

Cheltenham Borough Council

Cabinet – 11th July 2017

Place & Economic Development – Commercial Transformation Programme

Accountable member	Councillor Andrew McKinlay
Accountable officer	Tim Atkins – Managing Director Place & Economic Development
Ward(s) affected	ALL (none directly)
Key/Significant Decision	No
Executive summary	<p>This paper provides an update on the key programme deliverables identified in the July 2016 Cabinet report. The report also proposes the next stage of the commercial transformation programme.</p> <p>The report focusses on the following programme activity streams:</p> <ul style="list-style-type: none">• business management• car parking• economic development• visitor economy / destination management• fund raising / research• events• anti-social behaviour / public spaces / enviro-crime• marketing and entrepreneurial approach• financial position and funding strategy <p>The first 12 months since the programme's inception have proved challenging yet successful. The programme has reversed the cycle of cuts and shrinkage, creating growth and development in the priority areas. It has also consolidated and supported the delivery of other workstreams important to Cheltenham's wider environment. This is being achieved as part of the wider MTFs, with Place & Economic Development (P&ED) projected to meet the corporate financial targets through until 2021.</p> <p>This programme of investment will support the delivery of the Place Strategy so that Cheltenham is 'a place where everyone thrives'. This vision will only be achieved by ongoing cultural shift, nurturing our commercial skills and being more creative and pioneering in our approach and connecting better with our stakeholders and communities.</p> <p>This cultural shift has a dependency on the Council's organisational development programme. Investment in developing commercial skill-sets is pivotal to a successful transformation.</p>

Recommendations	<p>1. Note success of programmes achievements to date.</p> <p>2. Authorise the Managing Director for Place & Economic Development in consultation with the Cabinet Member for Development and Safety to continue with the next stage of the commercial transformation programme.</p>
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Financial implications	<p>See section 2.11 and Appendix 4 for the financial implications of the Place & Economic Development – Commercial Transformation Programme.</p> <p>This shows that the current plans cover all of the targets in the MTFS up to and including 2020/2021.</p> <p>Contact officer: Andrew Knott, Accountant – Financial Services andrew.knott@cheltenham.gov.uk, 01242 264121</p>
Legal implications	<p>One Legal is providing advice and support in relation to some of the projects/initiatives referenced in this report. Further legal support will be required particularly for those initiatives where agreements are required with third parties such as other public bodies, grant funders and consultants.</p> <p>Whilst the services re-design anticipated by this report is an executive matter, the staffing side falls within the overall responsibility of the Head of Paid Service (which may be delegated to another office) with directors being able to appoint and dismiss staff within their teams.</p> <p>Contact officer: Donna Ruck, Solicitor. donna.ruck@tewkesbury.gov.uk 01684 272696</p>
HR implications (including learning and organisational development)	<p>There are a number of HR implications with a programme of this size and complexity. These include but are not limited to change in working practices, employee engagement, recruitment and culture change. The programme has a HR BP representative on the programme board. HR implications are managed closely, reported to the programme board and raised with the Strategic HR Manager at regular 1-2-1 meetings. The programme sponsor attends the JLF meetings with TU colleagues at regular intervals to brief and update them on progress.</p> <p>Contact officer: Julie McCarthy, HR Manager GO Shared Services julie.mccarthy@cheltenham.gov.uk, 01242 264355</p>
Key risks	<p>Please refer to Appendix 1.</p>
Corporate and community plan Implications	<p>The Place Strategy was endorsed (<i>as amended</i>) for community engagement by Full Council on 27th March. All programme work streams are aligned with the Place Strategy outcomes.</p> <p>The Corporate plan sets the annual targets and outcomes for the wider service.</p>
Environmental and climate change implications	<p>None</p>

Property/Asset Implications	<p>The proposed objectives will have resource implications on Property Services in supporting the delivery of these initiatives.</p> <p>Contact officer: David Roberts, Head of Property Service david.roberts@cheltenham.gov.uk, 01242 264151</p>
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1. Background

1.1 In July 2016, Cabinet approved the proposed delivery of a commercial transformation programme for the Council's regulatory and environmental services over an initial two year period. The programme was initiated in September 2016.

1.2 The programme has the following vision:

By July 2018, transform Place & Economic development into a commercially focussed, cost effective and resilient division that strives to deliver an excellent customer experience that supports the delivery of Cheltenham's Place Strategy.

1.3 In agreeing the vision Cabinet authorised that the Managing Director for Place & Economic Development in consultation with the Cabinet Member for Development and Safety would:

- implement changes to the existing organisational structure to support the refocusing of resources where appropriate, and
- Develop and implement such income generating / cost recovery initiatives and measures as appropriate to assist in the delivery of the financial targets

1.4 To meet the financial costs needed to deliver the programme, Cabinet approved the deferral of the £157.5K savings for 2017/18 to 2018/19.

2. Priority Workstreams

2.1 The report identified priority areas in which investment was required. Significant progress has been achieved in all of these priority areas that have been funded by a strategy involving cost reduction supported by structured vacancy management and the generation of income from a variety of sources. Further details are provided in the funding strategy section of this report.

2.2 This proactive approach has enabled the creation of the overarching Place Strategy. The next stage of this transformation programme proposes to focus on supporting its delivery through the priority workstreams set out below:

2.3 Business Management

If the cultural shift to a more commercially focussed organisation is to be achieved, it must be underpinned by robust business intelligence. The starting point was a benchmarking exercise. This provided service managers with the ability to identify targets for service delivery improvements, focussed on operational savings and income generation.

The next stage was to better understand how our resources were being deployed and how this correlated with income. Time and activity recording is being piloted, using the case management system IDOX Uni-form. The system was configured to allow officers to record their time spent against individual cases. Powerful performance reports can be created providing details of utilisation and productivity, enabling managers to see how effectively resources are being deployed. The development of this data is still at an early stage, however, examples are provided in Appendix 3 that shows this data can assist in understanding how the costs of different activities align against the income they generate, allowing better judgement as to making decisions about prioritisation and the importance of those activities to the Council.

The continued development of the Business Management Framework is pivotal and a Business/Data Analyst role has been created to support the delivery of the programme. It will also support the continued development and implementation of IT systems, process re-engineering and act as a liaison between Place & Economic Development and Publica ICT.

Business Support

A review has been undertaken of the P&ED administration functions, assessing the scope for the creation of a single business support team. This identified a large number of similar processes and activity across different service areas. It also identified frailties in the resilience of the administration function when separated out into small pockets.

