

APPENDIX 3 - Service & Policy Committee workshop feedback

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| Budget Workshops |
| Subject: Economy, Regeneration and Housing |
| Date: 19 th October 2023 |
| From: Bryn Griffiths, Democratic Services Officer bryngriffiths@wirral.gov.uk |
| To: P&R Committee |

1. Background

All local authorities are required to set a balanced budget by 10th March each year.

The Regeneration and Place Directorate developed efficiency options for consideration by the Economy, Regeneration and Housing Committee Workshop to gather the below feedback was held on the 19th October 2023. Budget option recommendations were discussed during the workshop. This will inform the Policy & Resources Committee's proposals and final budget recommendation to Council.

Members were made aware that the Indicative Budget gap for 2024/25 currently stands at £14.9m.

2. Key Considerations

Members were advised that the Regeneration and Place Directorate had a target of £1.9m. It was considered that this savings target was achievable due to cross-cutting projects.

It was noted that the Regeneration and Place Directorate had the smallest revenue budget at £13.69m but the largest capital budget.

Table 1: Future Year Savings – Regeneration and Place

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|----------------------|
| 2024/25 |
| Total Savings: £1.9m |

Table 2: 2024/25 Assumed Growth for the Committee

| Description | Amount | Rationale |
|---|--------|--|
| Europa Centre Income | £0.20m | Reduced Income from business closures |
| Property – Plan Preventative Maintenance and Health and Safety requirements | £0.30m | Indicative amount – assumed additional funding required to ensure statutory compliance within the new corporate landlord model |
| Reinstatement of one-off savings from 2023-24: | | |
| Recharging of staff costs for | £0.07m | To be reviewed depending on grants |

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|---|--------|---|
| economic growth projects | | available |
| Rental income from Marris House | £0.13m | Part of Birkenhead Commercial District budget |
| Rental income from space in Cheshire Lines | £0.15m | Part of Birkenhead Commercial District budget |
| Recharging of staff costs to grant for Ukraine resettlement programme | £0.60m | To be reviewed depending on grants available |
| Stand down of Wallasey Town Hall | £0.4m | Agreed for one year only |
| Total | £1.85m | |

Table 3: Summary of Budget Options for the Committee 2024/25

| Description | 24/25 £'000 | RAG Rating (Impact) | RAG Rating (delivery) | Commentary | One off Costs £'000 |
|--|----------------|---------------------------|-----------------------------|--|---------------------------|
| Implementation of Corporate Landlord Model | 50 | GREEN | AMBER | Centralisation of all functions relating to property management. Including review of asset management, R&M, PPM and Facilities management. Incorporating options around outsourcing some/all of these functions. Budgeted costs (22/23) of R&M and Cleaning £4.2m. Indicative target of 10% at this stage. New officer commences post in November 2023 to take this forward. | |
| Asset Disposal Programme | - | Green | Amber | Cost of estate (22/23) excluding above £11m p.a. Detailed analysis required of buildings to be disposed of and retained. | |
| Housing grant / capitalisation offset TBC | - | | | | |
| Planning Policy – TBC | - | | | | |

Savings rejected by the Committee

No savings outlined in the table above were rejected by the Committee.

List of Savings and Pressures to be considered further

As no savings were rejected by the Committee, all savings outlined in the table above will be put forward for consideration.

3. Members questions

Q: Regarding the Asset Disposal Programme, could further information be provided on the cost of the estate which was quoted as £11m, if the whole budget for the Regeneration and Place directorate is around £13.6m, it looks like a lot of that total is spent on maintaining the estate?

A: Currently the estate isn't all sat within the Regeneration budget, it's split across directorate budgets. This will be centralised in the future, meaning the Regeneration budget will grow. Understand that it sounds odd to talk about £11m cost of assets as well as £4.2m in Repairs and Maintenance and Cleaning when this is higher than the current overall budget of the Regeneration and Place Directorate.

Q: What income would be lost from selling assets that generate income?

A: This is part of the reason that there was no saving listed in that schedule yet. Officers were working through those figures to see how the loss of income is offset against the reduction in running costs.

Q: It was noted that Wilkos closing had left an empty unit in Birkenhead, and there were other leases coming up for renewal at the Pyramids shopping centre. How confident were officers regarding maintaining income from the shopping centre?

A: It was noted that the service was collating the first six months of performance on the Pyramids rental income, but that officers were not able to share this information yet. The Director of Regeneration and Place stated he was confident regarding the renewals that were coming up. Once the information was ready, the Economy, Regeneration and Place Committee would be the first to know.

Q: Is there an expectation that business income from the Pyramids will start to increase or is it likely to go the other way?

A: There is a risk that the town centre could decline in the way a lot of Northern town centres have. The proposal to acquire the Pyramids was bold and ambitious. It has put the Council into a stewards position and as such the Council wants to get the town centre performing well for residents as well as for long term sustainability. It was noted that the retail sector was contracting and the Council was looking into ways to attract people to the town centre with alternate uses for the units it has.

Q: The car park for the Pyramids closes at a similar time to most of the shops, this restricts it's use for those wishing to visit shops and premises nearby that stay open later. Would it be possible to extend the car park opening hours? This could have the benefit of allowing eateries to stay open longer attracting more custom.

A: That's not something that has been raised previously and officers will look into the relationship between the car park opening hours and the effect it was having on retailers.

Q: Could the large former Wilko site or other large retail units be split into smaller units to attract more businesses to the area?

A: This is something that officers have been looking into and work was ongoing on the viability of similar plans.

4. What would Members like to see investment in if there was more money available than forecast?

A Member stated that if there was more money available than predicted, they would like to see further investment in carbon reduction, including use of heat pumps, investment in renewable energy and any other options that could reduce our carbon footprint. It was explained that carbon reduction principles were being considered in every aspect of the regeneration plans that the Council would seek whatever funding was available from the government for carbon reduction.

5. Member Comments

A Member stated that there was a lack of clarity on whether Policy & Resources Committee or Economy, Regeneration and Housing Committee was the responsible committee for items related to the Corporate Landlord model. It was suggested that further information would be brought to the committee either through a budget report or via a workshop when it was available.

A Member noted that members of public frequently feedback to Members a sense of despondency about central Birkenhead and the changes to the Pyramids over the years. There was a sense that there was nothing to draw people to the area. It was noted that the officers were having discussions on this subject and looking at ways to increase overall activity in the area to help raise good lease income.