.**
- 2. Pursuant to section 133 (1) of the Police Reform and Social Responsibility Act 2011 the Late Night Levy cease to apply in Cheltenham effective 31 March 2017**
- 3. Subject to resolution 2, authority be delegated to the Director of Environment, in consultation with the Cabinet Member for Development and Safety, to do all things necessary to implement the decision.**

**11. FINAL HOUSING REVENUE ACCOUNT (HRA) BUDGET PROPOSALS 2017/18**

The Cabinet Member Finance, Councillor Rowena Hay, introduced the report which summarised the Housing Revenue Account (HRA) revised forecast for 2016/17 and the Cabinet's budget proposals for 2017/18. She made the following points :

- Regardless of the decision to decrease rents by 1% a year, resulting in a loss of rental income to the HRA budget of £6.7 million in the period up to March 2020, the council had stuck to its strategy and the budget achieved a great deal.

- The budget proposed to spend £4 million on repairs and maintenance and nearly £8 million on property improvements and major works. £2.7 million was being budgeted for new build and acquisitions, and there would continue to be a budget for spending on benefits advice, employment initiatives and services for older and disabled people.
- The budget was sustainable and reserves were healthy.
- To cope with the reduction in HRA income, the four year strategy, adopted last year, proposed to make management savings of £1.7 million. It was now expected that this be exceeded. She referred to paragraph 7.2 of the report and stated that a further management cost saving of £135,000 over the next 3 years was expected to be achieved.
- By saving costs, realigning the HRA capital programme and using reserves, existing services levels would be maintained as well as being able to retain the decent homes standard, continued delivery of the major windows and doors replacement programme and completion of the new build programme up to March 2018, whilst still leaving £1.5 million in reserves for contingency.
- Particular challenges would still be faced, for example, higher value asset sales and the pay and stay earnings related scheme.
- The single highest risk to the business plan was stated as being the HRA financial projection over 30 years with so much change happening at short notice. However, a range of scenarios had been tested to show sensitivity to changes in rent policy after 2020.
- CBH were commended in coping with financial challenges and the Cabinet Member Finance was pleased to point out that the revised financial forecast showed a net increase in the operating surplus for 2016/2017 and that budget proposals for the following year overall did not show huge change. Savings in operational costs in the current year were being used to support additional future spending.

The Cabinet Member Finance concluded by stating that due to aforementioned uncertainties and the erosion of the self-financing settlement, it remained unclear whether the additional operating surpluses forecast in the last 30 year business plan would be restored after 2020. She continued that this, together with the potential unknown impact of high value asset sales, meant that until these two key areas were clearer, the focus would be on the medium term. It was highlighted that each change from the Government reduced the council's ability to

find desperately needed affordable housing, which was one of the highest priorities.

The Cabinet Member Finance thanked both Cheltenham Borough Homes and Cheltenham Borough Council finance teams for their hard work on this budget and their ability to ensure key goals were still being achieved.

The following comments and questions were raised by Members and responses given:

- With regard to the decrease in rents it was asked whether it would be preferable if rents increased. In response the Cabinet Member Housing stated that it was more of an issue of self-financing and that it would be preferable to have the choice to increase or decrease rents locally.
- Given the decrease in rent imposed on social housing providers and subsequent other changes it was in the interests of all social housing providers to ensure that tenants paid rent and on time. The question was asked as to whether CBH would be able to continue its plans and build on its progress given the incoming universal credit system. A report from the Institute for Fiscal Studies indicated that families on universal credit would be heavily impacted as basic outgoings such as food and clothing increased. How could CBH ensure that tenants did not get to a position where they had to make basic choices? In response the Cabinet Member Housing stated that CBH did provide support in terms of debt and benefit advice which was supported by the voluntary sector but acknowledged that it was a real struggle for some tenants. He stated that 70% of tenants were on housing benefit but with the homeless issue rising the system was struggling to cope. Everything that could be done was being done and CBH were thanked for their standard of work with and for tenants which would continue in the future.
- It was noted that the 1% rent decrease made a marginal difference to individual tenants but when aggregated at an authority level it was a significant sum and a huge amount if aggregated on a national level.
- Members noted that the 1% rent reduction equated to £6 million for CBH which was a huge cut. Rent decreases were having knock on consequences for the whole industry with developers pulling out of developments due to their business cases no longer being feasible. It was recognised that a rethink of stimulating the house building market and financing development was vital.