The new support function will be rolled out in incremental steps. The first will be through an Agile working project (funded through this programme) that will bring together 3 service areas in a single location, encouraging more effective use of office space, remote working and cross-cutting delivery. The team will also pilot work on a single 'first point of contact' customer services provision. Encouraging customer self-service allowing more time consuming enquiries to be dealt with in a more cost effective and reactive manner.

Next steps

Business Analysis: the scrutiny of current business processes has initially commenced. The forthcoming year will see each P&ED business unit undergo an analysis of its service delivery. Current processes will be costed and each stage evaluated for value; time, cost and quality. Processes will be re-engineered to secure a balance of excellent customer service and cost effective sustainable service delivery.

The exercise will be undertaken by the business management team with support from the interns. This approach will ensure that every review is undertaken consistently and a standardised model is developed. Opportunities for centralised customer contact will be exploited where appropriate; this will ensure a consistent customer experience which is aligned to the programme vision.

Business Support Team: A number of new posts are to be established supporting the re-alignment of the teams business. This includes a new Business Support Manager working across P&ED. Existing vacancies have been partially replaced with posts that are no longer service specific, but embrace cross boundary working and are able to be deployed as driven by service demand. Currently this is in operation in Public & Environmental Health and Technical Support.

Work is underway looking at opportunities to transfer first line customer facing activity to the Corporate Customer Services Team. Fly tipping and Abandoned Vehicles are the first to be reviewed, based on analysis undertaken of customer interaction volumes.

Agile Working Project: Phase 1 will see the move to the ground floor of the Licensing, Public & Environmental Health and Building Control Teams. The project has commenced its initial preparatory activities with a go live date provisionally scheduled for September/October. It will interface with the Corporate Customer Service Team, piloting the potential benefits of a shared support resource and also drive forward flexible working opportunities for officers.

The primary objectives for the Agile Working Project are:

- **Streamline customer contact and responses:** explore current approaches to handling customer contact across the 3 teams to streamline the approach and be focused around the needs of our customers, whilst improving efficiency.
- **Customer centric approach using standardised work processes:** build on the systems thinking work done to date to create standardised approaches to common work processes and adopt a best practice approach across all 3 teams.
- **Consolidated business support:** enable the admin resource from the 3 existing teams to operate as a combined service support team/resource to provide admin support across all 3 teams rather than dedicated support to one team.

- **More flexible working practices:** for officers and admin support across all teams to explore more flexible working practices that include different work places and work patterns. Different places of work include working in a reduced space, open plan office environment involving hot-desking, working remotely from other locations, working from home etc. Different work patterns include self-rostering etc.
- **Review roles & responsibilities:** review the current split of officer/admin tasks with the aim of devolving more responsibility to the business support team, to provide job enrichment for the admin roles and to create more capacity at officer level.
- **Improved use of systems and reporting:** explore opportunities to get more out of *Uniform* or other systems e.g. online card payments

2.4 Car Parking

The programme has enabled the commissioning of a comprehensive car parking strategy, which is of significant importance to delivery of the Place Strategy, our approach for sustainable travel in the future and growth in the capacity of the town centre as a retail and commercial destination.

Priority workstreams that will support the delivery of the place & car parking strategies include: active travel, strategic sustainable transport, commercial operations, environmental improvements, investment into car parks and their administration.

Next Steps

The strategy has identified an action plan, with priority actions for the first few years.

Initially, some key investment in staffing is required, to help stabilise the service and provide the capacity to drive forward improvement actions. This will include recruitment to an operational supervisor position and in a commercial / marketing expertise that will help support the development of the service, but will also have a wider longer term role in supporting the business transformation.

Secondly, there is an urgent need to invest in an upgrade to the Regent Arcade parking system and this major project is already underway, with support from our consultant, Arup.

In parallel with this, we will be reviewing car parking charges in line with the strategic recommendations, which will categorise car parks by size and location. This, together with improved signage arrangements should generate a modest increase in income, which will help to underpin our investment aspirations for uplifting the quality of the parking experience.

Over the longer term, we will be reviewing all CBC parking sites and there may well be a degree of rationalisation, with the intention that overall off-street parking space numbers are maintained. Any such decisions will be subject to satisfactory business cases and relevant consultation.

We will also be looking to identify opportunities to work in partnership to enhance the service to customers, including making use of technological improvements to enhance information about parking space availability.

2.5 Economic development

Significant investment is needed into economic development and as part of the programme a new team has been established. Promoting growth in the economy is a critical part of the Place Strategy. Supporting this agenda, promoting Cheltenham as a great place for business to thrive requires focused resource.

Overall goals for the economic development team are to increase retail and visitor numbers in Cheltenham, to get commitment for inward investment from established companies that are

currently not located in the region and create new businesses by fostering start-ups and entrepreneurship and to establish a sustainable access & transport vision for the town

For inward investors, a range of location factors are decisive for choosing to invest in Cheltenham or elsewhere. Nurturing the environment to attract and retain talent is critical with the uncertainty surround Brexit. It is paramount that Cheltenham is seen as a modern, forward-thinking town with high-quality of life and exciting offers for a very mobile, highly skilled workforce.

Considerable opportunity lies around the potential delivery of a UK Cyber Business Park, with the GCHQ Innovation Centre as the anchor. The redirecting of existing resources with the support of the Cheltenham Development Taskforce and other partners secured a recent £22M growth fund award. These opportunities are too important to the future of the town and wider regional economy, therefore investment in this workstream is essential.

