

BUDGET CONSULTATION 2012/13 – SUMMARY OF RESPONSES

9 completed surveys were received in total.

Q1.

Given the need to find savings of £1.15m in 2012/13, do you think the council has compiled a list of proposals which is broadly acceptable given the circumstances?

		%
Yes	6	67
No	3	33
Total	9	100

Q2.

Are there any proposals for cuts which you do not support?

	Response	%
A reduction in the number of staff - 5 jobs will be lost	1	33.3%
No Grant to the Cheltenham Arts Council	2	66.7%
TOTAL	3	100.0%

Q3.

If you have answered No to Question 1, what savings could be made instead of the proposals you do not support?

None suggested

Q4.

Given the need to make further savings in future in response to more reductions in government funding where should the council continue to look to make savings? Please identify any services you believe where the council should reduce, or stop funding?

- Carry out a cost-benefit analysis of Cheltenham Festivals
- Aim for natural wastage to avoid redundancies
- Privatised the Leisure Centre
- Utilise School facilities
- Stop funding for The Everyman Theatre
- Sub-let space in Council Buildings
- Move the Police Station into the Municipal Offices
- Scrap the brown bin service
- Senior Management should be expected to take pay cuts
- Scrap all allowances and overtime
- No Grants funding for any projects/organisations
- Review CEO's Pay & Pension package

Q5.

Finally, do you have any general comments about the proposed budget?

- “Residents would be able to give better feedback if the council made clear exactly what services would be affected, or are proposed to be affected”.
- “Cheltenham is known as a garden town and although understanding the need for the marquees in the Imperial and Montpellier Gardens. We must make sure what remains are of the highest order”.
- “From a distance I have the impression that the council might manage with less senior managers, though I would accept that the quality of a reduced management cadre needs to be high”.
- “Keep cutting and improving efficiency, lots of savings yet to be made”.

Other responses were received from –

- Jack Doran
- Brian Carvell (Cheltenham Arts Council)
- National Council for Voluntary Organisations
- Niki Whitfield
- Liz Penwill
- Terry Fitzgerald – on behalf of the ‘the boys down the pub’

The Cheltenham Business Partnership, the council’s Overview and scrutiny committees and a focus group of residents were also consulted. Minutes / notes from these meetings as well as the responses from those named above are available in the member’s room.

CABINET RESPONSE TO BUDGET CONSULTATION FOR 2012/13.

1. There were only 16 submitted responses to the formal budget consultation probably because the draft budget was relatively uncontroversial and did not raise Council Tax or propose significant cuts. This included 9 completed surveys with 6 written responses on a range of issues from a number of individuals and organisations. A substantial majority broadly accepted the proposals.
2. In addition to these responses all three Overview and Scrutiny Committees considered the budget and the usual formal bodies, such as the Parish Councils considered it, as did the Budget working Group and a special focus group of citizens, most of who had previously been involved in scrutinising the 2011/2012 budget
3. Key issues that arose were as follows:
 - 3.1. Why has £250k of the New Homes Bonus been amalgamated into the base revenue budget?
 - 3.2. Why are we not looking to reduce Council Tax as real incomes drop?
 - 3.3. Why are we not proposing further cuts in pensions, senior management, politicians allowances and staff?
 - 3.4. The Green Waste scheme needs to be reviewed – it is too expensive.
 - 3.5. There was strong support for reinstating the verges contract into base budgets, and for further funding for tree maintenance.
 - 3.6. Why do we not ignore the Government and increase Council Tax?
 - 3.7. There was some concern at the cut to the Arts Council grant made in the 2011/12 budget.
 - 3.8. Civic Pride initiatives and proposed works to the Town Centre were widely supported.
 - 3.9. Some people and organisations believe Car Parking charges should be reduced rather than frozen.

4. New Homes Bonus.

The amount of income from the New Homes Bonus has been calculated for the next 5 years (the life time of the Medium Terms Financial Strategy) against planning permissions in the system and against historical experience. It is not related to any figures that may appear in the Joint Core Strategy which is yet to be agreed. The Cabinet opposes any new homes target greater than scenario A in the JCS consultation and is strongly opposed to the urban sprawl in the other scenarios.

Given the reliability of the New Homes Bonus, all other local authorities in Gloucestershire, *including the County Council*, have absorbed part of it into base revenue budgets. This year we are taking £250,000 out of a total NHB allocation of £583,000, and allocating the residue to two pots of money for 'Promoting Cheltenham' and 'Environmental Improvements' that can be bid into by organisations, community groups and businesses.

5. Why are we not looking to reduce Council Tax as real incomes drop?

Council Tax has been frozen for three years and in real terms declined against inflation and is only one source of funding for Council Services – the others being central government support and income from such things as investments and service charges

(such as Leisure@ and car parking). Council expenditure has been reduced against a 23.23% cut in central government support over the last two years. Income from investments has declined as interest rates have dropped. Income from car parking has also declined.