- Members commended the £8 million investment programme in property improvements next year which included the £2.3 million on new build which was significant in the national context with Cheltenham being third in terms of the number of new council houses built last year.
- The Cabinet Member Housing recognised CBH's work and its route and branch reorganisation as a result to achieve management savings. He had been impressed by the staff engagement to achieve this. He also highlighted the Plans and Progress as laid down in the report on 'Service Improvement Programme', 'Reactive Repair' and CBH's hard work in emergency situations were regarded as positive points.
- It was noted that Cheltenham provided more accommodation than other districts put together for example, for the Syrian Refugee Programme and accommodation delegated to veterans.
- The Conservative Group supported the recommendations and recognised the valuable work being done. Cheltenham was setting a high standard.
- Even though investment could be seen in improving council stock, concerns were expressed in the lack of effort from other agencies who should be providing services. The underlying causes of homelessness, for example, lack of investment in mental health and social service provision.
- Many Members were not aware of the good work which was going on behind the scenes on mental health. An example of this was the work of @HeadsUpChelt which could be found on twitter.
- It was a shame that empty brown field sites couldn't be turned into single dwellings, rather than sites being overwhelmed with too many homes. CBH have a good record with garage sites but it was a shame more could not be done.

In accordance with the legislation a recorded vote was required. The recommendations were passed unanimously.

Voting For 36: Councillors Babbage, Barnes, Baker, Bickerton, Britter, Clucas, Coleman, Collins, Fisher, Flynn, Harman, Harvey, C Hay, R Hay, Hobley, Jeffries, Jordan, Lillywhite, Mason, H McCloskey, P McCloskey, McKinlay, Nelson, Oliver, Parsons, Payne, Ryder, Savage, Seacome, Sudbury, Thornton, Wheeler, Whyborn, Wilkinson, Williams and Willingham.

## **RESOLVED THAT**

1. **the revised HRA forecast for 2016/17 be noted**
2. **the HRA budget proposals for 2017/18 (Appendix 2) including a proposed rent decrease of 1% and changes to other rents and charges as detailed within the report be approved**
3. **the proposed HRA capital programme for 2017/18 as shown at Appendix 3 be approved.**

## **12. FINAL GENERAL FUND REVENUE AND CAPITAL BUDGET PROPOSALS 2017/18 (INCLUDING SECTION 25 REPORT)**

The Mayor invited the Cabinet Member Finance to introduce the budget which on this occasion would not be followed by a statement from the Chief Finance Officer, Paul Jones, as the Council's Section 151 officer as he had provided Members with a detailed update a few days earlier. However, he would respond to Members' questions. To facilitate the presentation of the Budget, the Mayor 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 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 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 unanimously by Council.

The Mayor reminded Members that a recorded vote must be held on any significant decision relating to the budget or council tax (including any amendments) as set out in Part 4A – Council Procedures Rule 14.5 as required by the 'Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014'. This will apply to agenda items 11 and 12 and 13.

The Cabinet Member Finance introduced the 2017/18 budget proposals with a detailed speech (please see Appendix 1).

The Cabinet Member Finance moved acceptance of the 2017/18 budget as set out in the report. The motion was seconded by Councillor Jordan who reserved his right to speak.

The Mayor invited Members to ask questions of the Cabinet Members having explained that the Cabinet Member Finance had requested that Cabinet Members respond on items specific to their portfolio.

- What was the rationale that CBC would receive £30 per household less than other local authorities in Gloucestershire?  
In response the Cabinet Member agreed that it did seem unfair but she had not been privy to work Government had done in the context of its

calculations. She believed that Cheltenham had been a victim of its own success. The S151 officer addressed Council and said the move by Government to calculate funding for local authorities based on spending power which included council tax raised, rather than need, had introduced more unfairness into the system. This shift benefits rural areas and big counties at the expense of towns like Cheltenham. The council's view on this had been communicated to Government via its consultation response submitted in December. He added that a detailed consultation on the full retention of business rates had been issued and it was important that the needs assessment was addressed as part of this. The council would prepare a significant response to the consultation and share with Members once it had been submitted.

