

Appendix A

**Cheltenham Borough Council
2010 – 2015 Corporate Strategy**

**Draft for Economy and Business
Improvement overview and scrutiny
committee**

25th January 2009

Objective 2 - Strengthening our economy

Strengthening our economy includes our work on:

Economic development

Tourism

1. What's the situation?

Economic profile

Cheltenham traditionally has a relatively affluent economy with a Gross Value Added of 99% of the UK average in 2006.

Cheltenham has a diverse economic base with four main sectors, retail and tourism, finance and business sectors, the public sector (inc GCHQ) and manufacturing contributing the most to our economy. New sectors, such as environmental technologies and creative industries are growing and it is anticipated that these will contribute more to our prosperity in the future.

Average earnings in Cheltenham are higher than the national average (with an average gross weekly wage of £504 in 2008) and have generally increased in line with national trends between 2002 and 2008.

There were approximately 57,800 employees (80%) in employment in Cheltenham in Sept 2007. Over 8,000 of these are employed in retail.

Tourism is an important element of the Cheltenham economy which as a sector employs around 8,000 people bringing in some £235m to the local economy. It attracts national and international visitors to its various sporting and cultural festivals as well as for its parks gardens and shops. Our town centre for instance has a long-standing reputation for quality shopping, eating and drinking and in November 2005 the Promenade was voted as Britain's favourite high street in an online vote organised by search directory Touch Local.

The recession

In December 2008, the Local Government Association produced a report forecasting that the Cheltenham and Gloucester area was likely to be one of the five most vulnerable areas in the country at risk from job losses over the period 2010-12, with a projected job loss of 18,000. This was based on an assumption that the economy will enter a recession that reduces GDP by 2.0% in 2009 and recovers by 0.75% in 2010. Sectors hit hardest were predicted to include construction (down 20%) and manufacturing (down 18%).

At October 2009, the claimant count stood at 2,868 (a rate of 4.1%) which is a 90% increase since Aug 08 when the claimant count was 1,558. This compares with a current county rate of 3.5%. (source GLMIU)

There are significant differences in where this rise in unemployment is concentrated. There are five wards where unemployment rates are in the highest 10% in the county with Hesters Way having the highest rate (at 9.6%) in the county. This suggests that people in these communities are more likely to have less secure (and probably lower paid) jobs.

2. What does our community want?

The council contacted the Cheltenham Business Pride Members and asked 9 questions relating the boroughs economic strengths and weaknesses. 21 responses were received.

The business pride survey clearly identified that the business community feel that the council could do more to support them and in particular start up business. They would like the council to take action to:

- Improve marketing of Cheltenham nationally and internationally to attract new business;
- Improve marketing to attract more tourists;
- Reduce rents and rates; and
- Purchase services and goods where possible from local suppliers.

When asked what our economic strengths were, they considered that these were:

- Our diverse employment base;
- Our quality retail sector; and
- Tourism.

At the same time when asked to identify our weaknesses, they felt that we could:

- Do more to support local businesses by better marketing of the town;
- Improve our relations with the media; and
- Produce more positive PR reports.

They also felt that we could help by reducing rents and rates and where possible purchase goods and services from local business.

When asked what the council could do to help mitigate the effects of the recession they said we:

- Should do more to market the town regionally and internationally;
- Could do more to attract new businesses to the town;
- Could provide financial help to business start up schemes; and
- Could improve transport links.

3. Therefore what are our outcomes and what difference will we have made over the five years?

Outcomes	What are we trying to do	What difference will we make
Cheltenham is able to recover quickly and strongly from the recession	Provide a package of measures that will support existing businesses through the recession	<ul style="list-style-type: none"> • Increase the VAT registration rate (NI 171) • Increase the number of VAT registered businesses in the area showing growth (NI 172)
	Work in partnership to identify potential growth sectors in the economy	
We attract more visitors and investors to Cheltenham	Market and promote Cheltenham to attract visitors and investment	<ul style="list-style-type: none"> • Increase the number of visitors to Cheltenham
Unemployed people are able to access employment and training	Work in partnership to facilitate activities that will help people move off benefits and into employment	<ul style="list-style-type: none"> • Decrease the unemployment rate • Decrease the differential unemployment rate between the Cheltenham average rate and the ward with the highest rate. • Decrease the number of working age people on out of work benefits (NI 152) • Decrease the number of working age people claiming out of work benefits in the worst performing neighbourhoods (NI 153)

Outcome - Cheltenham is able to recover quickly and strongly from the recession

Objective and outcome

Strengthening our economy - Cheltenham is able to recover quickly and strongly from the recession

1. What do we do directly to deliver this outcome

The economic development team provide a range of support for local businesses.

