

Cheltenham Borough Council Budget Consultation 2015/16

Background

The past few years have been a difficult time for all local councils, and this is certainly true for Cheltenham. Since 2009/10 the Council's core funding from the Government has been cut by some £5 million, from £8.8 million to £3.8 million. This includes a cut of £835,000 or 15.3% which is expected to be made in the coming year.

However, there are two positive factors which make our task slightly easier. We are now receiving a share of the Business Rates that we collect on behalf of the Government. This is likely to leave us around £700,000 better in 2015/16. Our income from the Government's New Homes Bonus is also projected to rise from just over £1 million to roughly £1.5 million in the coming year. This is the money that the Government gives all local councils for each new house built (or empty house filled) in their areas. We have therefore been able to use more income from the New Homes Bonus to help our budget.

Our approach to the budget

The Government continues to ask local councils to freeze council tax at its current levels, though it only gives us half the money they need to do this.

Nonetheless the council is keen to keep down costs to the local taxpayers. **We have made vigorous efforts to reduce our costs and find savings wherever this is possible without cutting services.** As a result we are able to propose that:

- 1. There will be no increase in the borough council's share of council tax in 2015/16. It will be held at its current level (£187.12 for a Band D property) for a fifth year running.**
- 2. Charges in the council's off-street car parks will also be frozen at their current levels for the fifth year running to help the local economy.**

Fees and charges

Besides car park charges, the charge for the Lifeline alarm service for vulnerable people has also been frozen.

Other charges set by the council will generally rise by around 2%, broadly in line with inflation.

Spending

In order to be able to freeze council tax and do the other things set out in this budget we have identified £686,300 of savings and additional income. They can be summarised as follows:

Savings from restructuring senior management	£43,600
Other management and staff restructures	£155,600
New savings from shared services	£45,400
Leisure and culture commissioning (savings from creating a charitable trust and restructuring the management)	£284,400
Savings from ICT review	£87,000
Creation of a Central Depot bulking facility (invest to save)	£46,000
Reductions in grants already agreed in previous budgets	£9,000
Saving on retendering banking services	£5,000
Other supplies and services savings	£10,300

Capital investment

The capital investment programme set out in appendix 6 of the budget papers is relatively modest, but includes important investments in community safety such as renewing play equipment, replacing CCTV cameras. It includes a very substantial ongoing investment in the council's ICT equipment and infrastructure, which is urgently needed. It also includes investment in the High Street and Town Centre which the council approved last July.

However, since the completion of the sale of the North Place and Portland Street sites early in 2014, the council has built a substantial capital reserve which will allow us to expand our programme of capital investment substantially if we so wish. That is why we have added appendix 7 to the budget papers – a list of potential capital projects which have been put forward by councillors, council officers and the Cheltenham Trust.

We would like to use this budget consultation to find out which projects the people of Cheltenham think are most important. **You can give your views by telling us which THREE projects from the list below you would most like the council to press ahead with in the coming year. This is your opportunity to help shape the future face of Cheltenham.**

Monuments and public spaces

- Create a new public square with landscaping and other improvements to the street scene at Boots Corner (£2,000,000)
- Restore Neptune's Fountain to its former glory (£600,000)
- Provide a permanent electricity supply to Imperial Gardens to avoid events organisers having to use noisy generators (£180,000)
- Invest in the Pittville Park play area to provide a higher standard of play equipment, create a major family attraction and potentially attract more visitors to the town (£300,000)

Recreation and leisure

- Create a new Sports and Play Hub at the Prince of Wales Stadium providing facilities for competitive field sports and athletics (£1,843,000)
- Improve facilities for community sport and new gym facilities at leisure-at-cheltenham (£433,000)
- Improve the Town Hall, creating a new foyer, providing better seating and a lift to the balcony, creating a new café/bar, and building a winter gardens style conservatory on the back as a restaurant and event venue (£2,400,000)

Investing to cut costs

Relocate the council HQ from the Municipal Offices to another office building, cutting the council's ongoing accommodation costs and allowing a redevelopment of the Municipal Offices for (e.g.) hotel, retail or leisure provision (£2,500,000)

Clean energy

- Large scale solar farm to generate clean electricity and generate income for the council (£8,000,000)
- Small scale renewable energy initiatives including solar panels on top of council-owned buildings (£1,000,000)

Parking

- Improvements to existing car parking provision (£3,700,000)
- Electronic signage system around the town centre to help people find a car park (£300,000)

Crematorium

Invest in the Crematorium to replace the cremators and potentially improve the facilities for bereaved families (£1,000,000)

Property maintenance

The council has a very substantial portfolio of property, including iconic buildings such as the Town Hall, Pittville Pump Room and the Municipal Offices and many sports and leisure facilities. It is important that we should invest in maintaining these buildings in the state which local residents would expect. This budget proposes to allocate £700,000 to planned maintenance from the revenue budget.

There has been public concern recently about the state of the Cheltenham bus station in Royal Well Road. For that reason, we have included a question in the budget consultation questionnaire about what you think should be done.

Services

The aim of the budget, and its emphasis on organisational changes rather than cuts in services, is to maintain the present level of services at a lower cost.

In the current constrained financial circumstances, there is very little room for growth in services. However, £50,000 has been budgeted for a Community Pride fund, to which community groups, parish councils and other groups can bid for funding of community-based initiatives and improvements. We will also be extending our contract with Cheltenham Housing Aid Centre to deliver outreach and support for street homeless people and others with serious and difficult housing needs.

Council tax benefit

In 2012 the Government decided to abolish the national council tax benefit scheme and to require local councils to set up their own schemes for people of working age. They also reduced the funding they provided for council tax support by about 9 per cent.

We and the other Gloucestershire councils agreed to adopt a scheme which was practically identical to the previous scheme. Existing council tax benefit customers were transferred over to the new scheme automatically, with no change to the awards they received. The funding shortfall from the Government was, in effect, absorbed by the councils without penalising claimants.

The council has already agreed that this scheme should remain unchanged for 2015/16 and 2016/17 and the budget is based on this assumption.

Consultation on the draft budget proposals

We want to hear your views on how you think we should shape the final budget proposals for 2015/16. Consultation leaflets and questionnaires will be available in reception at the Municipal Offices and other council premises and will also be available to complete online on the council website (www.cheltenham.gov.uk/budget).

This year we have also decided to organise a public forum where residents can come and give us their views on the budget face to face. This will be held on Thursday 15 January at 7.00pm in the Municipal Offices. **You are very welcome to attend.**

The consultation will finish on 26 January 2015 following which the Cabinet will review the responses and prepare a final budget for consideration at Council.

Final budget setting

The full Council will be meeting to set the budget, taking into account feedback from the budget consultation process, on Friday 13 February 2015 at 2.30pm in the Municipal Offices. The Council will meet again on Friday 27 February 2015 to determine the level of council tax, taking into account the requirements of Gloucestershire County Council and the Gloucestershire Police Authority.