Next Steps

One of the important first steps will be the creation of an interim short term action plan to act as a delivery plan for the Economic Development Team and establish priorities. This will include the development of a longer term Economic Development strategy. To support this, recruitment is currently underway to support the activities and deliver against the growth agenda, including urban planners, transport planner, programme manager and a research / funding officer. This is also linked to the review of the Cheltenham Development Taskforce that is currently underway. These resources will support the delivery of the following workstreams:

- **Inward investment:** the main focus is on the new developing areas in west and north-west Cheltenham and ensuring the existing communities benefit from the growth potential.
 - Link wider destination branding exercise for Cheltenham to accommodate vision for UK Cyber Business Park.
 - Develop strategy to attract and grow skills / talent pool, develop an excellent transport network and enhance connectivity on a regional, national and international level, grow our role in the aviation, engineering and cyber clusters as part of the emerging Industrial Strategy.
 - Examine new approaches like 'Smart Cities' and develop an up-to-date database with available office space and a one-stop shop for investors.
 - Collaborate with all Gloucestershire stakeholders for a regional inward investment strategy
- **Retail:** the team is currently evaluating the different retail areas of the borough and collecting performance data. Dedicated support to be provided to stakeholders (such as BID and other representative bodies) and new collaborative approaches including special events, markets, income generation, Christmas activities, promotions and links to the wider destination management model. The review of shopmobility underway will identify any process improvements, business and marketing opportunities as well as any savings.
- **Sustainable Transport:** the overall responsibility for strategic transportation rests with the county council. However, much of the planning and delivery of the overarching Place Strategy for Cheltenham is directly linked to an integrated and long-term vision for sustainable transport, linking the gateways to the town, accessibility, movement, cycling & walking, public transport, car parking, linkages to the motorway infrastructure, airport etc. At the moment this is disjointed and investment is required. The relationship between the county and borough council is currently under review and consideration being given to options such as a Highways Agency agreement and / or highways board. Options are also being considered for greater collaboration between the two authorities on matters such as strategic development and active travel. Investment into dedicated resources for sustainable transport is important to assist the shaping and development of the Place Strategy.

- **Townscape:** work is already in train on both large and small schemes which will deliver public realm improvements, including High Street, Minster alleyways and pocket parks. These projects need to fit within a wider strategy which establishes key principles and priorities for delivery through a public realm strategy. The Corporate Plan recognises the need for a vision for the town centre and with the support of consultants this will be worked up during 2017. This will be a vision for Cheltenham focused on more central areas; including gateways, sustainable transport plan, growth of retail and nighttime economies, public realm, parks, cycle / walking routes, accessibility & creation of great public spaces etc. This will include specific proposals for key projects including the High Street, Boots Corner, Town Hall, Royal Well, Municipal Buildings / Promenade etc. To support the delivery investment is required.
- **Economic Development Plan:** the creation of an interim short term action plan to act as a delivery plan for the Economic Development Team and establish priorities. This will include the development of a longer term Economic Development strategy.

2.6 Visitor Economy & Destination management

Linked to economic development workstream, the development of Cheltenham's visitor economy and its promotion as a destination needs considerable development. Over the last year a detailed workstream has been underway working with the wider tourism partnership to develop an ambitious five-year strategy that will grow Cheltenham's visitor economy and promote Cheltenham as a destination.

The strategy sets out the vision for Cheltenham's tourism offer, the aims and outcomes and an action plan for achieving them. This is important as Cheltenham needs to define its market and in doing so develop its tourism product.

The strategy also provides the framework for the council's place strategy outcome of a thriving visitor economy.

Next steps

The strategy recommends that the preferred option for the delivery of tourism services in the longer term is through a bespoke public/private partnership, but that a transitional stage be first adopted developing the existing marketing activities. This will be supported by a number of key stakeholders including the council, The Cheltenham Trust, the BID, the Racecourse, the Festivals, the Chamber of Commerce and the University. A wider membership scheme will be rolled out. The transition period will run until October 2019 allowing time for a detailed review of the role of the Tourist Information Centre and how this will link into the future of the visitor experience in Cheltenham. It will also allow the success of the new marketing / destination management activities to be assessed.

Outside the strategy the Place and Economic development team are progressing on existing projects, e.g. major upgrade of the High Street, but alongside this dialogue is continuing through Cheltenham BID and wider retailers on how to make offers more interesting for the wider region to attract additional visitors to Cheltenham.

An events strategy is currently developed to attract more events that benefit the overall place-making strategy and to increase investment, retail and visitor numbers.

2.7 Fund raising / research

The programme has encouraged the investment of officer time into developing and researching external funding opportunities. Collaboration and cross over with the work of the Cheltenham Development Taskforce and Cheltenham Borough Homes has contributed to this workstream. The last 12 months has seen considerable success through investment in external funding including:

- **Growth Deal 3 – Funding for transport interventions West Cheltenham Cyber Park -**

£22million Funding allocated to deliver transport interventions to enable the delivery of Cheltenham Cyber Park (West Cheltenham strategic allocation). A joint public and private sector initiative aimed at creating the UK's first dedicated hub to support the growth and development of new cyber security businesses, technology, research and skills. Governance is in place with representatives from central government departments, Cheltenham and Tewkesbury borough councils, county council, Gfirst LEP, GCHQ, Gloucestershire University

- **DCLG Estates Regeneration - £350,000** – funding secured to explore a masterplanning exercise to inform the future regeneration of the West Cheltenham area, identifying physical regeneration potential in the areas of St Marks, St Peters, Hester's Way and Springbank. The vision is to create a key gateway into Cheltenham, promoting connectivity with new and existing development, to achieve real social sustainability.
- **One Public Estate** - initial allocation to Gloucestershire of £155,000, this includes a Cheltenham area review. An opportunity exists to create a Cheltenham public sector hub.
- **Homes & Communities Large Scale Capacity funding - £224,000** secured to support linkages between the North West Cheltenham strategic site allocation via the Joint Core Strategy and the emerging allocation at West Cheltenham.
- **LGA Digital Funded Programme, Supporting Channel Shift - £15,000**
March 2017 saw a successful outcome to a bid for £15,000 to support the implementation of an online Licensing service. A project was initiated in April, with a plan to deliver the solution by December 2017. The project will be working closely with Calderdale Council, who were also successful with a similar bid.
The project will deliver an online service enabling applicants to apply, pay and provide supporting evidence for their licensing applications 24 hours a day, 7 days a week. This will result in a direct reduction in back office processing, which in turn will enable a faster turnaround of service. The increased capacity will offer the potential for focus on the development of income generation activity.
- **Environmental and Social Infrastructure Fund (ESIF)** – A bid is currently being prepared, likely to be in the region of £640,000 to incorporate sustainable drainage and introduce planting to promote biodiversity in Cheltenham High Street. This bid is being developed alongside the High Street public realm programme. The deadline for the bid is 7th July, with outcome expected September 2017.

Next steps

In light of the success set out above, as part of the Economic Development team a dedicated resource is to be developed on a self-funding basis to research funding opportunities, develop and manage socio-economic data that can support a wide range of bids and partnership opportunities. Recruitment to support the delivery of these and other projects will also be funded on a self-funding basis. In some circumstances a requirement to seek future funding streams will be required as part of the job description.