- When asked whether Alex Chalk MP had reported back to the Cabinet Member Finance regarding business rates, the Cabinet Member clarified that she had been in contact with Alex Chalk but had not received any further details subsequent to his meeting with Sadiq Javid, Secretary of State for Communities and Local Government and since the council had received its financial settlement.
- A question was raised with regard to the former Cabinet Member Finance's commitment to abolish car parking charges from 6pm. It was asked when it was likely to happen and if there was any reason why it should not happen. In response the Cabinet Member Development and Safety explained that circumstances had changed since the statement by the former Cabinet Member and the Borough Council was in the process of integrating with the County Council parking strategy. A year ago the County was not charging beyond 6 pm but this had now changed and charges were in force up to 8pm with funds raised being used to fund residents' parking. This issue was being looked into further by the cabinet member working group which would next meet in April.
- When asked whether this budget included penalties on those who lied about single occupancy the Cabinet Member Corporate Services said the implementation date for this was part of the counter fraud measures.
- A question was raised regarding a leaflet circulated during the elections in 2015 by the current MP who pledged to get the best deal for Cheltenham. Was this now called into question given that Cheltenham was worse off than every other district. In response the Cabinet Member Finance said she believed that the council was penalised as Cheltenham was a wealthy and successful town.
- In response to a question regarding plans to recover reserves being drawn down in 2017/18, the Cabinet Member Finance highlighted that the reserves had been set up to deal with these eventualities and as such were meeting that need to avoid making service cuts. However the MTFS was working towards replacing these reserves over the period and as such any underspends or windfalls would be put in reserves.

As leader of the Conservative group, Councillor Harman gave his response to the budget. He wished to put on record his thanks to the Section 151 Officer and Deputy Section 151 Officer for preparing the budget and for providing him with advice. He also wished to highlight the contribution of Alex Chalk MP in jointly securing the bid for the Cyber Hub.

He made reference to the involvement of the cross party Budget Scrutiny Working Group in examining the budget proposals and emphasised that the role of the opposition was to ask questions and challenge the administration. The

council should be proud of the services it was still able to deliver despite the financial pressures. He referred to the issue of car parking and the commitment given by the administration a year ago. He did however welcome the sensible coordination between the County Council and the Borough Council which he believed should continue. He recognised that hard decisions had to be made.

Councillor Harman then proposed the following amendment which was seconded by Councillor Savage.

“Savings

That Council seeks to join Revenue and Benefits and Customer Care into the Twenty Twenty Process saving £159,000 per annum based on the latest figures.

That Council moves to whole Council Elections as soon as practical saving £30,000 per annum.

Total estimated Savings £189,000.

Priority Spend

That the full amount of £189,000 as above be added to appropriate budgets to support the introduction and implementation of the Place Strategy.”

In proposing the amendment which he believed would deliver realistic savings with no impact on services, Councillor Harman said he was concerned that there were no signs of any resources to implement the Place Strategy, the delivery of which was crucial to the future of the town. He therefore believed that it was important to look for additional ways to resource it. He made reference to the administration’s “U turn” regarding the withdrawal of customer services and revenues and benefits from 2020. He had served on the 2020 working group and believed taking this route would not represent a threat for the town but would deliver realistic savings which other councils were enjoying. He believed it would still be possible to deliver Cheltenham’s services in an efficient way as possible with no reduction in service levels. It would also create an opportunity to improve services and share good practice.

Secondly he emphasised that Cheltenham was the only authority in the County not to look seriously at changing electoral arrangements. He believed that the public were confused about the frequency of local elections and that there was a justifiable financial argument to pursue four yearly elections which would be rational, sensible and explainable to the public.

In concluding, Councillor Harman said there was a lot more that the council could do in developing Place including boosting tourism but he questioned how this would be realistically achieved without resources.

Councillor John Payne gave his response to the budget in the absence of Councillor Stennett, Leader of the PAB. He made reference to the Budget Scrutiny Working group which had provided him with first hand insight into the complexities and challenges faced by finance officers and the Cabinet Member. He recognised the challenging financial environment particularly now with changes to the New Homes Bonus which the council had always used prudently



in the past. He welcomed the fact that there would be a balanced budget and that key services would be maintained with the support of reserves where appropriate. He did however express concern about the reliance on business rates and the increasing role reserves would play. He hoped that the economic development of Cheltenham progressed but feared it would not go as far as desired. He believed more could be done to encourage business start ups in the town in industries that the town needed. In conclusion he expressed the PAB group's support for the budget.

