

Surrey Heath Borough Council
Executive
21 June 2022

Star Chamber Outcome Report

Portfolio Holder:	Cllr Robin Perry – Finance
Strategic Director/Head of Service	Bob Watson – Finance and Customer Service
Report Author:	Rachael Bradbury – National Management Trainee
Key Decision:	Yes
Date Portfolio Holder signed off the report	7 June 2022
Wards Affected:	All

Summary and purpose

This report presents the background and initial findings of the current Star Chamber process at Surrey Heath Borough Council (SHBC). It puts forward the efficiencies, savings and income generation options that have been identified by officers, detailing the suggested proposals and the projected savings.

The proposed savings will enable the Council to meet its budget targets for 2022/23 as set out in the Council's Medium Term Financial Strategy (MTFS), as well as ensuring the Council continues to pursue the policy agreed with members that rather than cutting services, the Council should deliver efficiencies and increase income where possible.

Recommendation

The Executive is advised RESOLVE that

- i) the proposals set out in section 4 of this report be agreed; and
- ii) responsibility for the implementation of the proposals agreed by the Executive and the associated adjustment of relevant in-year budget totals and Medium Term Financial Strategy totals be delegated to the Director of Finance and Customer Service (& Section 151 Officer).

1. Background and Supporting Information

- 1.1 Surrey Heath Borough Council, along with most local authorities, continues to face significant challenges in providing essential services to meet the needs of residents within the level of resources it has at its disposal. This is exacerbated by a combination of increasing and more complex local demand and uncertainty over future government funding arrangements. In addition, these issues took on a new dimension with the impact of Covid-19 locally, which significantly affected a number of major income streams for the Council, including cultural and leisure activities, car parking and property rental income.
- 1.2 Surrey Heath Borough Council has traditionally set budgets that have been balanced and allowed for a small return of in-year surpluses to the general fund balance. However, since 2018/19 there has been a budgeted drawdown on reserves. The impact of Covid-19 has also required additional larger in-year drawdowns of the general fund balance.
- 1.3 As outlined in the Council's Medium Term Financial Strategy, the Council has an efficiencies target of £1.350 million, to be achieved through a combination of further services efficiencies, increases in income and potentially service reductions.
- 1.4 This target is spread over the four years of the strategy as follows:

£'000	2022/23	2023/24	2024/25	2025/26
Budget Review	(475)	(425)	(300)	(150)

- 1.5 The proposals to meet these targets have been identified through the Council's current Star Chamber process, a root and branch, output-based budget review for all services of the Council which commenced in March 2022.

2. Reasons for Recommendation

- 2.1 The Council is required to meet the targets outlined above to ensure it can progressively bring expenditure back to a sustainable position, no-longer reliant on its reserves to balance the budget.

3. Process Followed

- 3.1 A Star Chamber process was proposed in order to generate the £1.350 million of savings as recommended in the MTFs, with an aspiration of stretching to £2 million of savings, to progressively bring the budget back to a sustainable position by maximising the delivery of efficiencies and income generation.
- 3.2 There was a need to begin the process immediately to gain maximum effect in-year.

- 3.3 The process involved a series of meetings across all service areas in the Council. Present at each meeting was the Chief Executive, the Strategic Director Finance and Customer Services (CFO/s151 Officer), the relevant heads of service and officers for each service area, the Leader of the Council, the Finance Portfolio Holder, and the relevant Portfolio Holder for the service area being considered.
- 3.4 In these meetings, officers presented potential efficiency, savings, and income generation proposals, and the implications of these proposals being taken forward. These were discussed with members who then indicated which proposals were favourable and had potential to be taken forward.
- 3.5 The outputs from these meetings are summarised in the table below and in more detail in Section 4.

	2022/23	2023/24	2024/25	2025/26
Finance and Customer Service	£38,000	£20,000	£0	£0
Planning Services Building Control	£150,000 £30,000	£235,000 £50,000	(£40,000) £0	(£70,000) £0
Legal and Democratic Services	£26,000	£3,000	£39,000	£0
Environment and Community	£209,500	£157,500	£35,000	£75,000
HR, Performance and Communications	£101,500	£28,000	£0	£0
Investment and Development	£105,000	£0	£0	£0
Total	£660,000	£493,500	£34,000	£5,000

4. Proposals

- 4.1. The following tables outline only those proposals which were recommended through the Star Chamber process, which involved both service managers

and relevant Portfolio holders as well as the Chief Executive and Director of & and Customer Service.

