

Economy and Business Improvement Overview and Scrutiny Committee

Monday, 24th January, 2011
6.00 - 7.57 pm

Attendees	
Councillors:	Malcolm Stennett (Chairman), Garth Barnes, Tim Cooper, Paul Massey (Deputy Chair), Paul McLain, Jon Walklett(substituting for Lloyd Surgenor) and Andrew Wall
Also in attendance:	Councillor Steve Jordan, Councillor Colin Hay, Councillor John Webster and Grahame Lewis

Minutes

1. APOLOGIES

Apologies were received from Councillor Pat Thornton and Councillor Lloyd Surgenor.

2. DECLARATIONS OF INTEREST

None received.

3. MINUTES OF THE LAST MEETING

The minutes of the last meeting of 29 November 2010 were agreed as a correct record.

Under matters arising, the chair advised members that the commissioning report which had been requested by the committee giving examples of best practice in local authorities, was not on the agenda for this meeting. He expressed his disappointment at receiving an e-mail from officers advising that the report was not available as he felt the information the committee was requesting should have been a pre-requisite before any key decision was taken on strategic commissioning.

In response, the Cabinet Member Corporate Services gave his commitment that the report would be available to the next EBI meeting on 7 March 2011.

4. PUBLIC QUESTIONS AND PETITIONS

None received.

5. MATTERS REFERRED TO COMMITTEE

None.

6. BRIEFING FROM CABINET MEMBERS

Leader

He updated members on the latest position regarding Local Enterprise Partnerships (LEPS). Several counties had been successful in their applications and the county was now aiming for a single county bid. He hoped that the situation would be clarified in the near future.

He welcomed colleagues from Gloucestershire First who were in attendance at the meeting and referred to the 50% cut in the budget for Gloucestershire First (GF) at county level. A merger between the Gloucestershire Development Agency (GDA) and GF at board level was being considered.

The future of Economic Development at Cheltenham Borough Council was also being reviewed and a recent meeting with representatives from Gloucester City had considered how the two councils could work collectively with the support of Gloucestershire First.

Cabinet Member Corporate Services

He reported that he had had a very positive meeting with the management group of the four councils making up the GO programme. All councils were very keen to move the project forward and drive out savings whilst maintaining their levels of service and improving resilience. This was all very encouraging. Although the business case was robust as it stood, members of the group were keen to drive out further savings earlier by moving down the shared services route more quickly. The authorities were also looking for the potential to share officer expertise by having a flexible approach to secondments and work being done on a quid pro quo basis.

On commissioning, the member working group was looking at members' roles in the organisation going forward. He acknowledged that this was a key concern for members even though they may have voted in support of commissioning. He stressed that going forward there would be an important role for overview and scrutiny and suggested that it may be a good time to review the scrutiny structure and consider giving task and finish groups more of a major role in carrying out scrutiny reviews. Members also sought clarification on who they would contact if there were problems with a service. He didn't have all the answers but this was a debate for members to have and he advised that he would be writing to all members on this issue.

He reminded members that the shared legal service between Cheltenham and Tewkesbury, Onelegal, had now been in place for one year and a joint member group was carrying out a review and they would report back their findings to this committee.

Councillor Wall expressed concerns that the district councils were driving forward the officer structures for commissioning ahead of the member roles being agreed. He considered that there was a real risk that scrutiny may be left with no power or role in the future.

In response, the Cabinet Member Corporate Services said that the member working group had been set up to address these very issues. He considered that commissioning could be a way of reinvigorating members' involvement in the business of the council, which in some areas had diminished with the adoption of the Executive arrangements.

7. PARKLIFE

The Chair welcomed Keith Rog, Senior Manager Innovation and Investment and Mike Trust, Business Advocate, both from the Parklife Business Parks Project, Gloucestershire First.

In their presentation they gave a brief overview of the Parklife Project and its achievements to date.

In addition to the core Parklife activities, there was a focus on four key initiatives namely:

- A business development programme
- An environmental management programme
- Redundancy support programme
- Graduate challenge

They highlighted some of the successful outcomes from these initiatives which included getting 51 graduates into jobs in the county, a Response to Redundancy programme which had supported 400 people, a series of one-to-one meetings with businesses and joint procurement initiatives. Details were set out in the performance report update which was circulated to members at the meeting.

They commended the very positive relationships between the council and Gloucestershire First and thanked the Economic Development Team and the Boy Racer's group for their contribution to the Parklife programme.

They concluded by highlighting the 50% reduction in the core funding for Gloucestershire First and that the project funding for Parklife provided by the borough council was due to come to an end. Given that over 50% of businesses involved in Parklife considered that the programme had had a very positive input to their businesses, their final question to the committee was how the two organisations could continue to work together to achieve these positive outcomes?

