



# CHEL TENHAM

## BOROUGH COUNCIL

### **Cheltenham Borough Council Budget consultation 2016/17**

#### **Background**

Cheltenham Borough Council is preparing for a financially difficult year against a background of declining government funding for local councils and rising costs.

Since the borough council last increased its share of council tax in 2010, inflation has increased by about 13 per cent. Our government core funding (revenue support grant and business rates income) has been cut by almost half, from £8.8 million to £4.6 million a year. According to the Chancellor's recent announcement, our grant funding will fall again in the coming year, with further reductions in the following three years.

We also face a short-term problem in the coming year, because a number of sites that are being redeveloped will not be paying business rates. This will put itself right in due course and bring very valuable benefits to the town in the longer term, but we estimate that it will reduce our business rate income next year by about £285,000.

- Our draft budget for 2016/17 identifies £738,000 of efficiency savings in the coming year and there are plans to save a further £657,000 a year over the following three years by sharing more of its services with neighbouring councils.
- For the first time since 2010 there will also be a small increase in the borough council's share of council tax. The increase of just under 2 per cent will take the borough element of council tax up to £190.84 for the average Band D taxpayer, an increase of £3.72 a year.
- However, car park charges will be frozen for a sixth year running and there will also be no increase in garden waste charges.
- There will also be no cuts in front-line services.

#### **Fees and charges**

Other than car park charges and garden waste charges, charges set by the council will generally rise by around 2%. Planning fees are fixed by the government, which has announced its intention to increase them.

## **Proposed savings / additional income**

In order to protect front-line services while keeping the council tax rise to an acceptable level, we have identified £738,000 of efficiency savings and additional income. They can be summarised as follows:

£150,900 savings from the restructuring of the senior management team;

£39,000 savings from sharing services with other councils;

£231,500 savings from the reducing management fee paid to the Cheltenham Trust;

£46,000 savings from changing the way we manage waste;

£10,000 savings from rationalising our property portfolio;

£97,300 savings from the way we lease vehicles;

£63,100 additional income from advertising and sponsorship; and

£100,000 additional income from the purchase of Delta Place.

## **Capital investment**

The council will be pressing ahead with some major capital projects, such as the plans for a new and improved crematorium and the new state-of-the-art children's play area in Pittville Park. In the longer term we are committed to a major improvement scheme for Cheltenham Town Hall and the creation of a public space at Boots Corner.

## **Property maintenance**

The council has a very substantial portfolio of property, including iconic buildings such as the Town Hall, Pittville Pump Room, the Municipal Offices and many sports and leisure facilities. It is important that we maintain these buildings in the state which local residents would expect. This budget proposes to allocate £600,000 to planned maintenance from the revenue budget.

## Services

The aim of the budget 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 for community-based initiatives and improvements.

We are also setting aside some money to strengthen the planning service and support the creation of a Business Improvement District in the town centre, both of which will help the growth of our local economy. The government has promised that councils will gain a bigger share of business rates income over the coming years, which is one more reason why we want to do all we can to boost economic growth.

## Consultation on the draft budget proposals

The borough council wants to hear the public's view on how they think they should shape the final budget proposals for 2016/17. 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](http://www.cheltenham.gov.uk/budget)).

We are also holding a public forum where residents can come and give us their views on the budget face to face. This will be held on Thursday 14 January 2016 at 7pm in the Pittville Room in the Municipal Offices. **You are very welcome to attend.**

The consultation will finish on 20 January 2016 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 12 February 2016 at 2.30pm in the Municipal Offices. The council will meet again on Friday 26 February 2016 to determine the level of council tax, taking into account the requirements of Gloucestershire County Council and the Gloucestershire Police Authority.