In debating the amendment Members made the following points against the amendment :

- Two yearly elections made Members more accountable and promoted democracy. They provided Members with the opportunity to talk with voters giving residents the ability to give their views on what the council was doing.
- Approximately 50% of elections were run concurrently with other elections so the savings to be gained from two yearly elections would be minimal and current expenditure only equated to 26 pence per voter
- A Member commented that there were many councils who held elections by thirds, i.e. even more frequently than CBC.
- £189k represented half of the New Homes Bonus which had just been lost. It was important that central Government thought about the needs of local government.
- 2020-some Members believed that it was important for Cheltenham residents to be served by Cheltenham and not let a company based out of the area making a decision on services it required. In addition any benefits gained from providing services in house would be totally lost with 2020.
- The Leader did not regard the amendment as a serious one and particularly given the time in which it was presented, i.e. after the special Cabinet meeting and prior to Council
- Reference was made to ongoing work on revenues and benefits and customer services which would deliver savings whilst maintaining the focus on Cheltenham. The impact of outsourcing two vital front facing services for the electorate should there be a problem was highlighted and the council had its own responsibility to its constituents in that regard. Holding 2020 to account would be difficult with very few Councillors represented.
- Members were confident that the Place Strategy could be brought forward in a balanced and considered way and there was a strategy in place to deliver it in conjunction with partners.
- A Member believed the amendment to be irresponsible and asked what the intended saving of £189k was to be spent on specifically.
- A Member highlighted that the £159k saving from 2020 was based on an assumption that the business rate collection rate did not change

For the amendment :

- A Member warned that at a recent meeting of Overview and Scrutiny he had heard for the first time that a cycling project could not be supported due to lack of resources but this could change should savings be made elsewhere

- It was recognised that £189k was not a huge amount but could be better spent

As seconder of the amendment Councillor Savage acknowledged the challenges facing local government finance. There were difficult choices to be made and two yearly council elections would not be regarded by the public as a front line service. £30k was still a significant sum of money. Members should listen to residents all year round and not just at election time.

Finally, Councillor Harman said the opportunity to make resources available for the Place Strategy should be taken. Promoting Cheltenham was vital for the town's future. His group would continue to press on these issues as the Place Strategy unfolded and he predicted that the council would join 2020 eventually. In terms of the elections he referred to changes made by Gloucester City and Stroud last year and the County Council had reduced the number of its councillors by 9 which had delivered savings. It was clear that it was important to continue to fight for additional funds for the Place Strategy.

In responding to the amendment the Cabinet Member Finance referred to the fact that it was a Council decision to keep REST services within the authority due its importance as a "home grown" service. There were a number of savings due to come from the REST restructure and the Managing Director Place and Economic Development had to undertake a number of things in advance in order to deliver these and it was no longer a case of working in isolation. She made reference to the £50k allocated the previous year for tourism and highlighted that the strategic lead for tourism would remain within the council as its development was key to the town's future.

A recorded vote was required upon the amendment and this was LOST

Voting

For 6: Councillors Babbage, Harman, Mason, Nelson, Savage and Seacome.

Against 25: Councillors Barnes, Baker, Bickerton, Britter, Clucas, Coleman, Collins, Fisher, Harvey, R Hay, Hobley, Jeffries, Jordan, H McCloskey, P McCloskey, McKinlay, Oliver, Parsons, Sudbury, Thornton, Wheeler, Whyborn, Wilkinson, Williams and Willingham.

Abstain 3: , Lillywhite, Payne and Ryder.

The substantive motion then became the recommendations as listed in the report

The debate then moved to the substantive motion.

Councillor Jordan, as Leader of the Council, thanked the Cabinet Member Finance and officers, particularly the Finance team for preparing the budget. He expressed his concern that Government had become distracted by Brexit which he believed was the reason why the decision on the financial settlement had been delayed and which was why this Council meeting had been moved. The late announcement included higher cuts than had been consulted on and every authority would be using council tax to offset them. This council would raise

council tax by 2.6 %, a modest rise. It was likely that there would be more years of council tax rises and it would take time to consider the options.