We have set up Cheltenham Business Pride which is our key means of improving the economic sustainability of the town by listening and responding to local businesses' needs, providing grants for local business projects that benefit Cheltenham's economy and promoting local businesses' achievements in the local and national media.

2. What else do we do that can help deliver this outcome

Our strategic planning framework will help ensure that that the economy develops in a sustainable way which reflects environmental limits and the need to reduce carbon emissions, ensure that Cheltenham is an attractive environment where businesses can grow, develop and invest.

3. What do we do in partnership with others to deliver this outcome

We work in partnership with Gloucestershire First to ensure that Cheltenham and its surrounding areas complement each other and build on their strengths.

4. What are the longer-term risks to the delivery of this outcome?

If the economic situation does not improve then there may be more business closures and a continued increase in the overall employment rate.

5. how should the council commission this work in future to secure longer-term delivery of this outcome, deliver improved value for money and to address risks

To be identified

Recover from the recession (Cont'd)

6. What are our planned improvement actions to secure longer-term delivery of this outcome and to address risks?					
Improvement Action	Planned Benefits	Key Resources	Dates	Lead	Partners

7. How will we know what difference we have made over the five years?				
What will we do directly	Measured by this indicator	Baseline	Target by 2015	Lead
Provide a package of measures that will support existing businesses through the recession	<ul style="list-style-type: none"> Increase the VAT registration rate (NI 171) 	<p>4,415 businesses currently registered</p> <p>69.8 new businesses start-ups per 10,000 working age population in 2007.</p>		
Work in partnership to identify potential growth sectors in the economy	<ul style="list-style-type: none"> Increase the number of VAT registered businesses in the area showing growth (NI 172) 	14% of VAT registered businesses showed growth (2006-07)		
What will we do in partnership	Measured by this indicator	Baseline	Target by 2015	Lead
<i>To be identified</i>				

Outcome - We attract more visitors and investors to Cheltenham

Objective and outcome

Strengthening our economy - We attract more visitors and investors to Cheltenham

1. What do we do directly to deliver this outcome

We provide a tourism service that promotes and markets the town to a wide-range of domestic and overseas visitors.

We provide a twinning service that fosters international partnerships between the citizens of our five twin towns and two friendship towns through community and business involvement.

2. What else do we do that can help deliver this outcome

3. What do we do in partnership with others to deliver this outcome

We work with the Cotswold and Forest destination management organisation to ensure that there is a coordinated approach to promoting the county.

4. What are the longer-term risks to the delivery of this outcome?

If the economic situation does not improve then we may not see an increase in visitor numbers and inward investment.

5. how should the council commission this work in future to secure longer-term delivery of this outcome, deliver improved value for money and to address risks

To be identified

Attract more visitors to Cheltenham (Cont'd)

6. What are our planned improvement actions to secure longer-term delivery of this outcome and to address risks?					
Improvement Action	Planned Benefits	Key Resources	Dates	Lead	Partners
<i>Agree and publish a marketing strategy for the borough.</i>					

7. How will we know what difference we have made over the five years?				
What will we do directly	Measured by this indicator	Baseline	Target by 2015	Lead
Market and promote Cheltenham to attract visitors and investment	<ul style="list-style-type: none"> Increase the number of visitors to Cheltenham 			