In response to a question about the nature of the demand for graduate support and apprentices, Keith Rog explained that there was ongoing demand and the county was also keen to attract graduates back to Gloucestershire after they had studied elsewhere. They were able to assess demand through their regular contact with businesses at the parks.

Another member suggested that Parklife could be underselling themselves by focusing on outcomes with intangible benefits such as one to ones with businesses whereas they needed to be quantifying the real value that they offered to businesses. He also asked whether the programme was working with the landlord community at the business parks.

Keith Rog confirmed that they worked closely with landlords and potential investors to increase the standards available at the sites. He could provide members with a lot more information regarding the value they added to businesses but the data circulated focused on the outputs required for the Service Level Agreement.

In response to a question Keith Rog defined a business park within the programme as ‘a Business Park with strategic economic importance to the borough’s economy’. He acknowledged that there were other business parks in the borough and they would like to extend the programme wider but were limited by the funds they had available. They also hope to improve the signposting to all parks across the town, particularly for those arriving at the railway station.

The chair thanked them for an excellent presentation and said that the committee had been impressed by their achievements in supporting the local business community. On behalf of the committee, he recommended that Cabinet look closely at the financial situation to see whether there was any way that the Parklife programme could receive some further funding.

He invited representatives from Parklife back to give a further update to the committee in a years’ time.

8. INTERIM BUDGET 2011/12 (INCLUDING HOUSING REVENUE ACCOUNT)

The Cabinet Member Finance and Community Development introduced the report as circulated with the agenda and referred members to the budget papers circulated on the 21 December 2010.

The cuts had been greater than those initially indicated by Government as they had recalibrated the model so that places like Cheltenham took a bigger hit than authorities in areas that were more dependent on welfare services.

The challenge for Cheltenham Borough Council (CBC) was how to deliver services differently whilst maintaining effectiveness, but reducing expenditure. The council had had to find economies amounting to £3 million to reduce the current revenue budget to the required £14 million.

He highlighted that the Medium Term Financial Strategy identified that cuts would be required over the next 4 years.

He highlighted the 92 specific initiatives to address the deficit set out in appendix 4 and set out the rationale. An equality impact assessment and risk assessment had been carried out on each one. He acknowledged that some of cuts would be controversial including:

- the end to free travel for the over 60s between 9 and 9.30 am for the reasons set out in para 3.5 of the report
- the end of taxi vouchers for the disabled
- a move to sustainable planting in some parts of the town
- the closure of some public toilets
- a reduction in grass verge cutting
- reduction in the Cheltenham Festivals Grant
- reduced grants to the Regeneration Partnerships over the next five years
- charging for green waste
- a cut in the civic budgets for the mayor and twinning.

He concluded that balancing the budget was concerned with making choices and said that if members wished to suggest any alternative proposals for cuts these would be seriously considered.

The chair commended the Cabinet Member for coming up with a balanced budget which provided the minimum reduction in Front Line services and invited members to suggest any alternatives.

A member commented that the budget focused on making cuts and it needed to focus more on income. A more innovative approach to income generation should be adopted and the council should seek to remove any obstacles which currently made sponsorship arrangements very difficult to put in place.

In response the Cabinet Member Finance did not accept the suggestion that there was a large amount of potential income being missed through lack of sponsorship and innovation. There were government limitations on profitability with regard to charges e.g. regarding planning fees and sponsorship would never contribute major sums.

Another member raised the decision to charge for the discretionary service for collecting garden waste. If the policy was that 'those who do not consume the service should not pay for it', would this be adopted for other discretionary services. He also commented that the take-up for the garden waste service was not very high and asked what impact this would have on the budget?

In response the Cabinet Member Finance advised that there had been 4000 applications so far and 16,000 had been predicted. He anticipated that applications would increase as the growing season started. He considered that garden waste was a discretionary service and therefore it was quite legitimate to make a charge for it. Other non-statutory services such as leisure facilities were funded partly through charges, partly through investment of reinvested capital and prudential borrowing. He rejected the suggested policy and said that the council's strategy should be to decide what services they would provide and then decide how they would fund them.

In response to a question whether a variable take-up rate for garden waste could result in some areas having a very costly pickup for the number of properties involved, the Cabinet Member said there was a risk but the experience of Tewkesbury and Cotswold had been positive. He would expect the risk to be less in an urban area such as Cheltenham compared with the rural areas covered by those councils.

In response to a comment regarding the cut in providing free dog bags and the suggestion that making a small charge for them might prevent an increase of dog mess problems in the parks, the Cabinet Member Finance and Community Development suggested that the administration involved would be more costly than providing them free of charge. The council had also discovered that the bags were not biodegradable. There would be a reliance on enforcement officers but he acknowledged that it was a bad idea to rely on enforcement being the only solution.