2.8 Events

The Events project has been moving forward during May. Progress has been stifled due to competing priorities, specifically the Tour of Britain and Parking Strategy projects.

Cheltenham Festival of Cycling, featuring Tour of Britain is being programmed for 9th September 2017. This is being used as a test case for reconsidering how the council engages with the events calendar, linking to wider corporate objectives, in this case sustainable transport, economic growth and defining Cheltenham as a destination. An economic impact assessment will be prepared post the event together with a full analysis of costs against sponsorship. This will help inform future decisions around whether self-financing posts for events could be sustained.

Next steps

The review of the Tour of Britain will enable the business case for future events to be looked at in more detail. This will be linked with other relevant workstreams, including the current approach to Town Centre Events, markets, Christmas activities etc. This will be undertaken in consultation with the relevant stakeholders and cabinet members.

2.9 Anti-social behaviour / Enviro-crime / public spaces & town centre safety

Considerable progress has been made in these areas. The powers and extent of the town's Public Space Protection Orders was expanded earlier this year. Effectively enforcing the orders requires close work between the police and public protection / enforcement staff. Greater collaborative work has with the police and other partners has seen initiatives such as project SOLACE be introduced, that makes more effective use of the resources available. This joint working is to be further explored.

Establishment of the BID and the town's purple flag status has seen a shift in the way in which we support the town centre and night time economy. Cheltenham attracts large numbers of visitors, it also has a very strong night-time offer. Linked to the work underway to develop the visitor economy and market the town more effectively, we have undertaken work to understand how the town is perceived by visitors. The next step is to examine, in more detail, the night-time offer. Safety is an important element of this and how the council, police and businesses work together to make Cheltenham a very safe town to visit.

- **ASB and SOLACE**

On 11th April 2017, Cabinet recommended the implementation of SOLACE - an ASB partnership between the police, Cheltenham Borough Council and Gloucester City Council across both urban areas. CBC's contribution has been funded from existing Public Protection budgets and will increase the resource and resilience of the ASB service. The full business case and accompanying Cabinet report is available in the 'accompanying documents' section here:

<https://democracy.cheltenham.gov.uk/ieDecisionDetails.aspx?AllId=11828>.

The service is about to begin designing and standardising ASB processes between CBC and partners, utilising the P&ED business analyst resource.

- **Homelessness**

The Public Protection Acting Head of Service has been working with the Lead Commissioner for Housing at CBC and the Head of Housing for Cheltenham Borough Homes to review homelessness pathways to improve outcomes, particularly for those with low or no needs. This work is being informed by a predictive analysis pilot at CBH which aims to identify and support individuals and families who may struggle to manage tenancies. The findings of this working group further support the need for Social Impact Bond funding in Cheltenham.

- **Street begging**

The Public Protection service leads a monthly multi-agency 'street people' working group which co-ordinates partner activity to ensure individuals who are rough sleeping, begging, street drinking etc. are engaged with and offered support (such as housing, mental health, drug and alcohol support, financial, physical health). The majority of individuals carrying out these behaviours in public spaces are already housed, and the council and police lead on enforcement measures in the few cases where it is required to protect the public and businesses from harm. Enforcement is graduated, beginning with a warning letter that also signposts the individual to available support. This is followed by a final written warning if the offending behaviour continues, and individuals are warned that a Civil Injunction will be sought if they do not address and stop their ASB. This model is called

'Engage – Support – Enforce' and is mirrored in Gloucester City. Information about the two most recent Injunctions can be found here:

https://www.cheltenham.gov.uk/news/article/1888/civil_injunction_for_prolific_beggar

https://www.cheltenham.gov.uk/news/article/1901/town_centre_injunction_remains_for_m_alone

Next Steps

- Following approval of the SOLACE partnership in April 2017, work is underway as delegated by Cabinet to develop and agree final implementation plans. Once these plans have been agreed with partners, a briefing note will be circulated to all Members, setting out further detail regarding implementation, governance and performance monitoring.
- The potential to further our collaborative working with the police will be further explored, such as developing a neighbourhood team approach, tackling a wide range of issues with police and council staff working together. The objective is to optimise the use of resources available from the council (public protection & enforcement) and the police to enforce against ASB, breaches of PSPOs, neighbourhood crime etc.
- In light of recent events nationally and the importance of ensuring that Cheltenham furthers its reputation for being a very safe town to visit and go out in, it is proposed to undertake a review that will assess town centre safety, working with businesses, the BID, the police and other relevant partners.

2.10 Marketing & entrepreneurial approach

Many of P&ED's services operate in a competitive market and require a focused commercial approach. Marketing is a critical activity for most effective business. Steps have been taken to drive forward some initial ideas. The introduction of two marketing/research interns has allowed a number of commercial initiatives to be further developed. Projects currently underway are:

- The new chargeable planning advice service has been well subscribed and generated additional income since its launch. The service was launched in April, supported by an email, corporate website and Facebook Boosting® marketing campaign.
- The Enforcement team are developing the use of YouTube® to promote pest control services alongside improvements to the corporate webpages. The service is currently engaged in a recruitment exercise to support the expected increase in income generating service demand.
- The Green Team have undertaken a direct marketing approach with local companies to determine whether sufficient demand exists to launch a chargeable 'Corporate Days' service. Initial responses have been very positive.
- The Licensing team are using social media platforms to promote their service and offer guidance & advice on new regulations.
- Bereavement Services have developed their webpages to promote the products and services available. A catalogue of suppliers has been developed and flyers produced.
- Parking Services have undertaken a number of exercises promoting the services and recent improvements. The corporate communication team have supported the promotion by means of press releases, Facebook and Twitter posts. There has also been significant utilisation of the relationship with the BID to get messages to the customer base. Examples of recent promotions include:

- Free parking during events; Christmas late night shopping and the Cheltenham Festival

- Pay by Phone service
- Redevelopment of Town Centre East and Chelt Walk/Synagogue Lane car parks

Next Steps

- The success of these initiatives has shown that a small level of investment has already reaped significant return. When considering the income generation levels of some of the services provided and the potential uplift either from additional income generation, re-gearing of fees / charges, effective marketing and cost reduction / efficiency; further investment in this skill set is clearly worthwhile.
- It is proposed to appoint resource to drive forward this commercial operations model for our services that are in a competitive market and have either high income or high controllable operational costs. This would be done on a self-funding basis, as there is considerable scope for further uplift in this area.
- The use of business and marketing interns to support the programme has proved successful. It is proposed that this is developed as a formal programme to support the delivery of the transformation programme in the next phase. This will also explore the scope for a graduate programme linked to the internships.