The Leader emphasised the key role of economic development which encompassed all the council did in many ways. He gave the example of the successful partnership working of the Cheltenham Development Task Force which had resulted in redevelopments including the Brewery and John Lewis and the development of the Cheltenham Transport Plan. The focus would now be on the West of Cheltenham and the Cyber Zone which had recently been awarded £22 million. The coordinating role of the task force would be essential to make it work assuming it does not predetermine the JCS process. The Leader made reference to the work of the BID which had a positive start and was hosting new events. He acknowledged that there were public realm issues on the High Street which needed to be addressed. The Place Strategy represented the overarching view for the benefit of the town and a member seminar would be held on 1 March to consider the way forward.

The following comments were made on the budget :

- Members thanked the Cabinet Member Finance and the Finance Team for their diligent work. They recognised the challenging times being faced.
- This budget was responsive, measured, prudent and sustainable
- There was recognition of some positive ambitions such as the cemetery and crematorium project which would serve Cheltenham for generations, improvements to recycling services and further improvements to parks and open spaces in spite of cuts to local government.
- Commissioning services had led to improved services, e.g. CBH, Festivals, Cheltenham Trust despite cuts and Members looked forward to plans at Leisure@ and the Town Hall
- The Place Strategy as a long term plan was exciting for Cheltenham as a whole which other partners would buy into
- Concern was expressed with regard to the impact of the business rates re-evaluation on small businesses which could risk them leaving the town
- Whilst investment in parks and open spaces was welcomed, volunteers should be celebrated and recognised as achieving green flag status for the town's parks wouldn't be possible without them

In summing up the Cabinet Member Finance referred Members to paragraph 4.28 in the report, highlighting the issues with business rates including appeals which were undermining local government's ability to make business rates retention a success. She thanked Members for their comments and consideration of the amendment. She was grateful for the recognition of what the administration was trying to achieve. This was a balanced budget despite cuts in government grant. The local economy would be strengthened, front line services protected, there would be more efficient savings and more shared services and there was a clear vision for Cheltenham.

In accordance with the legislation a recorded vote was required. The recommendations were passed unanimously.

Voting For 36: Councillors Babbage, Barnes, Baker, Bickerton, Britter, Clucas, Coleman, Collins, Fisher, Flynn, Harman, Harvey, C Hay, R Hay, Hobley, Jeffries, Jordan, Lillywhite, Mason, H McCloskey, P McCloskey, McKinlay, Nelson, Oliver, Parsons, Payne, Ryder, Savage, Seacome, Sudbury, Thornton, Wheeler, Whyborn, Wilkinson, Williams and Willingham.

**RESOLVED THAT :**

- 1. the revised budget for 2016/17 be noted and the recommendation of the Section 151 Officer to transfer the identified saving of £110,737 to the budget strategy (support) reserve as detailed in Section 3.1 be approved.**
- 2. Having considered the budget assessment by the Section 151 Officer at Appendix 2 the following recommendations be approved.**
- 3. the final budget proposals including a proposed council tax for the services provided by Cheltenham Borough Council of £197.12 for the year 2017/18 (an increase of 2.60% or £5.00 a year for a Band D property), as detailed in paragraphs 4.37 to 4.42 be approved.**
- 4. the growth proposals, including one off initiatives at Appendix 4, be approved.**
- 5. the savings / additional income totalling £1,408,700 and the budget strategy at Appendix 5 be approved.**
- 6. the use of reserves and general balances be approved and the projected level of reserves, as detailed at Appendix 6 be noted.**
- 7. Award temporary business rates relief for local newspapers for up to two years from April 2017, as set out in paras 4.30 to 4.33, subject to full reimbursement from the Government and the award of such relief be delegated to the Revenues Manager.**
- 8. It be noted that the Council will remain in the Gloucestershire business rates pool for 2017/18 (para 4.26).**
- 9. an above inflationary increase in cremation fee (estimated to generate additional income of £373,550) with a corresponding contribution to the budget strategy (support) reserve, as detailed in paragraphs 6.10 to 6.13 be approved.**
- 10. the Pay Policy Statement for 2017/18, including the continued payment of a living wage supplement at Appendix 9 be approved.**
- 11. a level of supplementary estimate of £100,000 for 2017/18 as outlined in Section 14 be approved.**

**13. COUNCIL TAX RESOLUTION 2017**

The Cabinet Member Finance introduced the report, the purpose of which was to enable the Council to set the Council Tax for 2017/18.