The Chairman thanked the Cabinet Member Finance and Community Development and Financial Services for their attendance.

9. TOURISM AND MARKETING STRATEGY

The Assistant Director Wellbeing and Culture introduced the report as circulated with the agenda.

She explained that the 2009/10 Business Plan had included a milestone to develop a Tourism and Marketing Strategy. At that time, a working group was established and included Councillors Rawson, Ryder and a co-optee Karl Hemming from the Social and Community Committee and Councillors Cooper and Stennett from the Economy and Business Improvement O&S Committee.

The Strategy had come before both committees, prior to consultation with stakeholders and had been due to come before the committee again in September 2010.

However, during this time, there were a number of Government announcements and it was felt appropriate to await further announcements and decisions and she hoped that members understood and accepted the reasons for the delay.

Section 2 of the report detailed the progress made to date.

Councillor Rawson introduced himself as the Chair of the working group and advised members that he was speaking in his capacity as the Chair of the working group and a former member of the committee, rather than in his current role as a Cabinet Member.

He too hoped that Members understood the reasons for the delay but stressed that work had continued. The strategy had helped populate the Corporate Plan and improvements had been made to the website, which could in part explain the increase from 500,000 hits last year to 1 million at this time.

During their research the working group had reviewed a policy from 2005 which was nothing more than a list of growth bids, clearly the position had changed and the strategy had to be more than simply a 'shopping list'. The working group had also tried to look at sponsorship and the potential for tapping into both regional and national sources of funding.

The strategy sought growth within current resources and took consideration of announcements that Visit Britain would have funds made available to them to promote tourism and the fact that Civic Pride was being taken forward in the town. The delay in strategy had also not stopped work on other projects such as investing in improvements to the Town Hall.

Previous comments made by members of this committee were about the action plan, which members felt was unconvincing given it was not linked to the Corporate Plans.

The key had been identifying things that could be slotted into current resources and budgets and taking account of the current economic situation. The action plan was now linked to corporate objectives and set out success measures, allocated responsibilities and timescales.

The Social and Community O&S committee had received this report at their meeting on 10 January 2011. They had endorsed the strategy and requested no changes to it and they proposed that the action plan should be reviewed by their committee in September 2011.

Councillor Rawson invited questions and comments from members of the committee.

As a member of the working group, the chair considered it was a very good report and invited comments from the Economic Development Manager and the Town Centre Manager who were present.

The Town Centre Manager was pleased that there had been consultation with businesses at the start but would have liked to have seen their involvement throughout the course of the review. This would have ensured that current business trends were included in the final report.

The Economic Development Manager emphasised the role of the council in place shaping. Although branding was important she felt that the report could have acknowledged the council's role more in providing direction on future economic trends. She felt it was a very positive move to get something written down in terms of a strategy which could then be developed going forward.

As another member of the working group, Councillor Cooper commented that he had had no input to the revised action plan. He felt the town needed improved signage and a good What's On guide and should be encouraging businesses and hoteliers to help themselves. He felt it was not good enough to just put the action plan on the shelf and see what happens with the economy.

Other members thought the strategy was well researched and well written but felt it was incomplete and lacking a real business case. The action plan contained no projections for increased business revenues and this was essential information before the report went to Cabinet for approval. They questioned how much of the action plan could be achieved given the current budgetary challenges and pressures on existing resources.

Another member suggested the action plan too wide in its coverage and overall the document did not provide a clear direction for the council for the next 3-5 years which a good strategy should provide.

There was also some discussion regarding how commissioning could affect the strategy. For example the report talked about a consolidated marketing team but made an assumption that this would be an in house team. There was little point in implementing this now if it was later revisited as part of the commissioning approach.

In response, Councillor Rawson said that the strategy made no assumptions about service providers. In the case of the marketing team, this service could be solely within the council or could be part of a joint shared service or have some external support. He confirmed that there was nothing in the action plan which was inconsistent with the budget proposals.

In his summing up, the chairman said it appeared that members were happy to support the strategy document but felt that the action plan should be reviewed in the light of the commissioning activities that were taking place across the council. In addition further work was required to identify the financial implications of the action plan so that this could be considered by Cabinet.

In response to a question from the Assistant Director Well Being and Culture, the chair advised that it would not be necessary for the revised action plan to come back to this committee before it was forwarded to Cabinet.

RESOLVED that

- 1. The Marketing and Tourism Strategy Action Plan 2011/13 be revisited in the light of the commissioning activities that were taking place across the council**
- 2. The Action Plan be supported by a breakdown of the financial implications**
- 3. The resulting Marketing and Tourism Strategy be forwarded to Cabinet for their consideration.**

10. DATE OF NEXT MEETING AND FUTURE AGENDA ITEMS

The date of the next meeting was 7 March 2011 and the workplan was noted.

Malcolm Stennett
Chairman