

Cheltenham Development Task Force Board Meeting

Friday 14th October 2011 - 2.00pm – 4:30 pm
Pittville Room, Municipal offices, Cheltenham

Item 03/12 (i)

Open Minutes of meeting

Present: Graham Garbutt (Independent Chair)
Chas Fellows
Michael Ratcliffe
Stephen Clarke
John Rawson
Andrew North
Dorian Wragg
Bernice Thompson
David Oldham
Robert Duncan
Simon Excell (on behalf of Nigel Riglar)
Andrew Willets

Other: Steve Jordan – CBC Leader of Council
Amanda Lawson-Smith – GCC Principal Transport Planning Officer
Paul Jones – Head of Financial Services
David Roberts – Head of Property Services (for item 67/11)
James Petherick – GVA (for item 66/11)
Mark Brunson - GVA (for item 66/11)
Wilf Tomaney – CBC Urban Design Manager
Jeremy Williamson (Managing Director)
Adam Lillywhite – (for a 10 minute presentation at the start of the mtg)

No.	Item	Action
	<p>The Chair welcomed Adam Lillywhite who had been invited to attend the first part of the meeting in order to read out a pre-prepared statement on behalf of the Hoteliers of Cheltenham in relation to the impact of the proposed hotel element of the North Place & Portland Street development site. A copy of his statement is attached to these minutes as Appendix 1.</p> <p>GG thanked Mr Lillywhite for the information provided in evidence of his concerns, but highlighted that the market place had dictated the suggestion of a hotel on the site, and it was probable that an alternative town centre site could come forward if the North Place scheme did not progress. Essentially it was now a planning issue as to whether the town could accommodate another hotel. He suggested Mr Lillywhite brief himself on the planning role of the council as this would be the time to flag any objections should Cabinet choose to select Augur Buchler as their preferred bidder.</p> <p>There followed an exchange on some wider issues of process and policy which were responded to by Cllr JR who was keen to note that there was a difference of interpretation of JCS documents which Cllr JR did not feel gave rise to an automatic rebuttal of any hotel proposal.</p>	

	<p>Cllr SJ stressed that the decision was one for Cabinet not Council and highlighted that Council's discussions had been solely as land owner, and he stressed that debates and seminars had taken place throughout the OJEU process in order to keep councillors fully informed. Cabinet may confer preferred bidder status at their next meeting but the issue would still be subject to the full rigors of the planning process.</p> <p>The Chair invited Mr Lillywhite to stay in touch via JW if he felt he wished to discuss issues further, at which point Mr Lillywhite left the meeting.</p> <p>The Chair then introduced Dorian Wragg as a new member of the Task Force and thanked him for accepting to join the Board.</p>	
59/11	Apologies: Members – Diane Savory, Andrew Vines, Tony Bray, Cllr Tim Cooper, Cllr Antonia Noble & attendees Mark Sheldon (sub Paul Jones)	
60/11	Declarations of Interest – none.	
61/11	Minutes of previous meeting (15/07/11) – the minutes were approved for accuracy and content.	
62/11	<p>Action Matrix and Matters Arising</p> <p>It was noted that almost all actions had either been completed or were on the agenda for further consideration. Items that received feedback were:</p> <p>41/11 (25/11) <i>Ultra Light Rail</i> – AL-S confirmed that the meeting scheduled for 28th July had been rescheduled to 28th October.</p> <p>44/11 <i>LEP Business Plan</i> – Cllr SJ confirmed that it had been signed off in September as anticipated, primarily funded by a County Council allocated budget plus some private sector funding.</p> <p>44/11 <i>Enterprise Zone bid</i> – Cllr SJ confirmed it had been unsuccessful, and that the process had now been completed.</p> <p>46/11 (ii) <i>Approach to Public Consultation</i> – WT confirmed that it had not been possible to include Trinity House amongst the venues for consultation.</p>	
63/11	Confirmation of confidentiality of items – agreed.	
64/11	<p>Local Enterprise Partnership</p> <p>In DS's absence, JW tabled a briefing note which he believed was self explanatory. He noted that this briefing note would be added to the quarterly update which had been tabled for members' comments.</p> <p>Cllr CF suggested that future updates from gfirst should focus more on a Cheltenham perspective rather than cross-County.</p>	
65/11	<p>Local Sustainable Transport Bid and St Margaret's Junction Efficiency Trail</p> <p>LSTF</p> <p>AL-S explained how the previous bid's failure was mainly due to a lack of 'cause and effect' related evidence, but felt the Task Force could help provide such evidence for the revised bid.</p>	

	<p>Conversations between Martin Quantock and JW with retailers both around Boots Corner and the wider town, eg Cavendish House / Regent Arcade have elicited positive support as retailers believe that removing traffic from the area would add footfall to the town centre.</p> <p>Given the next Task Force mtg on 20th January and County Cabinet in 1st February 2012, it was therefore agreed that any further evidence and letters of support that the Task Force could help supply needed to be with JW by the end of December in order to inform the bid.</p> <p>Junction Efficiency Trial AL-S confirmed that member sign-off was at the end of July 2011 and for a variety of reasons it may not be possible to run the trial until Spring 2012 (after Cheltenham Festival). AL-S confirmed she was still awaiting final costings and this, given with the reduction in day light hours; likely inclement weather was likely to generate health and safety concerns.</p> <p>JW noted that the timetables for this junction trail and North Place had essentially coincided. Whilst they were originally separate items the pace of progress on North Place now meant they were extricably linked. JW suggested that it maybe prudent to utilise funding for further paramics model testing if a trial cannot happen until the Spring as by then a planning application could already be in train for North Place.</p> <p>WT stressed that originally the trail had not been linked to the development, and the approach being taken was that traffic lights would be taken out based on the trial going ahead. If the trial does not take place fewer sets maybe removed.</p> <p>Cllr SJ confirmed his support, but felt it was key to get the timing of both elements right.</p> <p>It was agreed that AL-S report back progress at the next mtg or via the Highways sub-group.</p>	<p>ALL</p>
	<p>The public part of the meeting concluded at this point.</p>	

Task Force presentation

Item 03/12 (iii)

Good afternoon, my name is Adam Lillywhite, I am a local hotelier, I look after the Cheltenham Hospitality association website, I have recently re-launched this with the aid of a civic pride grant. This has been such a success that Sonja Philips, head of Wellbeing and Culture, has invited me to bid to re-develop and launch the TIC site. The CHA have an improving relationship with the Council. We recently met to discuss how we can best promote the town, Our Mutual interest.