In accordance with the legislation a recorded vote was required. The recommendations were passed unanimously.

Voting For 36: Councillors Babbage, Barnes, Baker, Bickerton, Britter, Clucas, Coleman, Collins, Fisher, Flynn, Harman, Harvey, C Hay, R Hay, Hobley, Jeffries, Jordan, Lillywhite, Mason, H McCloskey, P McCloskey, McKinlay, Nelson, Oliver, Parsons, Payne, Ryder, Savage, Seacome, Sudbury, Thornton, Wheeler, Whyborn, Wilkinson, Williams and Willingham.

#### **RESOLVED THAT**

**The formal Council Tax resolution at Appendix 2 be approved and that the commentary in respect of the increase in Council Tax at Paragraph 6 of Appendix 2 be noted.**

**14. NOTICES OF MOTION**

There were no notices of motion.

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

There were no urgent items.

Chris Ryder  
**Chairman**



Madam Mayor, Members

I have great pleasure in presenting the cabinet's revised general fund budget for 2016/17 and the final budget proposals for 2017/18.

There is an old saying that "life is a marathon, not a sprint". The same applies to council budgets.

For some years now, we have been working to a Medium Term Financial Strategy that sets out our financial situation over a rolling four-year period. In 2015, planning for several years at a time became even more important, when the Government announced that it was going to phase out the revenue support grant over four years and give councils a bigger share of the income from business rates.

Unfortunately this involved us in taking huge cuts in the rate support grant between 2016 and 2018, while the benefits of the new business rates regime would not be felt until at least 2018. For that reason, the council set up a budget strategy reserve to help us support the budget and protect services in the intervening period.

More recently the council suffered another body blow when the Government announced a reduction of around £600,000 in our expected income from New Homes Bonus, making it even more important to plan for several years in the future, rather than being forced to make sudden and perhaps ill-advised cuts in services in the short term.

The budget I am presenting is based on four principles. **Firstly** to protect services as far as possible. **Secondly** to use reserves and one-off savings to cushion the blow of Government cuts. **Thirdly**, to put ourselves in the best possible position to benefit from business growth, maximising our income from business rates. **Fourthly**, to give ourselves time to continue our search for efficiency savings and to identify other reductions in spending that may be necessary in the medium and long term.

### **Funding Settlement**

Since 2009 this council has faced severe cuts to its core funding amounting to some 5.7 million. In order to bring this council some guaranteed stability in funding, the offer of a four year settlement from central government was taken up and the decision to grant it was received in November last year. The four-year settlement, although we very much welcome it, it has been slightly clouded by the decision to now include council tax in that assessment. Therefore, as Cheltenham funds a higher proportion of its net budget requirement from council tax, it is set to receive a higher reduction in government funding. This seems disproportionate in terms of spending locally what is raised locally in order to deliver what our residents want and pay for. Up until now council tax has been used to fund the difference between what we want to spend on local services and the amount it receives from other sources. The disparity across Gloucestershire seems to rather fly in the face of the principle of fairer funding. Cheltenham will receive around £93 per dwelling whereas the average across Gloucestershire is £123, a difference of around £30 per dwelling. If Cheltenham were to receive the average amount for Gloucestershire, this would equate to an additional 1.6 million.

### **New Homes Bonus**

If I could turn to the new homes bonus, this council has prudently always been cautious in its use of the bonus to support the revenue budget. This has left us headroom to cope with fluctuations in our NHB income. However, this does not make the Government's latest changes to the NHB any more palatable. The bitter blow that this Government has just dealt by making the changes, a year ahead of what was originally proposed. means that this council will only be rewarded for building 163 homes of the total 387 it has built this year. In financial terms this means a loss of around £1.6 million of grant income under the previous terms. The additional impact also means it is lost for the next six years with further reductions in the next four years. Added to that was the baseline target being set despite over 80% of local authorities objecting. Not only was it set but at a level of 0.4%. What this means in simple terms for Cheltenham which currently has @ 55 thousand properties, we will not be rewarded for the first 220 homes, as a comparison Tewkesbury have 39 thousand properties and will not be rewarded for the first 150 homes built, therefore even if we deliver the same number of houses, Tewkesbury would be rewarded for an additional 70 houses which equates to around 90 thousand per year. Over four years this would mean an additional 360 thousand. It would seem that successful house building authorities will be penalized. This urban authority has worked extremely hard to deliver new much needed housing within very confined boundaries and does not have the choices that more rural councils have. It is disappointing that, despite writing to the minister to reconsider or at the very least

give some transitional funding, and despite requesting our MP to lobby on Cheltenham's behalf, we were not successful.