The capacity to reduce Council Tax without a serious impact on services is limited, and it needs to be remembered that there are three parties involved in the calculation of Council Tax – with CBC being the least significant. At the band D rate, CBC collects £187.12p (12.66%), the Police £199.69 (13.52%) and the County Council £1,090.50 (73.82%). CBC is pursuing a long term strategy of becoming an enabling authority which commissions the most appropriate organisations to deliver services while reducing costs where it can be done. The prime aim is to maintain services, but to do them more economically, **rather** than drastically cutting services in order to reduce Council Tax.

6. Why are we not proposing further cuts in pensions, senior management, politicians' allowances and staff?

Pensions are quite separate from Council Tax. Council contributions to the pensions system are being examined as part of a national initiative.

Senior Management salaries (and indeed all salaries) have been frozen for the last two years and in real terms have declined by more than 10%. Last year, all Member allowances were frozen up to 2016, and Cabinet Member allowances cut by 5%. In our view Council employees have made significant sacrifices and continue to provide a good service despite increased pressure on them.

7. The Green Waste scheme needs to be reviewed – it is too expensive.

The Green Waste scheme is more than paying for itself, but has not so far generated the income that was envisaged when the 2011/12 budget was agreed by Council despite it contributing to an increased recycling rate of around 50%. There is a view, forcibly expressed at the resident's focus group meeting, that the £36 charge is excessive since the service was previously provided free and as much green waste is taken by individuals to the depot as is collected by the Council. The main justification for the scheme is an environmental one but in present financial circumstances there must be a charge for it. This issue needs to be tackled in the coming period and, if the current administration is returned following the May elections, will establish a member working group with external co-optees to examine alternatives and the charging mechanism and level. In the mean time, the scheme has been extended to include paper bags in streets where it is difficult to collect brown bins.

8. There was strong support for reinstating the verges contract into base budgets, and for further funding for tree maintenance.

There was universal support for the reinstatement of this budget element and the addition of £20,000 for improved tree care, but if the County Council goes ahead with its proposed cuts to Cheltenham's highways budget allocation, the service will deteriorate **despite** CBC reinstating its budget. The County Council seems to want CBC to pay for things that are its responsibility and we have objected to this most strongly.

9. Why do we not ignore the Government and increase Council Tax?

The Cabinet believes along with all other Council's in Gloucestershire, that it is right to take advantage of Government support to freeze Council Tax for the next year but is aware that

because Government support will only be in place for a year, there will be a bigger than expected increase in Council Tax in the next budget round. At any rate, the Government still has capping legislation in place and has indicated that it would be prepared to use it to control public finances, and (under the Localism Act) increases above 3,5% will trigger a referendum.

In CBC's case the medium term financial strategy assumes a 2.5% annual uplift which is what the Government is prepared to pay. This amounts to c£200k. To increase Council Tax to, say, 5% would raise only £400k in total and runs the risk of Government capping – and, of course, we would forgo Government support so the whole amount would have to be paid for by Council Tax payers.

10. There was some concern at the cut to the Arts Council grant made in the 2011/12 budget.

Historically, the Council allocated £10,000 to the Arts Council to distribute to Arts based organisations in the town. Last year, given the scale of the deficit, this was stopped but a sum of £6k was given to them as a one-off transition payment. Having looked again at this and given the arguments expressed by the Arts Council it is intended to make a payment again this year of £5k and look at ways in which this can be made more secure.

11. Civic Pride initiatives and proposed works to the Town Centre were widely supported.

Despite the difficult financial circumstances, the Cabinet's determination to stick to its long term plans to improve the town through the Civic Pride initiative is widely supported and the Civic Pride reserve has been allocated to repair and improve pavements in the Promenade and a scheme of works to St. Mary's Churchyard including resurfacing footpaths. The view is that income from capital receipts from the sale of Council land and capital assets should be reinvested in the town and not used in any significant way to support revenue except indirectly by paying off debt and so reducing debt charges where appropriate.

12. Some people and organisations believe Car Parking charges should be reduced rather than frozen.

It is proposed to freeze Parking charges for the third successive year. There is a view that car parking charges are deterring people from coming into the town centre to shop and should be drastically reduced. The Chamber of Commerce is keen for the Council to provide funding to commission work to better understand the relationship between car parking charges and the town centre economy. *This will be supported.*

There are a number of dimensions to this issue that make it more complex than it initially appears. While car journeys to the town centre may have declined, it does not appear that footfall has proportionately declined with more people walking or taking the bus to shop.

The over 60's, who benefit from free bus travel, take special advantage of this.

Parking charges are not only a source of income for the Council, they are also a means of controlling the use of vehicles and consequent congestion, and if people are using other means of transport or walking more, then this is desirable despite the impact on CBC income.

With the development of Portland Street and North Place moving closer there is a need to provide good quality alternative parking to compensate for the loss of this major parking

facility, which is why the Cabinet is recommending a major investment in Gloucester Terrace multi-storey car park and the access to the east end of the High Street. The view of the Cabinet at the present time is that while there may be a case for parking price initiatives at certain times of the year or in certain locations, the current level of charge is not the most significant factor in attracting people to shop in the town centre. The unique attractiveness of the town centre as a place to shop and the range of shops available are the key reasons people visit the town which is why our view is that investment of the kind coordinated by Cheltenham Task Force and contained in this budget is the right way forward.