2.11 Financial position & Funding Strategy

The Financial Strategy of the transformation programme was based around refocusing resources to help delivery priorities, particularly around economic growth, whilst supporting the MTFS and shaping a long-term self-financing framework for the council.

Progress to date:

- **Savings from vacancy management:** To date this policy has provided £125.1k of savings in 2016/17. It is estimated that further vacancy savings within 2017/18 will generate £329k including 2016/17 carry forward vacancies.
- **Income generation:** The new income streams that have been generated through the programme these include the new pre-application planning service fee, a planning uplift of fees by 20% awaiting Government authorisation and other small wins such as Pest Control increase due to small amount of marketing completed by interns. It is projected that 2017/18 will see lift income generation of £131.5k, growing to £332k in 2018/19.
- **Other income:** New sources of funding / income are being opened up. In many cases these are through external funds, sponsorship / partnership working, the sharing of posts with other authorities or initiatives where a new resource has been recruited to bolster and bring in new revenue streams.
- **Car Parking Strategy:** The implementation of the parking strategy with initiatives as the re-gearing of the fees structure will enable additional investment into the car parks and its management. Details regarding the deliverables are included as part of the roll-out of the strategy cabinet paper being considered at the June 17 Cabinet Meeting.

Next Steps

The programme is projected to meet the MTFS targets set for 2017/18 through to 2020/21. There is a period of considerable change set out for the next two years that will see the implementation of new business practices, the implementation of new roles and the shifting of resources towards priorities. The potential of some of the income generating initiatives are not yet fully known. As with most businesses P&ED's services are driven by the overall health of the economy. Peaks and troughs will have a considerable impact, thus building in flexibility into the operating model is of great importance.

The cumulative (year-on-year) financial targets are currently set within the MTFS and further details are provided in Appendix 4:

2017/18 - £50k
2018/19 - £257k
2019/20 - £407k
2020/21 - £457k

To deliver many of the workstreams set out above, new roles are required. The development of existing staff and concept of 'growing our own' is one of the key principles behind this programme, allowing potential to be unlocked and redirected to priorities.

The cost of these new roles is built into the base budget going forward. A number of the project specific posts are aligned to those individual capital or external funds.

To fund these costs / new roles a number of methods are to be used:

- **Base budget posts:** The majority of posts will be funded through the base budget, but be supported by either growth from new income or redirected resources through vacancy management.
- **Self-financing posts:** Going into 2017/18 and beyond, the new roles that are being created are roles where the individuals should be able to generate income from their roles to at least cover their costs. For example the creation of a commercial operations resource will support the high income / high controllable cost services and develop a marketing strategy / business approach will be self-financing after an initial settling period. This would also be the case for the external funding research role, taking its funding from a percentage of the downstream awards.
- **Externally funded posts:** There are multiple external funded programmes that are linked to programme (for example Growth Deal 3, HCA Capacity Building, Estates Regeneration, ESIF etc) Their delivery requires additional resources. Many of these projects may require skills / experience that is required on a longer term basis. Thus in some cases these will be filled working on the premise that they will become self-financing in future years if the need arises.

3. Action plan

- 3.1 The next steps are set out at the end of each sub-section of the report above. An action plan is provided in Appendix 5 setting out an indicative delivery timetable / action plan. It is proposed to bring a further update report in July 2018.

4. Reasons for recommendations

- 4.1 There continues to be considerable uncertainty around the future of local government financing and the wider economy. This has been recently highlighted in the Queen's speech pointing to further uncertainty regarding the position with longer term business rates retention. Developing flexibility, resilience and the ability to drive growth are essential if as a local authority we are to meet the ever changing framework in which we operate. Evidence from the first 12 months of the programme has demonstrated that investment into the service is possible, even at times when other providers are continuing to cut services.
- 4.2 The council has set out clear ambition for the future of Cheltenham in the Place Strategy as a town where everyone thrives. To support the delivery of this ambition, investment and a continued change of culture is required. The prioritisation and refocusing of resources needs to be managed on an ongoing basis. Services that are responsive, resilient and flexible are required if the ambition is to be fulfilled.

5. Alternative options considered

- 5.1** Reverting to a strategy of reducing the number of posts and activities in line with the reduced budget available has been considered. However the review of the first 12 months of the programme has demonstrated that investing in specific priority areas has resulted in successes. Considerable support has been given to the growth & inward investment agenda, investment into marketing and the concept of destination management for Cheltenham. Roles are being shared with partner organisations, new income streams generated.
- 5.2** Other options such as developing closer working relationships with other providers, in particular the new Publica business (part of the 2020 partnership) continues to be reviewed.
- 5.3** The delivery of the Place Strategy has a close relationship with regulatory, environmental, growth based services. There is therefore a strong case to continue with the next phase of the programme that delivers financial, social and economic objectives in the direct control of the council.

6. Consultation and feedback

- 6.1** Consultation has been undertaken with council members regarding the transformation programme which has enabled the development of the Place Strategy. Extensive consultation has been undertaken with external stakeholders, members and staff.
- 6.2** These matters have also been discussed at Overview and Scrutiny Committee on a number of times covering transformation, car parking and the Place Strategy.
- 6.3** Positive feedback has been received from different external forums, for example – the agents planning forum has provide a favourable steer for the introduction of pre-application planning service – which now levies a charge.

7. Performance management –monitoring and review

- 7.1** The implementation of the Business Management Framework and its continued development will provide service managers with the tools to effectively manage their business performance. Utilisation of these tools will naturally develop officer commercial acumen, underpinned with formal training coordinated by the Organisational Development Programme.
- 7.2** Dedicated resource has been secured to maintain and develop the framework in consultation with business units. The implementation of automated scheduled management reports will ensure that those responsible for service management can operate a regime of continuous business planning and performance monitoring.
- 7.3** It is proposed to provide an updated progress and service delivery monitoring report in July 2018 setting out next steps required for continued transformation and the potential financial implications.