### **Business rates**

The redistribution of business rates income, has become an important part of our lives, to the extent that business rates are already our biggest source of government income.

The idea that local councils can share more fully in the proceeds of business rates is very attractive, especially for towns like Cheltenham which are likely to see substantial economic growth over the next few years. But the devolution of business rates income to local authorities has introduced a very large element of risk into council finances that wasn't there before. That is because councils have now become liable for part of the cost to the taxpayer when business rates valuations are reduced on appeal. Not only that, but they are liable for part of the backdated costs of revaluations over several years.

The potential business rates income for 2017/18 indicates that the Council is significantly above the baseline funding target which will result in the Council still being liable to a 'levy'. Taking this into account, it has been agreed that this Council would benefit from remaining in the pool for 2017/18 as it will result in a reduction in the levy payment due to Government, which will be distributed in accordance with the governance arrangements.

One of the key documents in the budget setting process is the estimate of business rates yield which is reported in the National Non Domestic Rates return, the budget is based on the figures in that return. It is pleasing to report that the estimated net surplus from retained business rates against the baseline funding position is £869,270. However, due to temporary retail closures arising from town centre redevelopments, and the large reductions made by the Valuation Office (VO) in the rateable values of purpose-built doctors' surgeries and health/medical centres, deficit adjustments need to be made from previous years to the value of £444,424.

It is therefore appropriate and necessary to support the 2017/18 budget proposals with a contribution from the BRR reserve which has been built up over the last two financial years to deal with these issues.

The move to local business rates retention is still I believe a positive one albeit we are four years in and the rules are still changing. The latest of these changes is the Government's decision from April the 1<sup>st</sup> this year to grant local newspapers a discount for two years of **fifteen hundred pounds** this is to help them adapt to technological changes. The Government will fully reimburse this council for its local share of the cost. The recent business rate revaluation will have an effect on many in particular the smaller SME's, if this Government were to offer the same benefit to them as the Newspapers I am sure this council would want to support it. However the only current offer on the table is for this council to give a rate reduction which would only be supported by a 50% transition fund from Government, this in the light of all the budget pressures and reduction in funding is not I believe sustainable.

I am sure that our local newspaper has welcomed this and it will be reported as a positive story, I do hope that they will also report this budget as a positive one.

### **Council Tax**

Our Parish Councils play an invaluable role which is why this Council has continued to support them when many other local authorities ceased to do so at the point when local council tax support was rolled into the revenue support grant. As our support grant reduces towards the final year in 2020 the ability to continue funding them becomes increasingly difficult. However, in order to give parish councils a degree of financial stability and give them the assurance they need to set their own precepts, I am not proposing to pass on any reductions in 2017/18, although the 5 Parish Councils have been formally notified that reductions to their grant will commence in 2018/19.



I believe we have a serious responsibility to protect services not just in 2017/18 but beyond. There is no doubt that an additional £47,500 of council tax income, will strengthen the council's finances substantially and reduce our dependence on reserves. It will directly benefit Cheltenham residents by reducing the budget gap we have to bridge in future years and thereby protecting services from cuts.

That is why the cabinet are recommending a £5 increase again this year for the average Band D property, particularly in light of the changes to the New Homes Bonus as I have already outlined, which moving forward puts our valuable discretionary services at higher risk.

I am not minimising the significance of any tax increase, but we need to keep this in perspective. The County Council tax increase this year is a 3.99% increase (£45) for a Band D taxpayer. I think our 2.6% increase is a price people will be prepared to pay for their services and their quality of life.

It is very clear that the Government in future financial settlements will assume we have made this increase. Therefore not doing it will affect our funding for years to come. That's why we need to make it clear to Cheltenham residents that this tax increase is not the result of greed on our part, but a direct result of the grant cut.

I am pleased that this Council has again this year made the commitment not to withdraw the support of the Council tax benefit even though the funding for this was lost when in 2014/15 the government stopped separately identifying their contribution and left it to local councils to continue or not, I am pleased to say that this council has continued to support those residents that are on low working incomes or retired on low pensions.

