

Economy and Business Improvement Overview and Scrutiny Committee

Monday, 18th July, 2011
6.00 - 7.52 pm

Attendees	
Councillors:	Malcolm Stennett (Chairman), Garth Barnes, Tim Cooper, Paul Massey (Deputy Chair), Pat Thornton, Andrew Wall, Jon Walklett and Peter Jeffries
Also in attendance:	Councillor Steve Jordan, Councillor Colin Hay and Councillor Roger Whyborn
Apologies:	Councillor Paul McLain and Councillor Lloyd Surgenor

Minutes

1. APOLOGIES

Apologies were received from Councillors McLain and Surgenor.

2. DECLARATIONS OF INTEREST

None.

3. MINUTES OF THE LAST MEETING

The minutes of the last meeting of 23 May 2011 were approved subject to Councillor Walklett being recorded as in attendance.

4. PUBLIC QUESTIONS AND PETITIONS

1.	Questions from Mary Nelson
1.	Has this committee been presented with adequate numerical evidence to convince them of the economic and business justification for CBC allowing Cheltenham Festivals to undertake a massive expansion into both Imperial and Montpellier Gardens (with the unavoidable large scale and continual grass damage this will cause), rather than pursuing the other possible alternatives of
a)	continuing to hire Cheltenham's other excellent venues – the Everyman, the Parabola Arts Theatre, The Playhouse and the Centaur, or
b)	moving to a larger and more suitable site for a greatly expanded Festival Village e.g. The Racecourse?

	<p>Response from Chair of EBI, Councillor Malcolm Stennett</p> <p>I am not satisfied that the information provided to date is sufficient to enable this committee to make an informed judgement as to the economic and business justification for supporting the restructuring plans proposed for Imperial and Montpellier Gardens.</p> <p>It is for this reason I have asked for this topic to be included at item 6 of the Agenda for this meeting.</p> <p>In a supplementary question, Mrs Nelson referred to paragraph 3.1 of the report for agenda item 6 and suggested that it would have been sensible for the council to do their own research on the economic aspects of the festivals but also to obtain a precise figure of how much time a greatly expanded Festival required in both Imperial and Montpellier Gardens, by drawing up a clear chart or timetable of the proposed number of days required for each festival, including the estimated erection and dismantling times, in order to see if the scale of venues and events proposed is viable in the 75 day time limit being imposed. This is especially important in the case of Montpellier Gardens, where the 75 day limit is already much reduced (to no more than 45 days) by a number of other established events which regularly take place there.</p> <p>She believed that the Jazz and Literature Festivals, being large, would not be able to erect and dismantle within the time limit of around 45 days in Montpellier Gardens, so requested the above information be provided before Cabinet approved these proposals?</p> <p>In response the chair indicated that the committee would be examining the first part of her question under agenda item 6 and would request that Cabinet be provided with any relevant information that comes up during the meeting.</p>
2.	Questions from Ken Pollock
	<p>1.</p> <p>It cannot surely be cheaper to pay for the erection and for 75 retention on site of so much additional tentage, in two parks, plus the necessary flooring and raked seating, plus the cost of re-turfing/watering, instead of simply hiring Cheltenham's available venues (already constructed and fitted out), i.e. Everyman, Playhouse and Parabola theatres, plus the Centaur.</p> <p>It has not been explained whether this claimed 'saving' depends on CF being able to corral a much larger share of the catering income from intensified on-site provision (via its subcontractor rents).</p> <p>It appears that EBI Scrutiny has still not had any success obtaining (from/via the Cabinet) a financial justification for any the above.</p> <p>The content (i.e. figures, not generalities or assurances) from the proclaimed "40 minutes presentation" to you by Councillor Whyborn needs to be printed and distributed (at least shortly) <u>before</u> your meeting,</p>

