

CABINET

MINUTES of a MEETING held in SALISBURY GUILDHALL, THE MARKET PLACE, SALISBURY, SP1 1JH on Wednesday, 15 February 2012.

Cllr John Brady	Cabinet Member for Finance Performance and Risk
Cllr John Noeken	Cabinet Member for Resources
Cllr Fleur de Rhe-Philipe	Cabinet Member for Economic Development and Strategic Planning
Cllr Jane Scott OBE	Leader of the Council
Cllr Toby Sturgis	Cabinet Member for Waste, Property Environment and Development Control Services
Cllr John Thomson	Deputy Leader and Cabinet Member for Adult Care, Communities and Housing
Cllr Stuart Wheeler	Cabinet Member for Transformation, Culture, Leisure and Libraries

Also in Attendance:	Cllr Trevor Carbin
	Cllr Nigel Carter
	Cllr Richard Clewer
	Cllr Christopher Cochrane
	Cllr Mary Douglas
	Cllr Richard Gamble
	Cllr Mike Hewitt
	Cllr Jon Hubbard
	Cllr Jerry Kunkler
	Cllr Alan Macrae
	Cllr Bill Moss
	Cllr Ricky Rogers

25. Apologies

Apologies for absence had been received from the following:

- Councillor Dick Tonge
- Councillor Lionel Grundy
- Councillor Keith Humphries
- Councillor Laura Mayes.

The Leader noted that Councillor Humphries and Councillor Grundy were both unwell, and wished them both a speedy recovery.

26. **Minutes of the previous meetings**

The minutes of the two meetings held on 17 January 2012 and the meeting held on 30 January 2012 were presented.

Resolved:

To approve as a correct record and sign the minutes of the two meetings held on 17 January 2012, and the meeting held on 30 January 2012.

27. **Minutes - Capital Assets Committee**

The minutes of the meeting of the Cabinet Capital Assets Committee held on 18 January 2012 were received and noted.

28. **Declarations of Interest**

There were no declarations of interest.

29. **Leader's announcements**

The Leader announced that she would be bringing item 11 (Formation of a School Company) forward to immediately after item 6, as Mr Andy Packer (Headteacher of John of Gaunt Secondary School, Trowbridge) was in attendance for this item.

30. **Public participation**

No one had registered to speak, however the Leader reported that she would be happy for members of the public present to participate in the discussion on items on the agenda.

At this point Councillor Bill Moss raised an issue where a pensioner who was also a Council house tenant had been charged for pest control work. The Leader requested that the details be put in writing and passed to Corporate Directors who would investigate the matter.

31. **Formation of a School Company**

In the absence of Councillor Lionel Grundy (Cabinet Member for Children's Services), Carolyn Godfrey, Corporate Director, presented a report which outlined a proposal from the Trowbridge Cluster of Schools to establish a company limited by guarantee with charitable status to deliver a number of services across the Trowbridge area, and proposed that the local authority become the supervising authority for maintained schools who join the company.

At the Chairman's invitation, Mr Andy Packer, Headteacher of John of Gaunt Secondary School, Trowbridge, spoke on the proposal, explaining that the formation of a company would consolidate the good work to date within the Trowbridge Cluster of schools. The proposed company would also operate as a social enterprise, so any surplus would be reinvested for the benefit of the schools.

The Leader asked Mr Packer to provide the Cabinet with an update in a year's time on how the company was progressing.

Resolved:

- a) That the local authority (LA) approves the formation of a schools company Collaborative Schools Ltd.**
- b) The LA becomes the supervising authority for the company.**
- c) The LA instructs the Clarendon College that it must not become a formal member of the company whilst it is in Special Measures.**

Reason for Decision

The Trowbridge schools have proposed the establishment of a school company as the most effective method for ensuring the continued delivery of extended services and collaboration between schools.

The company must have a supervising authority which would normally be the local authority in whose area the schools are located.

32. Budget Monitoring Period 9 December 2011

Councillor John Brady, Cabinet Member for Finance, Performance and Risk, presented a report which advised the Cabinet of the revenue budget monitoring position as at the end of Period 9 (December 2011) for the financial year 2011/2012 and highlighted significant new cost pressures or changes since the last report on 13 December 2011. Councillor Brady noted that the current position showed revised potential cost pressures of £0.279 million at Period 9, and was confident that this could be addressed to provide a balanced budget by the end of the financial year.