Report author	Contact officer: Tim Atkins – MD for Place & Economic Development tim.atkins@cheltenham.gov.uk, 01242 264103
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Appendices	<ol style="list-style-type: none"> 1. Risk Assessment 2. Community Impact Assessment 3. Business Management - sample data 4. Financial plan 5. 2017 – 2019 Action Plan
Background information	<ol style="list-style-type: none"> 1. Regulatory and Environmental Services – Commercial Transformation Programme Cabinet 12th July 2016

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the Cabinet do not authorise the continuation of the commercial transformation programme, then there will be an adverse impact on the cultural objectives of the programme.	Tim Atkins	25/05/16	5	2	10	R	Place Strategy approved by Full Council in March 2017. Continuation of the programme is pivotal to the delivery of the Place Strategy.		Tim Atkins	
	If the Cabinet do not authorise the continuation of the commercial transformation programme, then there will be an adverse impact on the financial objectives of the programme.	Tim Atkins	25/05/16	5	2	10	R	The MTFS financial targets allocated to PED are dependent on the successful delivery of the commercial transformation programme.		Tim Atkins	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close

Community impact assessments – for services, policies and projects

What is a community impact assessment?

A community impact assessment is an important part of our commitment to delivering better services for our communities. The form will help us find out what impact or consequences our functions, policies, procedures and projects have on our communities, as well as employees and potential employees.

By undertaking an impact assessment, we are able to:

- Take into account the needs, experiences and circumstances of those groups of people who use (or don't / can't use) our services.
- Identify any inequalities people may experience.
- Think about the other ways in which we can deliver our services which will not lead to inequalities.
- Develop better policy-making, procedures and services.

Background

Name of service / policy / project and date	Place & Economic Development – Commercial Transformation Programme 11th July 2017
Lead officer	Tim Atkins – Managing Director Place & Economic Development
Other people involved in completing this form	Sanjay Mistry – Programme Manager Tracey Crews – Director of Planning Mike Redman – Director of Environment

Step 1 - About the service / policy / project

<p>What is the aim of the service / policy / project and what outcomes is it contributing to</p>	<p>The programme has the following vision:</p> <p><i>By July 2018, transform Place & Economic development into a commercially focussed, cost effective and resilient division that strives to deliver an excellent customer experience that supports the delivery of Cheltenham's Place Strategy.</i></p> <p>The programme contributes significantly to all community and corporate outcomes in the Council's Corporate Strategy 2016/17:</p> <ul style="list-style-type: none"> • Cheltenham's environmental quality and heritage is protected, maintained and enhanced • Sustain and grow Cheltenham's economic and cultural vitality • People live in strong, safe and healthy communities • Our council can continue to facilitate the delivery of our outcomes for both Cheltenham and its residents
<p>Who are the primary customers of the service / policy / project and how do they / will they benefit</p>	<p>The primary customers of the programme are those that live, work, study and visit Cheltenham. The transformation agenda is focussed around understanding and delivering our activities within a commercial context and delivering against the growth agenda. From a corporate perspective this will contribute into supporting the MTFs and in doing so moving towards a self-financing Council. By supporting the economy of Cheltenham this will have wider and direct benefits to businesses and residents by creating opportunities for business growth, access to a wider range of jobs, skills and apprenticeships together with direct investment in infrastructure for the borough.</p>
<p>How and where is the service / policy / project implemented</p>	<p>The programme is being implemented by the Place and Economic Development division of Cheltenham Borough Council.</p>
<p>What potential barriers might already exist to achieving these outcomes</p>	<p>The council is facing significant financial pressures, the success of this programme hinges on the reinvestment of income and the repurposing of delivered saving.</p>

Step 2 – What do you know already about your existing / potential customers

<p>What existing information and data do you have about your existing / potential customers e.g. Statistics,</p>	<p>There are numerous service specific user forums in existence. These forums provide the opportunity to fully understand where the service is not meeting expectations and identify areas for improvement.</p>
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customer feedback, performance information	Through systems thinking, services have understood and broken down their individual processes and the relationship of these against costs.
What does it tell you about who uses your service / policy and those that don't?	The evidence developed through systems thinking and analysis of performance is directly influencing how different parts of our business are being redesigned. Marketing has been highlighted as a key outcome, both in helping our customers understand our services and ensuring the right level of information is shared in the most appropriate way.
What have you learnt about real barriers to your service from any consultation with customers and any stakeholder groups?	<ul style="list-style-type: none"> • Lack of access to real time information • Difficulty in navigating through information, often presented in a technical language • Difficulty of accessing information through website • Lack of apps e.g. to support visitors
If not, who do you have plans to consult with about the service / policy / project?	

Step 3 - Assessing community impact

How does your service / policy / project impact on different groups in the community?

Group	What are you already doing to benefit this group	What are you doing that might disadvantage this group	What could you do differently to benefit this group	No impact on this group
People from black and minority ethnic groups				✓
Gender				✓
Gender Reassignment				✓
Older people / children and young people				✓
People with disabilities and mental health challenges	Provision of a Shopmobility service.		Develop the offering currently available	

Religion or belief				✓
Lesbian, Gay and Bi-sexual people				✓
Marriage and Civil Partnership				✓
Pregnancy & Maternity				✓
Other groups or communities				✓

Step 4 - what are the differences?

Are any groups affected in different ways to others as a result of the service / policy / project?	All improvements to service delivery will be available to all groups.
Does your service / policy / project either directly or indirectly discriminate?	No
If yes, what can be done to improve this?	N/A
Are there any other ways in which the service / project can help support priority communities in Cheltenham?	

