

CABINET MEETING 4th March 2009

The following Statements and Questions had been registered by the time of publication.

REGISTERED SPEAKERS

There were 4 notices of intention to make a statement at the meeting. Where the intention is to speak about an item on the Agenda, the speaker will be offered the option to speak near the beginning of the meeting or just before the Agenda item.

- Paul Myers, Campaign for an Independent Midsomer Norton Town Council
Re: Presentation of a petition asking the Cabinet to undertake a Community Governance Review
- Cllr Ian Gilchrist
Re: Carbon Management Plan (Agenda Item 13)
- Richard Daniel, Transition Bath
Re: Carbon Management Plan (Agenda Item 13)
- Hugh Prentice
Re: Carbon Management Plan (Agenda Item 13)

QUESTIONS AND ANSWERS - COUNCILLORS

01

Question from: Councillor Paul Crossley

When will the Cabinet member make a decision on whether the Council will sign up to the Cyclescheme bike purchase scheme (or a similar scheme) to allow employees to get good quality bikes at a discounted price, as outlined in my statement to Council on 11 September 2008, given this proposal was very well received across Council?

Answer from: Councillor Malcolm Hanney

You will be aware that I had asked the Head of Human Resources to look at the feasibility of our introducing 'salary sacrifice' arrangement for Council staff wishing to purchase bicycles noting that a number of other authorities are currently considering such an arrangement. Unfortunately, due to other demands on the service, there has been some slippage and I do not anticipate this review now being completed before April 2009.

If the Council were to take this forward, my preference would be not to introduce it in isolation. I think, for instance, that it would be more sensible to do so as part of a more considered action e.g. as part of an overall travel plan or linked to proposals around office accommodation.

As it would be a 'salary sacrifice' arrangement, I would also expect any implications for pensions , insurance to be made explicit in the scheme and to staff who might consider entering into an agreement.

In looking at the feasibility of such a scheme, the Council will have to take account of potential set up and running costs and how effective it is as a staff benefit. There is some suggestion that, generally, 'salary sacrifice' schemes have not been as beneficial as had originally been envisaged.

Over a number of years, the Council has had a scheme that has been intended to support cycle use, including mileage reimbursement and a loan facility. It is unlikely that the Council would be able to sustain the existing loan scheme alongside a 'salary sacrifice' arrangement and there would clearly need to be union consultation before this could happen.

I recognise though that HR service receives a regular number of requests from staff about the availability of a scheme for Council employees and in taking this forward, I have requested that the unions be consulted to assess the degree of priority they place upon the introduction of any such arrangements.

Supplementary Question:

It is difficult to understand why the Cabinet member is so reluctant to embrace the cycle scheme and its aims. Would he not agree that it is a good thing to encourage people to use bicycles more and to use cars less? Does he agree that this would support the Council's green action plan and carbon targets?

Answer from:

Councillor Malcolm Hanney

As I explained in my previous answer, I am concerned about the effect the "salary sacrifice" proposals would have on the pensions and life insurance cover of employees. But I will certainly consider the scheme in due course.

02

Question from: Councillor Will Sandry

At a time when many local businesses are struggling to make ends meet, we now hear that the Council is trying to impose unreasonably high rent increases, of up to 40%. Would the Cabinet Member not agree that, while businesses must clearly pay a fair rent for their premises, keeping a customer is easier than finding a new one? Will he seek to ensure that all future rent reviews are conducted sensibly with an aim to keeping shops open in Bath?

Answer from:

Councillor Malcolm Hanney

The Council holds commercial property assets in order to generate income to support Council objectives.

During 2008/09 the Commercial Estate produced £13 million in rentals, equivalent to 18% on Council Tax.

The Council seeks to set sustainable rents throughout the city to accord with

existing market evidence, the level of demand for units and the current economic climate. Rent increases at any review will reflect market conditions and that increase will vary depending upon the previous review date e.g. if the last review was 10 years ago then the increase is likely to be substantially greater than if it was only 12 months ago. Market conditions will also reflect the level of demand, and therefore the rental value of any particular location

All rentals must be capable of being justified through market evidence to an independent third party, as detailed within the terms of all of the Council's commercial leases.

All commercial tenants have a named point of contact within Property Services, and all tenants, upon receipt of the rent review notice, are encouraged to contact Property Services to discuss both the level of rent proposed and the avenues open to them for advice in reaching a determination.

From the perspective of the Commercial Estate, the Council has a duty to protect its future integrity and we have in place commercial management procedures in relation to the income stream, outstanding debt, the reduction in the number of void properties and the investment in the fabric of the assets. The Council will continue to operate commercially whilst, at the same time being sensitive to tenant issues and economic conditions.

We are flexible where appropriate, and will continue to engage in constructive discussions with tenants who face difficulties. The Council cannot, however, be seen to be inappropriately subsidising inefficient businesses.

Supplementary Question:

Thanks to the Cabinet member for his reply. I accept that rents must be fair and must reflect market conditions. Does he not share my concern that commercial ratepayers often wait for 8-10 weeks for a response if they challenge their rates?

Answer from: Councillor Malcolm Hanney

Commercial tenants do not always challenge their rating notice promptly. Discussions take place at different paces – some are resolved quickly, but some are more complex and take longer to resolve.

03

Question from: Councillor Tim Ball

How many Council business tenants have negotiated reductions in their proposed rent increases, and by how much have these increases been reduced?

Answer from: Councillor Malcolm Hanney

Unless the rent is determined by a formula set out within the lease all rentals are determined through negotiation between the Council, the tenant or the tenant's representation.

All negotiated rentals have to be capable of justification through market evidence

and are subject, in the absence of agreement, to independent third party determination.

All tenants seek to negotiate a lower rental as part of what is a commercial negotiation. To date, we have had no tenants who have indicated that they wish to pay more than we have asked.

QUESTIONS AND ANSWERS - PUBLIC

There were none.