The Cabinet thanked all those who had worked to provide a balanced budget for the Council.

Resolved:

To note the outcome for the Period 9 (December 2011) budget monitoring and to receive updated movements since the previous report in December.

Reason for Decision

To inform effective decision making and ensure a sound financial control environment.

33. Treasury Management Strategy 2012-13

Councillor John Brady, Cabinet Member for Finance, Performance and Risk, presented a report which presented the Treasury Management Strategy for 2012-13 including:

- a) The Prudential and Treasury Indicators (Prls and Trls) for the next three years;
- b) Other debt management decisions required for 2012-13 that do not feature within the Prls or Trls; and
- c) The Annual Investment Strategy for 2012-13.

Resolved:

To recommend that the Council:

- a) **adopt the Prudential and Treasury Indicators (Appendix A);**
- b) **adopt the Annual Investment Strategy and approve the changes in the Strategy, resulting from the replacement of Fitch Ratings individual credit ratings with new bank viability ratings (Appendix B, paragraph 22) and the updated guidance on the determination of the maturity of LOBO loans (a detailed explanation is shown below in paragraphs 21 to 24 of this report);**
- c) **delegate to the Chief Finance Officer the authority to vary the amount of borrowing and other long term liabilities within both the Treasury Indicators for the Authorised Limit and the Operational Boundary;**
- d) **authorise the Chief Finance Officer to agree the restructuring of existing long-term loans where savings are achievable or to enhance the long term portfolio;**
- e) **agree that short term cash surpluses and deficits continue to be managed through temporary loans and deposits; and**
- f) **agree that any long term surplus cash balances not required to cover borrowing are placed in authorised money-market funds, particularly where this is more cost effective than short term deposits and delegate to the Chief Finance Officer the authority to select such funds.**

Reason for Decision

To enable the Council to agree a Treasury Management Strategy for 2012-13 and set Prudential Indicators that comply with statutory guidance and reflect best practice.

34. Treasury Management Strategy 2011-12 - Revision January 2012

Councillor John Brady, Cabinet Member for Finance, Performance and Risk, presented a report which presented the revised Treasury Management Strategy for 2011-12 to reflect the need to borrow for HRA (Housing Revenue Account) self-financing due to the statutory change under the Localism Bill and includes:

- a) the revised Prudential and Treasury Indicators (Prls and TrIs) for the next three years; and
- b) the revised Annual Investment Strategy for 2011-12.

For clarity, and the benefit of the members of the public who were present, Councillor John Thomson (Deputy Leader and Cabinet Member for Adult Care, Communities and Housing) explained the background to the proposal to increase the Council's borrowing on this basis. Under previous legislation, Councils were required to pay a portion of their income from Housing rents to central government for redistribution as part of the Housing subsidy scheme. However, under the Localism Act 2011, Councils could buy out of this scheme, and retain all rental income, along with the responsibility to support, maintain and develop their own housing stock. This self-financing would require a payment from the Council to the Department for Communities and Local Government (DCLG) of £119.356 million in March 2012, increasing the Council's level of indebtedness by just over 50%. This option would leave the Council's HRA around £3 million better off per year.

In response to comments made regarding the proposed rent increase, it was confirmed that this figure had been set by central government, although other fees and charges were being kept at existing levels to minimise the impact on tenants. It was noted that Housing Association rents tended to be higher than Council rents; Councillor Thomson undertook to provide details on this to the Tenants' Panel.

In addition, the Leader undertook to investigate a submission sent to the Council's Housing department and to write a letter to the Housing Minister setting out the impact of rent increases on Wiltshire Council tenants.

Following discussion regarding garage rents, Councillor Thomson undertook to provide information on garage tenancy rates to Councillor Jon Hubbard.