	<p>to enable constructive discussion.</p> <p>Do you believe CF has produced a business case explaining why the inevitable damage to Cheltenham's key Gardens <u>has</u> to be tolerated as 'unavoidable in that location' (as harm to a Listed Building would have to be justified) ?</p> <p>2. Occupying most of a public park for 75 days per annum is excessive because it represents <u>35%</u> of the seven 'Summer Time' months (April to October), and the Gardens will then have their availability and attractiveness removed for <u>a further third</u> of that key summer period, due to the lawns being yellowed/recovering or dead/reseeded. (In principle, such loss of amenity should only be considered in one limited area (say 30%) of a very large public park.)</p> <p>If CF wishes to experiment with the viability of a much larger scale of operation, it should not be permitted to do so at the <u>expense</u> of an irreparable garden feature in a relatively small public park, namely the upper flower-lawn in that '<u>quarter</u>' of Imperial Gardens which is nearest to the Queen's Hotel/Promenade.</p> <p>Should not proper consideration still be given to excluding that 'quarter' from degradation, (as is shown to be feasible in my submitted alternative plan, with no major loss of tentage area) ?</p>
	<p>Response from Chair of EBI, Councillor Malcolm Stennett</p>
	<p>Question 1. As stated in my reply to the earlier question I am not satisfied that sufficient information has been given to justify the restructuring of either Imperial or Montpellier Gardens and have accordingly asked for the issue to be included at item 6 of the Agenda for this meeting.</p> <p>Question 2. This question refers to the Environmental impact of the increased usage of both Imperial and Montpellier Gardens and as such I have asked for it to be referred to the Chair of the Environment Overview and Scrutiny Committee for comment</p> <p>In a supplementary question, Mr Pollock, queried the committee's response to question 2 as there was no Environment Committee scheduled before the Cabinet meeting and when he had raised the question at the last meeting of that committee on 13 July they had ducked the issue.</p> <p>In response the chair requested officers in consultation with the Cabinet Member Sustainability, provide a written response to Mr Pollock.</p>

5. MATTERS REFERRED TO COMMITTEE

None.

6. IMPERIAL AND MONTPELLIER GARDENS STRATEGY

The chair reminded members that the committee should focus on the financial aspects of the strategy and not the environmental aspects which were the remit of another committee. He expressed his disappointment that the information provided to EBI was so much lighter than what had now been published for the Cabinet meeting on 26 July 2011. Despite the austere times, the council was about to commit £140K of public money into the redesign of Imperial and Montpellier Gardens primarily to meet the expansion needs of Cheltenham Festivals(CF). Before committing this amount of public money the committee needed to understand the value added by the investment to residents in the area and to local residents and visitors to the town who enjoy the Gardens but may have no interest in the festivals.

Another member questioned why an expectation had not been set at the start that in order to obtain funding from the council, CF would need to provide a business case. CF was an independent organisation and should be no different to any other organisation seeking funding from the council. This committee had only been given high-level figures and as such it was impossible to make a judgement and left many questions unanswered.

In response the Cabinet Member Sustainability said that he understood members wanted more information and he had done his best to provide it. He advised that the economic information supplied to the committee was no different to that in the Cabinet report. The economic business case was backed up by research carried out by the consultants on behalf of CF who had concluded that the festivals brought £5.2 million to the local economy, a large sum of money. He suggested that the committee was not trying to evaluate the value of CF but where the festivals were best accommodated. In his view it did not require a great deal of study to conclude that the best option for the economy of Cheltenham was the town centre.

The chair responded that clearly the festivals were important to the economy of the town but there was no way of verifying the figures provided by CF. It was equally important to ensure the Gardens were not compromised as they provided a year-round recreational area for local residents and enhanced the visitor experience which in itself must reflect on the local economy. The important question was the added value from the proposed £140k spend.

The Cabinet Member Sustainability responded that the majority of the £140K spend was for improving the gardens regardless of CF but he acknowledged that some of the infrastructure work would not be required. In relation to the benefits being quoted, the sum of £140K was not huge. He did not consider it was a good use of officer time or council resources to spend money on consultants to verify the figures.

The chair said that the committee had not mentioned consultants and in his view officers within the Council should have been able to provide the information.

In the discussion that followed members suggested that part of the £140K was being invested in what should be considered as public realm improvements. CF was an important part of the economy of the town and the value of initiating further work to verify the figures was questioned. A compromise solution was being suggested and perhaps this should be sufficient for the remit of this committee. Members suggested that the focus should be on putting controls in place to ensure that the gardens were reinstated following any festivals and there was the appropriate redress for the council if this was not done. The consultation had highlighted that people were very angry when the gardens were left in a poor state after a Festival. It would also be important to ensure that the redesign project was carefully managed and sound project management principles adopted.