Outcome - Unemployed people are able to access employment and training

Objective and outcome
Strengthening our economy - Unemployed people are able to access employment and training
1. What do we do directly to deliver this outcome
We provide an apprenticeship scheme that takes unemployed young people and helps them become 'job ready' through offering relevant practical experience.
2. What else do we do that can help deliver this outcome
We are a relatively large employer that is working to ensure that people have equal access to our employment opportunities. For instance we have signed up to disability scheme that supports disabled people throughout the recruitment process.
3. What do we do in partnership with others to deliver this outcome
We will work in partnership to facilitate activities that will help people move off benefits and into employment
4. What are the longer-term risks to the delivery of this outcome?
If the economic situation does not improve then there may be more business closures and a continued increase in the overall employment rate.
5. how should the council commission this work in future to secure longer-term delivery of this outcome, deliver improved value for money and to address risks
<i>To be identified</i>

6. What are our planned improvement actions to secure longer-term delivery of this outcome and to address risks?					
Improvement Action	Planned Benefits	Key Resources	Dates	Lead	Partners
<i>To be identified</i>					

Access to employment and training (Cont'd)

7. How will we know what difference we have made over the five years?				
What will we do directly	Measured by this indicator	Baseline	Target by 2015	Lead
Manage an apprenticeship scheme	Number of apprentices going on to secure employment			
What will we do in partnership	Measured by this indicator	Baseline	Target by 2015	Lead
Work in partnership to facilitate activities that will help people move off benefits and into employment	<ul style="list-style-type: none"> Decrease the unemployment rate 	Currently 4.1% (October 2009)		
	<ul style="list-style-type: none"> Decrease the differential unemployment rate between the Cheltenham average rate and the ward with the highest rate. 	Currently 4.4% (October 2009), Hesters Way has an unemployment rate of 8.5%		
	<ul style="list-style-type: none"> Decrease the number of working age people on out-of-work benefits (NI 152) 	At end of March 2009, this was 9.6% (source Work and Pensions Longitudinal Study – Benefit data. ONS - Population estimates.)		
	<ul style="list-style-type: none"> Decrease the number of working age people claiming out of work benefits in the worst performing neighbourhoods (NI 153) 	Data not yet available		

Cross-cutting objective - Enhancing the provision of arts and culture

1. What's the situation?

Cheltenham is extremely fortunate to have a wide range of cultural facilities backed up by a vigorous and successful programme of internationally recognised arts and sports festivals running throughout the year. The borough is home to the Everyman Theatre and the Playhouse Theatre, both of which put on a rich and varied programme of professional and amateur performing arts. Other venues, such as the Town Hall, Pittville Pump Room and the Centaur, host live music as well as festival and community events.

Cheltenham has a wide-range of festivals that take place throughout the year which include the world-renowned Jazz, Music, Science and Literature Festivals. The borough is also home to Cheltenham Racecourse which hosts a number of nationally important national hunt race meetings as well as the Gold Cup festival which brings in significant number of overseas visitors to Cheltenham. The borough also boasts a thriving community of independent artists as well as a considerable amount of voluntary sector activity, under the umbrella of Cheltenham Arts Council.

The provision of arts and culture is essential to supporting Cheltenham's quality of life. They generate community vitality and a sense of belonging while also bringing an annual contribution of some £34 million (Source Comedia 2003) to the economic well-being of the borough and its residents. This represents 0.8% of the total business turnover in the borough. Around one day in five is a festival day in Cheltenham; over 300 jobs are sustained by the festival programme and a wide range of businesses benefit from the trade the festivals generate.

However, maintaining the borough's cultural heritage and developing new services that respond to the emerging needs of artists and more sophisticated demands of audiences represents a substantial challenge. Following the Cultural Review undertaken by an independent consultant for the Borough Council and Cheltenham Festivals in 2006, the Council is considering improvement proposals for the Town Hall and has already committed to improvements to the Art Gallery and Museum. At the same time, the festivals team are now part of an arms length organisation that is being asked to be more commercially minded about income generation to reduce their dependency on the public purse.

2. What does our community want?

The place survey told us that satisfaction with our museums and galleries (62%) and theatres (76%) are significantly higher in Cheltenham than anywhere else in Gloucestershire with both being rated in the top 10 in the country.

3. Therefore what are our outcomes and what difference will we have made over the five years?

Outcomes	What are we trying to do	What difference will we make
Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment	Create a financially sustainable structure for delivering arts and culture activities.	A vibrant and diverse range of cultural providers.