Finance and Customer Service

4.2. Accountancy and Procurement

Proposal	2022/23	2023/24	2024/25	2025/26
Savings already achieved through re-tendering of the Treasury Management Contract.	£3,000	-	-	-
Discontinue the Council Tax Reduction Scheme (CTRS) payment to the parishes as the central government support for this has ended.	-	£20,000	-	-

4.3. Customer Service

Proposal	2022/23	2023/24	2024/25	2025/26
Maintain current opening hours for the reception at Surrey Heath House rather than revert back to pre-pandemic arrangements – based on monitoring of demand which has remained low post pandemic. Saving achieved through reduction in vacant posts.	£35,000	-	-	-

Planning Services

4.4. Planning

Proposal	2022/23	2023/24	2024/25	2025/26
Increase in fee income due to statutory fee ceiling being raised through the new Levelling Up and Regeneration Bill. Based on the fee income last financial year which was £685,286.	-	£205,000	-	-
Pre-app advice – one-off funding from potential of five major sites at average of £60k per site. Spread over next two years. Reversal in year 3 unless further significant major applications arise.	£150,000	-	(£150,000)	-
Planning bespoke discretionary services (e.g. an extra charge for a fast track service).	-	£20,000	£30,000	-

Planning policy input into Pre-applications and Planning Performance Agreements.	-	£10,000	£10,000	-
Reduced running expenses associated with the development of the Local Plan (dependent on implications arising from the new Levelling up and Regeneration Bill).	-	-	£70,000	(£70,000)

4.4 Building Control

Proposal	2022/23	2023/24	2024/25	2025/26
Increase in market share from 72% to 75%, to operate a service matching commercial levels. This will occur by increasing the building control fees and has already been implemented.	£30,000	-	-	-
Explore partnership working with Agents. Pre-app bespoke services – see Planning as well.	-	£50,000	-	-

Legal and Democratic Services

4.5 Legal and Democratic Services

Proposal	2022/23	2023/24	2024/25	2025/26
Delete vacant legal administrator post.	£11,000	-	-	-
Greater use of Canvass Reform options, reducing the printing and postage of Electoral Registration forms.	-	£3,000	-	-
Vacant post for Committee Clerk – explore opportunities to review the committee and working group structure and reconsider the requirements of this post following the 2023/24 borough elections.	-	-	£39,000	-
Reduction in Mayoral budget to reflect reduced costs associated the cost of food and drinks receptions and expenditure on flowers in recent years.	£15,000	-	-	-

Environment and Community

4.6 Recreation and Leisure

Proposal	2022/23	2023/24	2024/25	2025/26
Look to introduce further income generating opportunities within the Council's green spaces (e.g. dog parks, another adventure golf concession).	£5,000	-	-	-
Amend leases to include utility costs which the Council currently pay.	£15,000	-	-	-
Target exercise groups operating without a permit.	£3,000	-	-	-
Reduce the number of amenity grass cuts the Council completes on Surrey County Council land. Reduce by two cuts from an average of 11 per annum. £3k per cut per year.	£3,000	£3,000	-	-

4.7 Housing and Family Support

Proposal	2022/23	2023/24	2024/25	2025/26
Work with Accent Housing to reduce numbers of temporary accommodation (TA) – contract currently includes paying for voids in TA to keep it available for homeless households.	£10,000	£10,000	£10,000	-
Reduce Rent Choice budget by £22,000 to match expenditure of just £6k.	£22,000	-	-	-
Employ an Occupational Therapist (OT) into the vacant Technical Officer post, and capitalise costs of OT from Disabled Facilities Grant and remove Technical Officer post – saving 1FTE at Grade SH5.	£26,000	-	-	-

4.8 Environmental Health and Licensing

Proposal	2022/23	2023/24	2024/25	2025/26
Review level of discretionary fees and charges - full cost recovery and benchmarking exercise.	-	£6,000	-	-
Review charges for discretionary services e.g., start charging for road closures/pavement licences; remove/amend non-means tested discounts e.g. for pest control.	-	£2,000	-	-