The chair asked what assurances could be given to local residents that the council would not be picking up the costs if unforeseen damage occurred for instance due to adverse weather conditions. What would happen if the £140K allocated was insufficient to carry out all the work?

The Cabinet Member Sustainability advised that reinstatement issues were very important and were covered in the revised conditions of usage agreement between the council and CF. Under that agreement the Council would organise the reinstatement work and CF would pay the bill. He had made it clear to officers that he was expecting the work to be completed to time and budget but there was a degree of flexibility for deferring items to a later phase. There was no other funding available for the work.

The chair referred to a number of risks set out in the Cabinet report with a high score of 16 and asked for the Cabinet Member to comment on the actions being taken to mitigate these risks. He asked what would happen if the CF were so successful that they needed to expand further.

In response the Cabinet Member Sustainability, advised that he was confident that the design was right in terms of density of tents and the appropriate mitigating actions were in place to deal with any potential damage to the gardens. He was confident from the consultation that other park users would not be disadvantaged by the proposed design. He confirmed that he had made it clear to CF that there was no scope for further expansion in terms of days or space in Montpellier or Imperial Gardens. Therefore CF would have to look at other options which might include Pittville Park or Sandford Park.

The chair invited Paul Jenkins, the Finance Director CF to add any comments.

Mr Jenkins confirmed that all the commitments for any reinstatement work following the festivals was built into their budgets and CF were fully committed to repairing any damage caused and keeping to the terms of the land-use agreement. He wished to put on record that the consultant employed by CF had been fully independent and carried out a comprehensive survey of businesses at different times of the day. There was a 95 to 96% confidence figure attached to their results. CF had not steered the results in any way. The vision of CF was to be a part of Cheltenham town and the ethos of the festivals was to form a hub in the town which would generate a unique atmosphere. The increased usage of Montpellier Gardens would decrease the pressure on Imperial Gardens and this was the reason for deciding to relocate the Jazz Festival. In

response to a question about why the CF had stopped using other venues, he said that the cost of the Centaur was an issue but they would still be considering the Everyman Theatre and the Parabola Theatre where appropriate.

Asked whether there was a dispute process in place, Mr Jenkins said that CF would work together with the council to resolve any differences. The Cabinet Member Sustainability confirmed that any disputes would be resolved by negotiation and it would be an admission of defeat if it became necessary to call in lawyers.

The chair asked the Director Operations, as the officer responsible for any reparation work, whether he was satisfied that he had sufficient staff and resources to carry it out.

The Director Operations responded that yes he was confident that he had the necessary resources given that the cost of any reinstatement work would be met by Cheltenham Festivals. He highlighted to members that there would always been a delay between a festival or any event in the parks and full recovery after any reinstatement work. The decision to re-turf or re-seed any damaged area in the grass would depend on circumstances. Re-turfing was more expensive but would give a better finish and depending on the extent of the damage if re-turfing was the only option then that would be done.

Resolved that the committee support the spend of £140K for improvements to the gardens and request that Cabinet take due note of the comments made during this meeting and that steps are taken to ensure that commitments made by Cheltenham Festivals are documented and adhered to in the future.

7. ANNUAL PERFORMANCE REPORT

The Policy and Partnerships Manager introduced the report and invited questions.

Members welcomed the improved format of the report and felt it was now pitched at the right level. Generally it demonstrated a very positive performance and gave reasons for why performance had gone up as well as down.

There was some discussion regarding visitor numbers to the Tourist Information Centre (TIC) going down and why the number of accommodation bookings made through the TIC had also decreased. A member suggested that this could be explained by more people accessing the web site for information which did not currently have an accommodation booking facility.

The Leader advised that the TIC did receive a commission from any bookings they made so this would be an issue to monitor, particularly when the TIC moved to the Art Gallery and Museum.

In response to a question regarding the delay to the St Paul's regeneration project reported in paragraph 3.1, the Leader advised that Gloucestershire Highways were notified of the need for road closures but subsequently couldn't do the work in the timescales they had previously agreed with the council.