Outcome - Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment

Objective and outcome

Cross-cutting objective: Enhancing the provision of arts and culture

Outcome = Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment

1. What do we do directly to deliver this outcome

The council provides a wide range of cultural facilities. Our venues, such as the Town Hall and the Pittville Pump Room host live music as well as festival and community events.

The council provides Cheltenham Art Gallery and Museum which displays paintings, drawings, sculpture, archaeology, local and social history, and objects from all over the world. The arts and crafts display has been nationally recognised for its importance.

The council also provides a vigorous programme of community arts development to engage people with the arts, developing its audiences and empowering individuals and communities.

2. What else do we do that can help deliver this outcome

To be identified

3. What do we do in partnership with others to deliver this outcome

Cheltenham Festivals is now an arms length organisation that is being asked to be more commercially minded about income generation to reduce their dependency on the public purse. The Festivals team is responsible for hosting acclaimed festivals that take place throughout the year which include the world-renowned Jazz, Music, Science and Literature Festivals.

The council supports the Everyman Theatre which is the earliest surviving example of the work of Frank Matcham, who was the country's leading theatre architect at the turn of the 20th century.

The council also supports the Playhouse Theatre which celebrates non-professional drama.

4. What are the longer-term risks to the delivery of this outcome?

To be identified

5. how should the council commission this work in future to secure longer-term delivery of this outcome, deliver improved value for money and to address risks

To be identified

6. What are our planned improvement actions to secure longer-term delivery of this outcome and to address risks?

Improvement Action	Planned Benefits	Key Resources	Dates	Lead	Partners
Deliver the Art Gallery and Museum extension project.					

7. How will we know what difference we have made over the five years?

What will we do directly	Measured by this indicator	Baseline	Target by 2015	Lead
Create a financially sustainable structure for arts and culture	<i>To be identified</i>			
What will we do In partnership	Measured by this indicator	Baseline	Target by 2015	Lead
Arts and culture are used as a means to strengthen communities, strengthen the economy and enhance and protect our environment	<i>To be identified</i>			

Cross-cutting objective - Ensuring we provide value for money services that meet the needs of our customers

1. What's the situation?

The single greatest challenge the council faces over the next five years is the drive to secure significant efficiencies across every aspect of the council's business.

Although the council was able to agree the 2009-10 budget through identifying additional income and savings worth over £1m, we predict having to make a further £1m worth of savings for the 2010-11 budget. The predicted gap for the next five years is going to be at least £3.5m which may rise to nearer £5m once pension shortfalls and the predicted decrease in rate support grant (the money we get from central government) take effect. This gap is set out in the council's medium term financial strategy (MTFS).

Promoting value for money has been a key focus for the council for a number of years. Cumulative efficiencies achieved since 2004-05 are worth £3.26m, nearly £1m ahead of target. But we know that this effort has to be increased if we are to meet our current MTFS targets.

This will include looking at what services we provide and how we provide these services.

In terms of what services, an independent review by our peers in Spring 2009 concluded that the council was trying to do too much. They wrote:

"Given a rising budget deficit and difficulties experienced through the impact of the recession, there is concern that the council is in danger of spreading itself too thinly, with a result that it is pursuing too many priorities at a time of major resource challenge. When the business plan is next revised, it will be important for the council to satisfy itself that it has adequate staffing and financial resources to achieve its 33 aims".

There is general consensus for a move to fewer high-level objectives. This will support our work to be clearer about our priority services and that the objectives we choose must reflect the reality of community needs and provide a framework for community outcomes.

In terms of how we provide services, the council will increasingly look to "commission" services, this means that we will work to deliver outcomes for local people regardless of whether these services are provided in-house, externally or through various forms of partnership. This will challenge our way of thinking through reviewing who is best-placed to meet the needs of our customers within the widest sense of sustainability. It will support the development of partnerships with businesses, voluntary and not-for-profit organisations, and with other organisations in the public sector to deliver services that provide quality and value for money.

2. What does our community want?

From the place survey

The place survey told us that just over a third of people across Cheltenham Borough feel that the council provides value for money. Although we do score better than the average for Gloucestershire, we do fare slightly worse when compared to the averages for district councils. This is despite positive assurances from our auditors that the council does provide value for money services.