Introduce charging for pre-application advice for Licensing and Food Hygiene Rating Scheme (FHRS) visits.	-	£1,500	-	-
---	---	--------	---	---

4.9 Community Services

Proposal	2022/23	2023/24	2024/25	2025/26
Social Prescribing – Request funding received from Better Care Fund to be increased to cover the full cost of the Social Prescribing Officer.	£7,000	-	-	-
Windle Valley – hire of centre facilities to voluntary and community organisations, private businesses (with community benefit) and commercial companies.	£9,000	-	-	-
Windle Valley – wider restructure: changing the management arrangements with no loss in service.	£30,000	£10,000	-	-
Meals at Home – review the partnership delivery model to develop efficiencies by rationalising the fleet across both authorities when leases are renewed (e.g. reducing from 8 to 4 or 5 vehicles).	£12,500	-	-	-
Social Prescribing – request that a contribution be made from Better Care Fund to the resource used to manage the Social Prescriber, attend partner meetings etc. in relation to Social Prescribing.	£10,000	-	-	-
Windle Valley Centre – consider the viability of and requirement for a commercial kitchen to deliver meal provision to people attending the Windle Valley centre.	-	£20,000	-	-
Meals at Home – provision of meals to voluntary and community organisations, temporary accommodation addressing homelessness etc., holiday provision for those on free school meals, school holiday activity clubs etc.	-	£6,000 (based on 10 meals per day for 50 weeks)	-	-
Reduction in training budget for Community Services staff.	-	£3,000	-	-

4.10 Camberley Theatre and Heritage Services

Proposal	2022/23	2023/24	2024/25	2025/26
Review delivery model for the Heritage Services that maintain service levels while reducing costs. This could include a more coordinated and integrated approach across Heritage and Theatre services. This could include a joint outreach programme based on sharing education.	-	£35,000	-	-
Increase Restoration Levy by £1 to £1.50. This is a surcharge on tickets to support the restoration of the theatre. Expenditure will be capex, but revenue income to support capital costs.	£13,000	-	-	-
Update ticket transaction fees from the current £2 per transaction to £1 per ticket.	-	£16,000	-	-
Increase pantomime ticket prices – benchmarking exercise has demonstrated that at all neighbouring theatres, other than one, ticket prices are higher than Camberley.	£25,000 based on 12% increase	-	-	-
Offer new income generating opportunities e.g. Your Home where the Heritage team research the history of a person's home.	£1,000	-	-	-

4.11 Parking

Proposal	2022/23	2023/24	2024/25	2025/26
Appoint additional civil enforcement officer and fully cover cost of the post through Parking Control Notice income, and contribute additional £3k to Council overheads.	£3,000	-	-	-

4.12 Corporate Enforcement

Proposal	2022/23	2023/24	2024/25	2025/26
Adjust Miscellaneous Enforcements budget to match historic demand levels.	£5,000	-	-	-
Adjust Abandoned Vehicle budget (statutory service) to match historic demand levels and efficiencies from new contract.	£5,000	-	-	-

4.13 Joint Waste Solutions

Proposal	2022/23	2023/24	2024/25	2025/26
Increase bulking income from Doman Road (capex required).	-	-	£25,000	£75,000
Garden waste management – manage garden waste subscriptions in house or through partnership with another authority.	-	£5,000	-	-
Increase in commercial (non-domestic) collections, which are chargeable.	£5,000	£5,000	-	-
Increase of fees and charges for existing paid-for services, to ensure we are charging the going rate, e.g. for garden and bulky waste collections.	-	£35,000 based on 5% increase	-	-

HR, Performance and Communications (including ICT and Digital)

4.14 ICT and Digital

Proposal	2022/23	2023/24	2024/25	2025/26
Merge the Equipment and R&R budget total £170k and reduce by £50k for 22/23.	£50,000	-	-	-
Reduce paper budget due to agile working and renegotiated paper costs.	£4,000	-	-	-

4.15 Organisational Development

Proposal	2022/23	2023/24	2024/25	2025/26
Incorporate separate Legal Team training budget (currently £8k) first introduced 2021/22 into the Corporate Training budget for future years.	£8,000	-	-	-