Facing budget pressures is a fact of life for local government. Some are unavoidable as is the case with the pension triennial valuation, also changes made to housing benefit fraud moving to the department for works and pensions and from this April the apprenticeship levy of 0.5% will be introduced it is anticipated that we will be able to use some of this to off-set apprentice training cost.

#### Roundup

In the current exceptionally difficult national funding situation, the Cabinet's overriding financial strategy has been, and is, to drive down the Council's costs. The Cabinet's aim is to hold down council tax as far as possible, while also protecting frontline services, identify savings through reorganization of service delivery or raising additional income.

How have we done that,

This budget has been prepared under a general philosophy of no growth, as such members will see a very short list at appendix 4, Community Pride has for a number of years been financed through under spends at the outturn, I am proposing to include it in the base budget. The rolling capital infrastructure programme for ICT is essential.

A major focus for the longer term is closing the gap as set out in the MTFS document (apdx5) which includes savings targets rather than necessarily worked up projections. It includes the accommodation strategy, sharing management and staff costs, asset rationalisation which includes the depot, future waste initiatives and savings targets for commissioning reviews.

Already approved savings or additional income amounts to £309,500, I am proposing today a further £699,200 of efficiency savings and additional income together with a one of repayment holiday from Delta Place of £400,000 to support the base budget. This is increased rental income that we are using to make voluntary additional repayments on the loan.

Another factor which will strengthen this budget is the car park income which has been achieved in the 16/17 financial year and which appears to be ongoing. £200,000 has been built into the 17/18 budget to help bridge the MTFS.

I am also proposing that we make full use of the New Homes Bonus of £1.750 million to support this revenue budget, I had anticipated that any income in excess of this would have been used for the investment in 2020 Vision or for strengthening the Budget reserve account. However, obviously things have changed since the draft budget, Losing £600 thousand of the New Homes Bonus was not predicted for this year.

A budget support reserve was created in 2015 for the specific purpose of providing more resilience, should short term challenges be faced. Today my proposal is to draw further on this reserve. Although we have been successful with some major redevelopments that in the long term will benefit our Towns economy enormously, there are some short term challenges, such as a reduction in business rates for the next 12 to 18 months and the delay in getting parking income from North Place. Because these are short term challenges the use of £882 thousand of this reserve is preferable to cuts in service or indeed any increase in charges.

### **Capital programme**

The longer term approach to finding growth and efficiencies to close the funding gap is fundamentally through economic growth and investment which is why we have committed £10.2 million to increase our investment property portfolio.

In addition, resources will be geared towards supporting and delivering the growth agenda including major developments in North West and West Cheltenham. This will be critical now that we know the LEP have been successful in their funding bid for the Cyber business park to the tune of £22 million.

Supporting the artistic, heritage and cultural life of the town as economic drivers will remain a core focus. The Town Hall redevelopment scheme and the proposed support to enable significant improvements at the Leisure facility are both work in progress. These and hosting the Tour of Britain cycle race, which is looking hopeful, all helps to show that Cheltenham is a town with a vision, backed up with a new Place Strategy coming to Council in March.

Investing in our services that contribute to our income is imperative. The proposals for the new crematorium is one example. The fee increase proposed in this budget will help us to deliver the capital scheme and result in a facility that is fit for purpose to deliver a first class service to our residents and the businesses that use it.

It is important to ensure that this council looks at fairness and equality in what it provides to its residents and visitors. That is why I am delighted that there is a proposal for new Changing Places convenience facilities to be provided in our town.

I very much welcome the new and improved kerbside recycling that is to be introduced, this followed a significant amount of consultation with our residents who told us what they wanted which we have listened to.

Before I conclude, We are required on an annual basis to reaffirm our support for the Living Wage and for paying the supplements necessary to implement it. I am proposing that we do so now in these budget resolutions.

Finally, Madam Mayor, let me summarise what these proposals achieve.

- A balanced budget, despite a huge cut in Government grant.
- The local economy strengthened.
- Front line services protected
- More efficiency savings.
- More services shared to save money.
- A clear vision for Cheltenham.

Madam Mayor, I have pleasure in proposing the general fund budget for 2016/17.