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| <b>MEETING</b>  | <b>PLACE SCRUTINY PANEL</b><br>(Councillors Mohammad (Chair), Strutton, Bal, A Cheema, H Cheema, R Davis, Gill, Grewal and Minhas) |
| <b>DATE AND TIME:</b>                                       | WEDNESDAY, 1ST DECEMBER, 2021 AT 6.30 PM   |
| <b>VENUE:</b>   | COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL  |
| <b>DEMOCRATIC SERVICES OFFICER:<br/>(for all enquiries)</b> | NICHOLAS PONTONE<br>01753 875120   |

### SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

\* Item 2 is an updated version of the papers circulated with the agenda.

#### PART 1

| <u>AGENDA<br/>ITEM</u> | <u>REPORT TITLE</u>                      | <u>PAGE</u> | <u>WARD</u> |
|------------------------|--|-------------|-------------|
| 2.                     | Initial Budget Proposals 2022/23 – Place | 1 - 12      | All         |

*Note – Slide 4 (page 4) amended with additional wording re Section 106 receipts. All other slides remain unchanged.*

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# PLACE SCRUTINY PANEL

## 1 DECEMBER 2021

## INTRODUCTION

- **Customer & Community is reporting differently from 1 October 2021:-**
  - Community joined Place to become Place & Community (Richard West)
  - Customer became part of Corporate Resources (Steve Mair)
  - P7 budgets onwards are reported in line with this new interim structure
  
- **This presentation sets out:**
  - 2021/22 Place savings in progress – budget on target to be achieved
  - High Level 2022/23 Place savings proposals – forecasting a small surplus
    - Detailed 2022/23 Place savings proposals including restructure will be presented at the 12 January 2022 Place Scrutiny Panel
  - Key risks / pressures

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## 2021/22 BUDGET PROGRESS

- **Our Futures Restructure - £3,155k**
  - This is the proportion of the overall savings from the Our Futures restructure attributable to Place and has been integrated into the 2021/22 accounts
  
- **Cross Cutting Corporate Savings Allocation - £645k**
  - This is the proportion of the 2021/22 Corporate savings target allocated to Place
  - This has been achieved through one off savings within the Directorate in 2021/22. Savings for 2022/23 recurring will be found as part of 2022/23 restructure

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## 2021/22 BUDGET PROGRESS

- **Regeneration – Moxy Hotel** (Cllr Swindlehurst) - £179k
  - This is the agreed year 1 base rent set out in the agreement with the Moxy Hotel to which we are contractually entitled
  
- **Section 106 receipts** (Cllr Mann) - £5m
  - £300k allocated to Place in 2021/22 and £50k in 2022/23. The remainder has been allocated to the Councils reserves. The Council has undertaken an exercise to verify that it has met its S106 obligations. In doing so it has identified that some obligations have been previously charged to other funds which has led to resources being made available for the service and to increase reserves.
  
- **Bus Shelter Advertising** (Cllr Mann) – £22k of £75k
  - The agreement was signed in Summer 2021 and once all the screens are operational will bring an annual benefit of £75k. The system is being mobilised and will bring a part year contribution of £22k this year
  
- **Parking income** (Cllr Mann) - £208k
  - Increase in resident parking fee and increase in charges at Council Car Parks

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## 2021/22 BUDGET PROGRESS

- **Housing Regulation (Cllr Bains) - £50k**
  - Funding was provided to recruit a Business Development Manager but recruitment wasn't completed and the post has been deleted
  
- **Chalvey Depot - rent not charged (Cllr Anderson) - £100k**
  - The DSO were budgeted to pay a rental charge of £100k for use of the Chalvey Depot. Rent has not been charged by SBC so is not an expected income elsewhere within the authority. This allows us to delete it from the DSO budget
  
- **Increased weighbridge & bulky waste collection charges (Cllr Anderson) - £98k**
  - Price increases were implemented on 1 April 2021 and projected benefits are on track to be realised

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## 2021/22 BUDGET PROGRESS

- **Grounds maintenance recharge to HRA** (Cllr Anderson) - £129k
  - Work on housing land has been re-measured as part of a review of scheduling. This revealed that a greater proportion of activity is required on housing land than was previously thought. Recharges have been revised to reflect this
  