Resolved:

To recommend that the Council:

- a) adopt the revised Prudential and Treasury Indicators (Appendix A);**
- b) adopt the revised Annual Investment Strategy (Appendix B);**
- c) delegate to the Chief Finance Officer the authority to vary the amount of borrowing and other long term liabilities within both the Treasury Indicators for the Authorised Limit and the Operational Boundary;**
- d) authorise the Chief Finance Officer to agree the restructuring of existing long-term loans where savings are achievable or to enhance the long term portfolio;**
- e) agree that short term cash surpluses and deficits continue to be managed through temporary loans and deposits; and**
- f) agree that any long term surplus cash balances not required to cover borrowing are placed in authorised money-market funds, particularly where this is more cost effective than short term deposits and delegate to the Chief Finance Officer the authority to select such funds.**

Reason for Decision

To enable the Council to agree a revised Treasury Management Strategy for 2011-12 and set revised Prudential Indicators to address the issues arising from the Housing Reform initiative, whilst retaining the required compliance with statutory guidance and reflecting best practice.

35. Wiltshire Council's Business and Financial Plan Update 2012/13

Councillor Jane Scott, Leader of the Council, presented a report which provided an assessment of Cabinet's draft proposals to Council to set a budget for 2012/13, and the impact on Council Tax, rents, fees and charges, the capital programme, schools, as well as reserves.

Joint Overview and Scrutiny had met on 9 February 2012 to appraise and scrutinise the proposals, as well as officers' conclusions, and comments from this meeting were presented in a tabled report, copies of which had been made available to the press and public.

The Leader, referring to the recommendations as set out in the report, moved an amendment that free swimming would be offered to all under 16 year olds during the Easter and summer holidays. This proposal was to contribute towards the County's legacy from the London 2012 Olympics and to address issues identified in the recent Joint Strategic Assessment (JSA), tackling child obesity and child poverty, as well as keeping children active during the school holidays. It was emphasised that schools did an excellent job of keeping children active during term time. The cost of this proposal would be around

£145,000, depending on take up, but it was reported that the publicity would be targeted at those who needed it most, and also through GPs and school nurses.

In response to a question, it was noted that the Council received a “bonus” from the government for keeping Council tax to a 0% increase. This bonus was the equivalent of a 2.5% increase, or £5.5 million.

Resolved:

That Cabinet, following consideration of comments and recommendations arising from the Director of Finance and Corporate Directors’ statements, Scrutiny and public consultations, makes the following recommendations to Council on 28th February 2012:

- a. To endorse the update of the 2012-15 Business and Financial Plan.
- b. To recommend to Council, for approval, that the savings and investment proposals summarised at Sections 9 and 7 respectively of this report and Sections 4 and 5 of Cabinet’s proposed Financial Plan at Appendix 1 of this report, provides a net revenue budget for 2012/13 of £326.655 million.
- c. To recommend to Council to:
 - i. Freeze Wiltshire Council’s element of the Band D council tax for 2012/13 £1,222.43, as calculated in accordance with statute, as set out in Section 10 of this report.
 - ii. Set the Council’s total net expenditure budget for 2012/13 at £326.655 million.
 - iii. Adopt the changes introduced by Government and move from the current subsidy funding system to one of self-financing when local authorities take on responsibility for the current debt & repayment.
 - iv. Set a 6.4% increase for dwelling rents in accordance with rent restructuring.
 - v. Set the HRA Budget for 2012/13 (original) as set out at Appendix F of Cabinet’s proposed Financial Plan at Appendix 1 of this report.
 - vi. That all other rent or service charges related to the HRA be frozen at 2011/12 levels.
 - vii. The Capital programme proposed at Appendix E of Cabinet’s proposed Financial Plan, attached to this report at Appendix 1.

- viii. **Set the changes in fees and charges set out in detail at Section 6 of Cabinet's proposed Financial Plan at Appendix 1 of this report.**
- ix. **To provide £145,000 to offer free swimming for under 16 year olds during the Easter and summer holidays.**

Reason for Decision

The Cabinet, following Scrutiny and consultation, is required to forward recommendations to Council to enable it to:

- Set its revenue, capital, housing revenue accounts, fees and charges, levels of reserves and resultant Council Tax for 2012/13 to then issue Council Tax and rent bills.
- Provide the Council with a strong business and financial plan for sustainable delivery for the remaining three years of those plans.