I would like to give you a feel for the hotel sector in Cheltenham and explain the concerns many members of the CHA have that warnings in the Joint Core Strategy and Tourism strategies are being ignored, endangering the fabric and character of the town.

Can I just explain one term, REV PAR, Revenue per available room. It combines room rate with occupancy, it tends to give a more meaningful figure on the health of the sector than occupancy figures alone.

I know that Jeremy states that Cheltenham is resilient to the recession, theoretically we should be, but RevPar, has taken a double hit over the last two years. The reasons:

- Loss of seven major employers, Capita, AI Training, SHS, Chelsea, C&G, Glos NHS trust, Countryside Agency as well as a further 400 jobs to go from GCHQ Oakley by Xmas, only one significant replacements, 150 jobs at Bishops Cleeve. Many of these moving to the new business space in Gloucester.
- Well over one hundred short stay serviced apartments that have diluted the market.
- Companies are cutting back on overnight stays due to the economic climate.
- The redevelopment of Gloucester means that many contractors that used to work there and stay in Cheltenham overnight are now happy to stay there, this is demonstrated by the recent opening of the Ibis of over 130 rooms, the Travelodge in the docks of over 100 rooms and there is still further capacity built, a new hotel of 62 rooms which has not yet opened awaiting an operator to taking it on. This is bad news for Cheltenham's restaurants as well as hotels.

Commission payments to booking channels have rocketed and room rates are dropping as Hotels scrabble for the remaining business (for my hotel in August commissions were over 11% of gross income up from 6% last year).

The hotel sector is weak, after six months of trading Ellenborough Park is managing occupancy levels of just 32%. Last summer the Queens bid for a coach party at £25 pppn DBB, the recently opened Montpellier Chapter Hotel is struggling. In July last year I had seven contactors staying three or four days per week indefinitely; now I have one, for three days, he finishes in December.

The Queens has had permission to build a further 40, and the Clarence Court 15 bedrooms for some years but they have not, the demand simply is not there.

Introducing a new large budget hotel in the town will further undermine the viability of many existing Full and limited service hotels as well as smaller businesses which are only just hanging on. It is likely that many establishments which tend to operate at lower occupancy levels than budget chain operations would fail, with the total beds lost most likely exceeding those higher occupancy ones added by the new operator. This would not just reduce the total capacity of the town's hotels but greatly reduce the diversity, interest and character.

In the last two years we have lost The Prestbury house hotel, Lonsdale house, Bentons, Moorend Park, North hall and The Montpellier Hotel. This weakens our offering to potential visitors particularly when the town still does not have a consistent tourism strategy, is in the process of streamlining its TIC to the Art Gallery and Museum and at the same time reducing staff both in terms of numbers and experience.

Hotels such as the Ellenborough Park, Chapter and DuVin, benefit the town, they advertise in national glossies and promote our special image, they generate their own demand and the town as a whole benefits as customers spend. They are interesting and exciting venues for the Culture festivals that we are renowned for. We have to support and encourage them. When we do expand our hotel capacity lets save it for this type of hotel and enhance the town, consider the Municipal offices site.

The ripple effect of budget chains impacts even these hotels and would rapidly undermine our Towns unique position in people's minds. We have plenty of budget hotels our most recent additions of the Big Sleep and the HIEX. If we sell out then the festivals may as well go to Swindon where the transport links are better.

Profit and purchasing from a large chain hotel is invariably taken out of town, and the number of employees per bed night is much lower.

Premier Inn, the company I'm told is bidding for the new hotel, has just expanded its operation on the Tewkesbury rd from 40 to 58 rooms. This proposed hotel would be its fifth hotel in and around the town. If this development proceeded with the undoubtable loss of other hotels, there would be a significant loss of choice of accommodation in the town dominated by the budget sector.

The JCS warns that a town should not start looking at building a new hotel until the overall occupancy for the town is around 70% or over. For Cheltenham for the year of the survey, one of our best the rate was 68%, the study anticipates a drop from this level but a return in 2011, We all know, this has not happened, GDP fell 7.1% then rose 2.8% and is plateauing who knows if it is to head north or south? Overall Occupancies in my hotel are around 7% lower than in 2008. Across the town this would give an overall of 61% far lower than the 70% required to look at building another hotel.

Some wise words in the Tourism strategy released six months ago, John Rawson states,

“11.5 Support the hospitality industry

Perhaps the most positive way in which the Borough Council can support the hospitality sector at present is to help it survive and recover from what has been a difficult and damaging recession

..... Caution is needed in applying these projections to actual decisions about the rate of hotel-building, as the revival in demand could well be slower than forecast. It would not be doing any favours to the hospitality industry or to the local economy generally to allow over-expansion of the hotel accommodation. “

Just consider for a moment the loss of the Queens hotel, it is now competing for budget and Coach party trade. How that would blight that corner of the town, particularly when Kiels the old antiques show room has been vacant for so many years.