4.16 Communications and Marketing

Proposal	2022/23	2023/24	2024/25	2025/26
Undertake a fundamental review the Council's Marketing and Communications functions to refocus the service with the aim of reducing marketing activities in the central team, entrainment events run in-house that do not cover costs (e.g. Beer festival), and giving a greater focus to effective core communications and community engagement and wellbeing.	£30,000	£20,000	-	-
Explore shorter route for annual Remembrance Sunday event which will also reduce cost of traffic management. Two options will be explored, either High Cross Church or St Tarcisius and discussions will take place with the Royal British Legion before finalising.	£1,500	-	-	-
Review HeathScene publication – remove one hard copy issue in year one, and remove a further hard copy issue in year two, leaving one hard copy a year going forward. (£8k to produce each issue).	£8,000	£8,000	-	-

Investment and Development

4.17 Investment and Development

Proposal	2022/23	2023/24	2024/25	2025/26
Stop expenditure for Surrey Heath House Christmas tree.	£5,000	-	-	-
Activities targeted to improve 22/23 budget investment income against budget assumptions: <ul style="list-style-type: none"> • earlier lettings than previously budgeted • pro-active rates mitigation activities • improved turnover rents 	£100,000	-	-	-

5. Outcome

- 5.1. As it currently stands, the budget target has been exceeded for the current financial year (2022/23) and **£660,000** of efficiencies, savings and extra income have been identified based on the proposals considered in the Star Chamber process.
- 5.2. It should be noted however, that £200,000 of these are 'one-off' savings only. In addition, some of the first year savings will be needed to cover any one-off costs associated with implementing the changes, including any potential staffing implications and any reductions arising from implementation taking place part way through the financial year and therefore not necessarily providing the full-year benefit.
- 5.3. In addition, some of the savings rely on the generation of additional income, or on securing new external sources of funding, not all of which will necessarily be achievable.
- 5.4. Taking into account the potential for some one-off costs associated with delivery, and the inevitable risk of under delivery of income proposals, the savings identified in this paper should enable the savings target for 2022/23 to be delivered in full.
- 5.5. For the next year (2023/24), the current figure stands at **£493,500**, which includes the reversal of £50,000 of one-off savings.
- 5.6. The following year (2024/25), the current figure stands at **£34,000**, due to the reversal of the one-off major sites pre-app income achieved in the first two years.
- 5.7. Therefore, while implementing the savings for 2022/23, consideration will need to be given to identifying further savings that are still needed over the remainder of the medium term financial strategy period i.e. 2023/24 to 2025/26.

6. Other Considerations – Corporate Initiatives

- 6.1. In addition to the proposals outlined in the tables above, the Council will take a corporate review of the following:
 - 6.1.1. Increasing the commercial culture within the Council to include:
 - 6.1.1.1. A review of its fees and charges, with the intention of a full cost recovery and benchmarking exercise to be undertaken.
 - 6.1.1.2. Developing a complete understanding of our cost drivers.
 - 6.1.1.3. A review of all Council procurements and contract management. Better procurement practices will generate potential contract efficiencies in other

services; the Council will develop a new procurement strategy and process. This will include better tender specification and review of current contracts.

- 6.1.2. A review of its business and administrative support functions, looking into the possible development of a business support hub for SHBC, centralised in Finance and Customer Service. This will not generate efficiencies in Finance and Customer Service, but would lead to a corporate increase in professional officer capacity and potentially future cost reduction.

7. Section 151 Officer Comments

- 7.1. The Star Chamber process has proved very successful in identifying a combination of base budget and one-off budget reductions/increases in income for 2022/23 and Council officers have worked hard to identify efficiencies, savings and income. There is still some work to be done in the later years of the MTFs, but this is an excellent starting point.
- 7.2. Where there have been budget reductions identified as efficiencies, then these will be taken as budget reductions as there is no impact on service delivery or services to residents and businesses.
- 7.3. The delivery of the efficiencies, savings and income will be monitored throughout the year.

8. Legal and Governance Issues

- 8.1. For each proposed efficiency, budget holders should consider the extent to which consultation is desirable or required and whether there is any need for equality impact assessments. Budget holders should also consider whether any contract variations are needed in relation to contracts with third parties.

9. Monitoring Officer Comments:

- 9.1. The Monitoring Officer has no comments.

Background Papers

Medium Term Financial Strategy 2022/23 – 2025/26