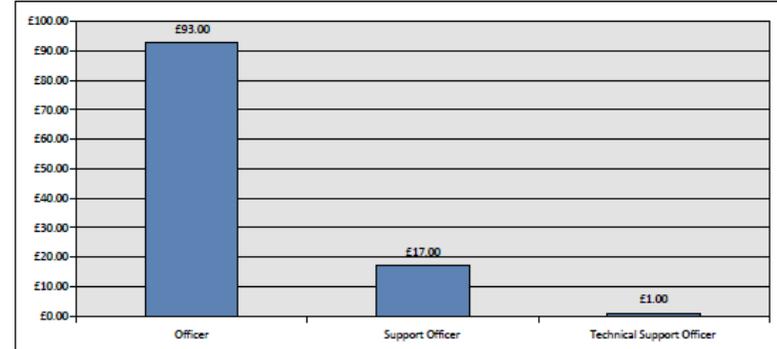
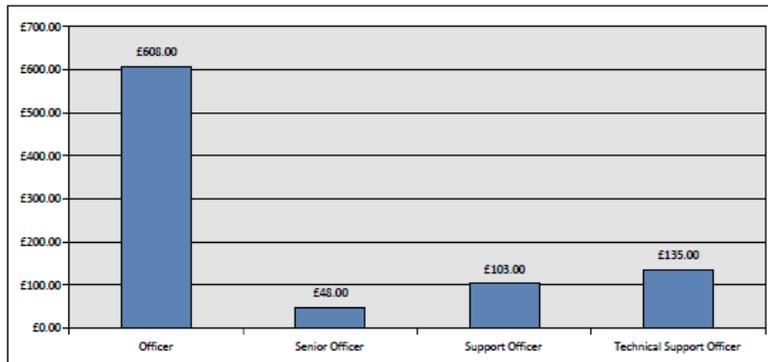
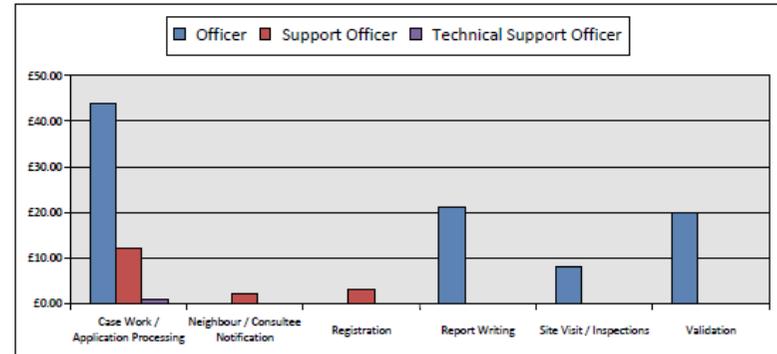
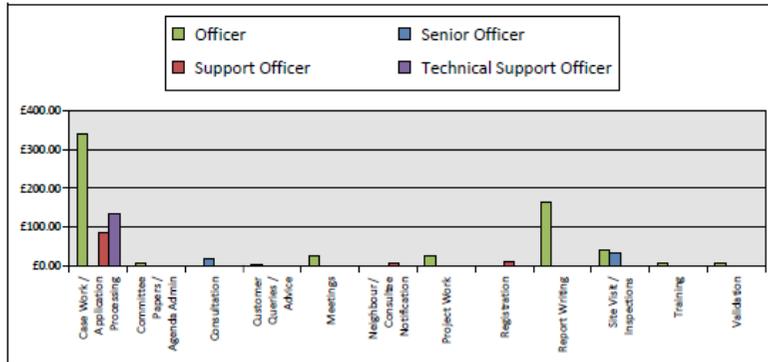
Step 5 – taking things forward

What are the key actions to be carried out and how will they be resourced and monitored?	See main report.
Who will play a role in the decision-making process?	Cllr Andrew McKinley will be supported by the programme board in the decision making process.
What are your / the project’s learning and development needs?	Develop service manager’s commercial skill sets. Develop marketing content across all service areas Engage with customers more interactively through improved website/apps
How will you capture these actions in your service / project planning?	The programme manager will be working closely with the programme manager of the Organisation Development programme to ensure needs are captured and managed.

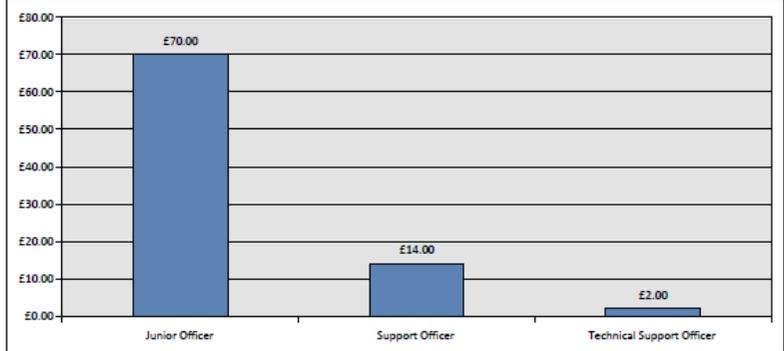
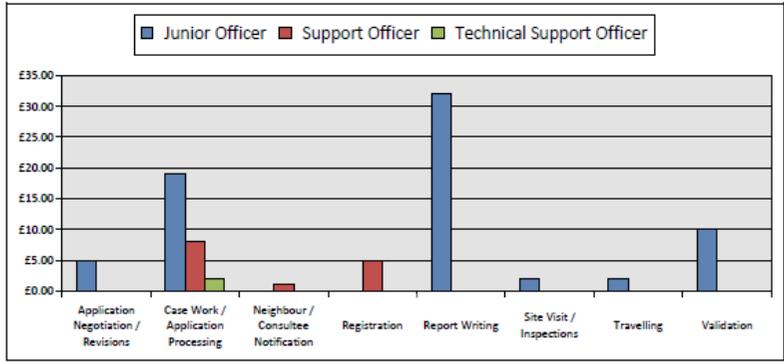
Business Management – sample data

17/00365/FUL	Permit	Committee Decision
Minor Full Planning Permission	Q13 Minor Dwellings	
Demolition of existing building and garage and replacement with two new detached dwellings		
Date Received 21-Feb-17	Decision Date 23-Jun-17	Days Taken 122
Fee £770.00	Officer Cost £952.66	Financial Performance -£182.66 Overall Officer Time 60:15