A member asked whether the Leader could confirm that the take-up of the green waste scheme would enable the 40% target for household waste recycling to be achieved. The Leader advised that the Q1 figures were still awaited but he expected that target to be achieved.

A member commented that the absolute figures quoted for reduction in carbon emissions did not give members a view on their significance. The Policy and Partnership Manager agreed to supply more information on the figures.

A question was asked about the absence level in the Operations area and the main reason being musculoskeletal, whether the workforce profile (age) might be an issue. The Director People, Organisational Development and Change advised there were a number of factors, including the demanding physical nature of work. Around 50% of workers in that area were over 45 years of age. The absence issue was being addressed through a specific action plan currently under development.

Members requested more information on the targets for the number of apprentices on placement with the council.

The Director Organisational Development and Change advised that the council had a very positive approach to placing apprentices and this was an ongoing process as vacancies occurred. Two apprentices had decided to leave for other opportunities and for personal reasons. The "recruitment challenge" referred to a process whereby the Executive Board had challenged the need for any recruitment and this was now being operated by Directors.

In response to a question about how the number of incidents of domestic violence were collated and how the council could have an impact, the Policy and Partnership Manager advised that the police collated the figures. He acknowledged that it was not related to the core business of the council however the council were part of the Crime and Disorder partnership which focused on interventions. The indicator for repeat incidents was considered to be a test of how successful any interventions had been.

The chair thanked officers for their input and looked forward to a similar concise report at a future meeting.

8. ECONOMIC DEVELOPMENT UPDATE AND NEW HOMES BONUS

The Leader introduced the report and concluded that it was his personal view that investment in events was critical to Cheltenham as a festivals town. He envisaged two rounds of bids, the first in September followed by a second in the Spring. Referring to the application guidance, he said in his view there should be flexibility on the maximum grant of £20K and queried whether one of the criteria should be to increase the number of new residents. He welcomed comments from the committee on any proposals for scrutiny of the process and membership of the panel.

The Director Built Environment advised that the application guidance had been taken from another authority and may need some amendment.

A member commented on the level of detail in the application criteria for council funding of £20K and compared this with the £140K investment in the gardens where this level of challenge had not been applied.

The Leader responded that a lot of the bids would come through council departments and therefore it was important that they went through a rigorous process.

A member asked whether the council could come under any criticism for its use of the New Homes Bonus given the government's reasons for introducing the funding set out in paragraph 3.2.

The Director Built Environment responded that the government viewed the initiative as an incentive to growth and as Cheltenham was a compact urban area any improvements were likely to benefit the whole town.

In response to a question as to whether there were any proposals to pool the New Homes Bonus across councils participating in the Joint Core Strategy, the Leader advised that the three councils would be looking at the consequences of any large developments where the infrastructure in an adjoining council could be impacted.

In response to a question about the additional amount for affordable homes under the New Homes Bonus as referred to in paragraph 3.3, officers confirmed that the amount was £350 per dwelling. This figure is in addition to the standard New Homes Bonus payment which matches Council tax for each of the six years following completion of the dwelling. There was a definition for an affordable home set out in Planning Policy Statement 3 (PPS 3) and the government was in the process of reviewing this.

Resolved that Councillors Stennett and Cooper be nominated for the Promoting Cheltenham fund panel.

9. GO PROGRAMME - SHARED SERVICE DELIVERY

In his introduction the Cabinet Member Corporate Services, advised that members had seen most of the information in the report before. The report was going to Cabinet for some important decisions and therefore this was opportunity for members to raise any questions.

A member asked whether shared services and a single framework would still enable differences in policy to be maintained across authorities and were their cost implications of maintaining those differences.

The Cabinet Member Corporate Services explained that that it was the intention for individual authorities to retain their individuality but it made sense to standardise some policies. These included financial regulations. Officers commented on the high degree of commonality already achieved across the system but there would be differences which would be accommodated. These would ensure that each authority remained distinct employers.

The chair welcomed the programme and wished it every success.

10. BRIEFING FROM CABINET MEMBERS

None

11. DATE OF NEXT MEETING AND FUTURE AGENDA ITEMS

The date of the next meeting was 19 September 2011 and the workplan was noted.

Malcolm Stennett
Chairman