36. Business Plan Scorecard Report

Councillor John Brady, Cabinet Member for Finance, Performance and Risk, presented a report which provided a summary of progress against Wiltshire Council's Business Plan, including:

- Performance indicators for Community Results and Council Performance for the period April to December 2011.
- The status of the Council's main programmes.

Comments and questions were raised on the plan as follows:

- Ref 2005 – Concern was raised in relation to the low figure for the number of children in care getting 5 A*-C GCSEs. However, Scrutiny had identified that this was due to children in care often taking their exams in different timescales, which the monitoring did not take into account.
- Ref 2001 – It was noted that there was a constant need for volunteers as foster carers, and another recruitment campaign would be run.
- Ref 3007 – Councillors welcomed the high number of volunteers in the Library Service, commenting that this was a great example of using community involvement in running and extending service availability.
- Ref 5001 – Concern was raised over the fall in customer telephone call connection rates. This was being addressed and figures had improved since November 2011.
- Ref 6001 – Concern was raised over the high level of alcohol related hospital admissions. It was noted that the licensing service was taking action against irresponsible licensees who sold alcohol to under 18s, and to people who were already drunk, and there had been a number of

successes in this area recently. However, it was noted that licensees were under pressure to maintain sales due to rents and prices increasing, and were also faced with difficulties caused by fake IDs. It was reported that the Touch2ID scheme had proved successful in the Melksham area.

Resolved:

To note progress against the Business Plan.

Reason for Decision

To provide Cabinet with a summary of progress against the Business Plan.

37. Salisbury Central Car Park and Maltings

Councillor Fleur de Rhé-Philippe, Cabinet Member for Economic Development and Strategic Planning, presented a report which set out the process taken in accordance with European Procurement Regulations, and following approval by Cabinet in December 2010, to identify a preferred development partner for the retail led mixed development project at Salisbury Central Car Park and Maltings. The report invited the Cabinet to consider whether to award 'Preferred Bidder' status to the highest scoring bidder.

It was emphasised that the process had been extremely rigorous, and the three competitive bids had been evaluated against the criteria agreed in advance by Cabinet.

In addition, it was noted that this process was to select a development partner, and not to select a scheme; this would be produced following an extensive public consultation.

It was recommended that the meeting move into Part II to receive a detailed report on the outcome of the evaluation, to protect commercially sensitive information.

38. Urgent Items

There were no urgent items.

39. Exclusion of the Press and Public

Resolved:

To agree that in accordance with Section 100A(4) of the Local Government Act 1972 to exclude the public from the meeting for the business specified

in Item Number 16 (minute 40 below) because it was likely that if members of the public were present there would be disclosure to them of exempt information as defined in paragraph 3 of Part I of Schedule 12A to the Act and the public interest in withholding the information outweighs the public interest in disclosing the information to the public.

40. Salisbury and the Maltings Car Park

Mark Hunnybun, Strategic Projects and Development Manager, presented the Part II report which had been tabled for Councillors, following which there were a number of questions and comments on the process and the detail of the bids.

Resolved:

- (i) To award 'Preferred Bidder' status to Stanhope PLC, the shortlisted bidder with the highest score against the evaluation criteria.**
- (ii) That Stanhope PLC embarks on an agreed public consultation programme at the earliest opportunity.**
- (iii) To delegate authority to the Director, Economy and Enterprise, in consultation with the Cabinet Member for Economic Development and Strategic Planning to develop the scheme with the preferred bidder including finalising terms of the development agreement and bring it back to Cabinet for final approval in due course.**

Reason for Decision

The award of 'Preferred Bidder' status to Stanhope PLC will enable a scheme to be worked up in detail, in full consultation with the public and stakeholders, which will meet the objectives of the Council's Core Strategy and those of the Salisbury Vision.

Admission of Press and Public

At this point the meeting reverted to open session and re-admitted the press and public to the meeting.

Councillor de Rhé-Philipe announced the decision for the benefit of the press and public.

The Leader offered thanks to those involved in the process so far, particularly to Richard Walters, Salisbury Vision Director and Sir Christopher Benson, Chairman of Salisbury Vision Board, commenting that this was a huge step forward in achieving the investment which Salisbury deserved.

(Duration of meeting: 3.00 - 5.23 pm)

<p>These decisions were published on the 20 February 2012 and will come into force on 28 February 2012</p>
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