- **Stop green waste for 3 months (Dec/Jan/Feb)** (Cllr Anderson) - £71k
  - The volume of green waste produced in the winter months is low providing the opportunity to suspend the service for 3 months with consequent cost savings. This change returns the service to the 9 month collection service provided when the service was outsourced
  
- **Highways & Transport contractors** (Cllr Anderson) - £195k
  - Reduction in consultancy spend as a result of reduced volume and activity being moved to SBC Officers

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## 2022/23 SAVINGS

**2022/23 savings target for Place & Community = £5.75m**

- **Net budgets for Place & Community**
  - 2021/22 = £9.75m
  - 2022/23 = £4.0m
  - Savings required in 2022/23 = £5.75m

## 2022/23 SAVINGS

- **Regeneration – Moxy Hotel** (Cllr Swindlehurst) - £821k (+ £179k in base budget)
  - The base rent set out in the agreement with the Moxy Hotel for year 2 is £1m but the base budget assumes continuation of previous years income so the net difference is + £821k
  
- **Lease renewals and renting floor space** (Cllr Swindlehurst) - £380k subject to Best Consideration
  - A number of tenants wish to extend their leases allowing the opportunity for renegotiation at improved terms
  - There may be the opportunity to rent floor space at Observatory House and other Council buildings
  - BOTH of these are dependent on the outcome of an independent evaluation of Best Consideration for all of our assets which is due to take place in January/February 2022

## 2022/23 SAVINGS

- **Digital advertising – street advertising** (Cllr Mann) - £ subject to live bidding process
  - Bids are being invited to allow digital billboards on the highway in return for a licence fee. Approximately 70 sites have been identified all of which will need planning permission to be gained by the successful bidder(s). Capital investment and maintenance of the billboards will be the responsibility of the successful bidder(s)
  
- **Parking** (Cllr Mann) - £ subject to live bidding process
  - The Parking Contract is being retendered. Soft market testing indicates that we should see an increase in income received as a result of going cashless from January 2022
  - Waiting restrictions have been introduced at additional locations in the borough which may see an increase in PCNs

## 2022/23 SAVINGS

- **Increase in charges for waste services** (Cllr Anderson) - c£132k
  - Review of bulk waste charges, weighbridge charges, trade waste and opportunity to charge at the HWRC
  
- **Street Cleansing Service reductions** (Cllr Anderson) - c£400k
  - Reschedule routes to reduce frequency of planned cleanse. Rely on response teams to deal with reported incidents rather than “semi routine patrols” scouting for issues. Reconsider the blend of mechanical sweeping, barrow beats and area crews
  - Opportunity will be taken, where appropriate, to increase the resource in the summer when there is higher footfall and to decrease the resource in the winter when there is lower footfall
  
- **Grounds maintenance service reductions** (Cllr Anderson) - c£450k
  - Ad-hoc work has reduced to c10% of historic requests
  - Scheduled work to be reduced to c70% of current levels
  
- **Bus station self financing** (Cllr Anderson) - £42k
  - Remove £42k subsidy and carefully manage to ensure that incomes received cover all costs

## 2022/23 SAVINGS

- **Parks efficiencies** (Cllr Akram) - £50k
  - No longer pay the fee to have our parks Green Flag assessed - £9k
  - Reduce spend with pest controller - £15k
  - Rationalise spend on play equipment - £26k
  
- **Allotments** (Cllr Akram) - £20k
  - Future charges to allotment holders to now include the cost to SBC in providing water
  
- **Directorate restructure** (Cabinet) - £1.1m General Fund (£2.4m overall)
  - Detailed analysis is at an advanced stage but needs to be reviewed by the Senior Management team and HR colleagues before being presented to LMDs, the Unions, Place Scrutiny panel 12 January 2022 and Cabinet on 17 January 2022

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## KEY RISKS / PRESSURES 2022/23 DRAFT

- Confidence in underlying accounts (improving each month – P7 at time of writing)
- Officer salaries for a number of teams are dependent on high volumes of regeneration construction which will not now happen
- Income from lease of properties and rent of floor space will not happen once buildings are sold
- Fluctuating price of diesel, petrol, electricity and gas
- Care must be taken to identify accurately which headcount reductions will bring savings to the General Fund and which are needed because other funding is not available including reduced volume of regeneration work

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