3. Therefore what are our outcomes and what difference will we have made over the five years?

Outcomes	What are we trying to do	What difference will we make
The council delivers cashable savings, as well as improved customer satisfaction overall and better performance through the effective commissioning of services	<ul style="list-style-type: none"> • Implement our sourcing strategy • Implement the Bridging the Gap Programme • Provide a better match of services to needs • Ensure value for money service delivery • Promote innovation and creativity 	<p>Achieve our cash-saving targets</p> <p>Improve the percentage of people who are very or fairly satisfied with how council runs things</p>

Outcome - The council delivers cashable savings, improved customer satisfaction and better performance through the effective commissioning of services

Objective and outcome

Cross-cutting - Ensuring we provide value for money services that effectively meet the needs of our customers

Outcome = The council delivers cashable savings, as well as improved customer satisfaction overall and better performance through the effective commissioning of services

1. What do we do directly to deliver this outcome

The council provides a range of services that support this outcome:

- Our democratic services team ensures the smooth and efficient management of the council's committee system including the cabinet, three overview and scrutiny committees and statutory committees such as planning and licensing.
- Our procurement team helps the council save money through the driving down prices and reducing the cost of our purchasing processes
- Our audit and corporate governance work help ensure that we are carrying out our business in the right way, for the right people, in a timely, inclusive, open, and honest and accountable manner.
- Our communications team help support improved customer satisfaction through promoting all the positive things the council does and then making sure that staff, elected members and the media are aware of the reasons why we have to sometimes make difficult decisions.
- Our property services team make sure that our assets are effectively managed to help reduce the costs of running them and maintaining them.
- Our financial services team ensure the effective management of the financial resources we have and helps the council set its annual budget and medium term financial strategy
- Our customer services and customer relations teams ensure that we provide an excellent service to our customers however they choose to access the council's services and that there is a right to further consideration through the complaints process.
- Our human resources team provides support and advice to the council on all matters connected with the employment of people such as recruitment and retention; employee relations; payroll and pensions and learning and development.
- Our legal services team, which is now shared with Tewkesbury Borough Council, provides legal advice and assistance to elected members and officers to support our decision-making processes
- Our ICT service help the council maximise the use of new technology to support the effective delivery of services to our customers.
- Our revenues team manage a range of sources of income for the council including the collection of council tax and business rates and processing of invoices
- Our benefits team manage the allocation of benefits to help people pay their rent and council tax.

2. What else do we do that can help deliver this outcome

To help secure ongoing efficiencies, the council is preparing a "sourcing strategy" which will make recommendations on how best the council can deliver the following services; Revenues and Benefits, Finance, Human Resources, Information Communication Technology (ICT), Procurement and Customer Services.

The council has an existing commitment to our bridging the gap programme which plans to create a sustainable budget that will continue improving over time, eventually releasing the council from the annual budget gap.

3. What do we do in partnership with others to deliver this outcome
The council is working with other district councils to help realise the cost savings from sharing services. We have already launched shared services for Audit (with Cotswold District Council), Legal Services and Building Control (both with Tewkesbury Borough Council).
4. What are the longer-term risks to the delivery of this outcome?
Declining rate support grant from the government will make it harder for the council to produce a balanced budget each year.
5. how should the council commission this work in future to secure longer-term delivery of this outcome, deliver improved value for money and to address risks

6. What are our planned improvement actions to secure longer-term delivery of this outcome and to address risks?					
Improvement Action	Planned Benefits	Key Resources	Dates	Lead	Partners
Implement our sourcing strategy					
Implement the Bridging the Gap Programme					

7. How will we know what difference we have made over the five years?				
What will we do directly	Measured by this indicator	Baseline	Target by 2015	Lead
Deliver cashable savings	Achieve MTFS cash-saving targets			
Improve customer satisfaction	Improve the percentage of people who are very or fairly satisfied with how council runs things	48% of people were very or fairly satisfied with the way the council runs things. (place survey 2008)		
Deliver improved performance	Proportion of annual milestones that are delivered on target at year end.	In 2008-09, 75% of milestones were completed at year end and 33% of indicators were on target.		