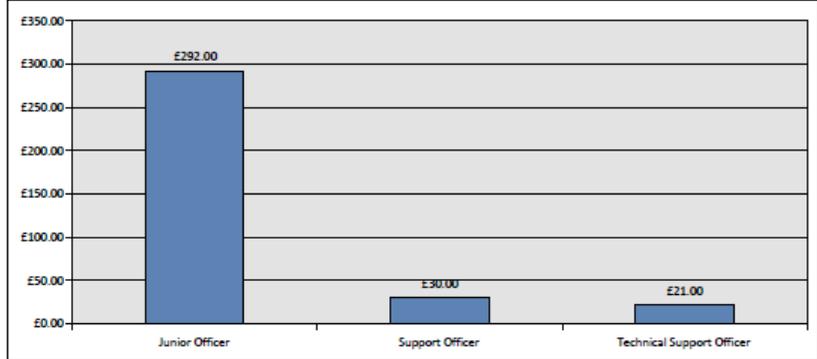
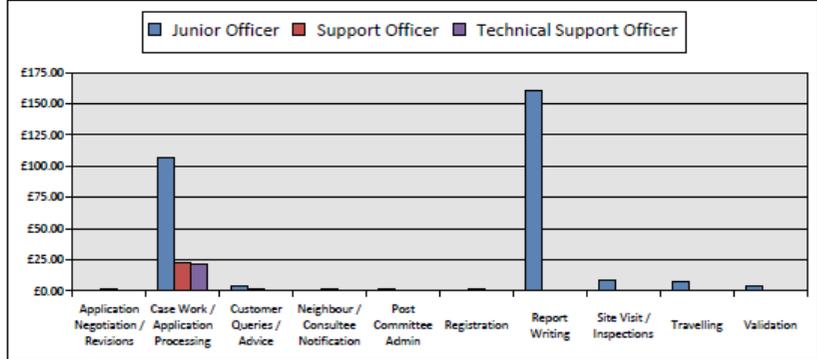
17/00560/FUL	Permit	Delegated Decision
Minor Full Planning Permission	Q21 Householder Developments	
Proposed replacement of single glazed wooden sash windows to rear elevation with plastic double glazed sash windows		
Date Received 17-Mar-17	Decision Date 21-Jun-17	Days Taken 96
Fee £172.00	Officer Cost £115.12	Financial Performance £56.88 Overall Officer Time 07:15

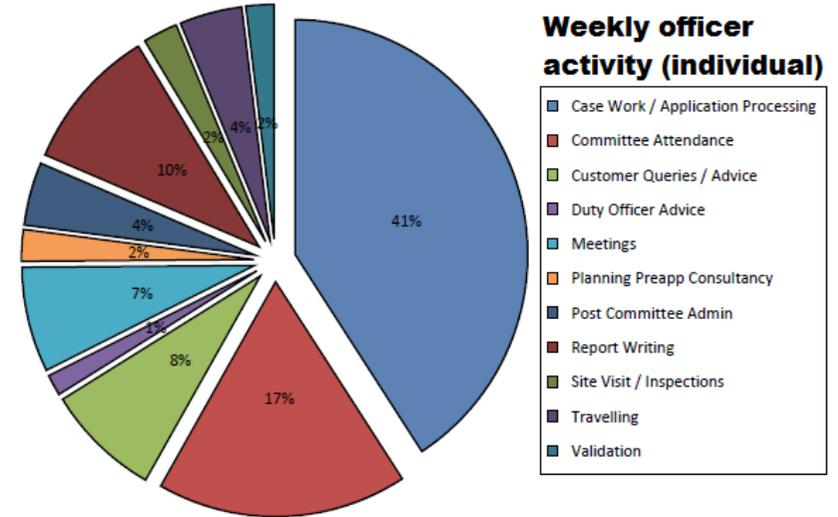
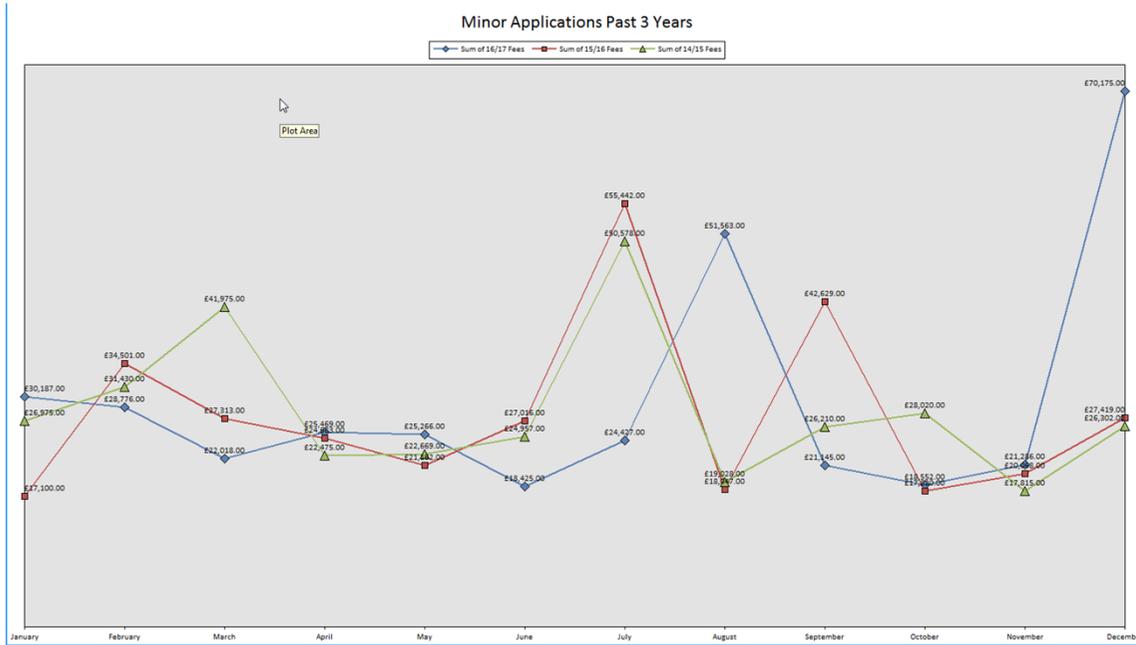


17/00547/FUL Permit Delegated Decision
 Minor Full Planning Permission Q21 Householder Developments
 Single storey rear extension
 Date Received 16-Mar-17 Decision Date 16-Jun-17 Days Taken 92
 Fee £172.00 Officer Cost £91.91 Financial Performance £80.09 Overall Officer Time 07:05



17/00386/FUL Permit Committee Decision
 Minor Full Planning Permission Q21 Householder Developments
 Two storey side and rear extension and external remodelling
 Date Received 23-Feb-17 Decision Date 23-Jun-17 Days Taken 120
 Fee £172.00 Officer Cost £360.86 Financial Performance -£188.86 Overall Officer Time 27:45





Officer Detailed Activity Breakdown

	Cost	Time
Case Work / Application Processing	£344.31	14:05
Committee Attendance	£146.63	06:00
Customer Queries / Advice	£67.21	02:45
Duty Officer Advice	£12.22	00:30
Meetings	£61.09	02:30
Planning Preapp Consultancy	£18.33	00:45
Post Committee Admin	£36.66	01:30
Report Writing	£83.57	03:25
Site Visit / Inspections	£20.28	00:50
Travelling	£36.66	01:30
Validation	£16.12	00:40

