

BUDGET STRATEGY BUSINESS CASE

Budget Strategy Theme	Commercial		
Introduction to Theme	This theme is about understanding and maximising income across all Council services, optimising fees and charges, finding and predicting new income opportunities and commercial projects including reviewing the use of our assets and working with the Council's Amphora trading companies.		
Workstream	Fees and charges (including new charging opportunities)		
	Identified Savings		
Description of saving	Savings (£000's)		
	2021 - 2022	2022 – 2023	2023 – 2024
Cremation fee increase	60	0	0
Environment fees and charge increases	47	0	0
Car parking charges increase and environmental levy	208	0	0
Pavement licence income increase	5	0	0
Income from Electrical Safety Penalties	10	0	0
Positive benefits, issues, risks and impacts	<p>Cremation fee increase Increase in fees and charges predominantly in Adult Cremations by £38 to a cost of £827. When benchmarked against other LA Crematorium Adult fees this is as follows (for current year may also increase next year) – Braintree (3 Counties) £999 / Chelmsford £793 / Havering (South Essex) £955 / Ipswich £713 Nacton (Seven Hills) £775 / Southend £825 Weeley £775</p> <p>Environment fees and charges increase Environment – Fees and charges inc (Beach hut / allotment / sports pitches / bulky / special collections / HW Country park + fishing. Higher % increase to be offset with proposal to hold fees for a fixed term.</p> <p>Car parking charges increase and environmental levy Putting up the St Mary's, St John's & Priory Street Mon-Fri/Sun Tariff to the Sat Tariff (between 10p-20p per hr) would mean an increase in net income of about 7%-8% That means approximately: £58k in St Mary's £75k in St Johns (where most pay the special offer day rate) £22k in Priory Street</p>		

	<p>Carparks will require continuing investment in repairs and maintenance. Needs to tie in with wider work to promote Colchester as a destination. Need to closely monitor for customer attrition. Short – medium (21 days minimum advertising once placed, and legal notices required).</p> <p>Adding 10-30p to Vineyard Street tariffs across the board (to take over next full coin) would yield about £21k</p> <p>If the same yield were true of Britannia (need to investigate further) then net = £32k</p> <p>Upping the higher tariffs would impact fewer people, but you'd have to more than double the tariff for any effect.</p> <p>Pavement license fee increased take up</p> <p>Extension to Borough Wide and new uptake following Covid changes and Cafe Culture. More demand for outside dining following this year's trial and new requests for permits and increasing scheme across the Borough. However, trial may not work, and more businesses may cease trading after Covid-19 impacts.</p> <p>Electrical safety penalties (Private sector housing)</p> <p>Increase from new penalties around electrical safety - robust and proactive approach and campaign, new policy change and process. Fits with robust approach to enforcement and safe housing for all priority. Can't start until inspections re-commence realistically – difficult to predict and needs resources for a proactive approach.</p>		
Workstream Two Description	Using our assets - Markets, Car Parks and Castle Park. Extending market and using car parks and Castle park more commercially.		
	Identified Savings		
Description of saving	Savings (£000's)		
	2021 – 2022	2022 - 2023	2023 – 2024
Market expansion	86	0	0
Car park markets and events	0	5	10
Castle park café	0	0	20
Positive benefits issues, risks and impacts	<p>Market expansion</p> <p>Increase in the number of pitches across the borough to 12 new sites (in addition to existing sites). This is currently under investigation and detailed Business Case being prepared. Outline proposals:</p> <ul style="list-style-type: none"> • New sites within the Town Centre to create a Market trail. • Generate opportunities for new businesses and businesses looking to start afresh post-lockdown – aiding economic recovery (to be outlined in Recovery Plan). • New sites generate opportunities for new businesses and businesses looking to start afresh post-lockdown, particularly for those who are having difficulty with cost of premises. <p>Also looking outside town centre and within the borough</p> <p>Risks</p>		

	<ul style="list-style-type: none"> • Second spike • Economic downturn, will impact different traders at different times (essential items may be more prosperous) • Weather and Covid-19 could have an impact on footfall <p>Discussions held about ideas for using the park more commercially to benefit income and TC and eco recovery (more trading through pitches, possibilities for cafe lease, market).</p> <p>Car park markets and events</p> <p>Other uses of car parks to be investigated, could include:</p> <ul style="list-style-type: none"> • Using a small number of pitches in parking bays (regular) could produce additional income to parking (Demi Quinn and Richard Walker to investigate) • One off market in car parks (particularly those out of town in the winter where parking can be on street - West Mersea for example) • Bigger events and markets on car parks (cinema for example). • More 'permanent' use of car parks for other purposes https://secretldn.com/franks-cafe-rooftop-peckham/ <p>Bringing Amphora Events into these conversations - create further joint working opportunities to enhance income.</p> <p>Castle Park café</p> <p>Options for café involve CBC running the café or changing lease arrangements (needs Business case – Commercial resource). Initial work includes liaison with Amphora around lease arrangement and initial view on investment needed / commercial possibilities.</p>		
Workstream Three Description	Opportunities to expand Trade Waste service		
	Identified Savings		
Description	Savings (£000's)		
	2021 - 2022	2022 - 2023	2023 – 2024
Increased income from Trade waste	10	0	0
Positive benefits, issues, risks and impacts	<p>Could increase income (grow the business) or sell the operation (quick win) Options appraisal / business case to be undertaken - needs some resource to grow the business. Another one for Commercial project resource (Recovery funding).</p> <p>Depends on decision taken:</p> <ul style="list-style-type: none"> • Receipt for sale of business and reduced associated costs; or • Increased uptake from businesses who are supported to recycle and associated increased income. <p>Needs further work to analyse potential business case. Income target already increased and under-recovered against it. Would require investment and marketing. Willingness of business to enter into new</p>		

	contracts post Covid unknown. Income in future at risk if further lockdown measures introduced.		
Workstream Six Description	Smaller and longer-term income opportunities: 1. Arts Council funding increase 2. Tree planting		
	Identified Savings		
Description	Savings (£000's)		
	2021 - 2022	2022 - 2023	2023 – 2024
Arts Council funding	0	0	40
Tree planting	10	0	0
Positive benefits, issues, risks and impacts	Arts Council funding increase Additional £200k per year funding to enhance service and income generating opportunities NPO Band 2 application is to Arts Council from Apr 23. Next round of NPO funding from April 2023 - apply for next band up so income moves from £200k per year to £400k per year. Allows for more exhibitions and improvements that can generate additional income. Will only be achievable IF we are successful in a Band 2 Application to ACE. Going to Band 2 requires ambition but comes with £400k annual additional income which will generate more income to CBC.		
	Tree planting Contribution towards planting a tree£3 @ 10K trees		
	Savings (£000's)		
	2021 - 2022	2022 – 2023	2023 – 2024
TOTAL POTENTIAL SAVINGS FROM COMMERCIAL THEME	436	5	70
Relevant Cabinet Portfolio Areas	Dependent on workstream but most portfolios are impacted.		
Implementation Costs –			
Not fully known at this stage – will depend on Business Case development for each workstream and project. Have identified projects and costs where known and comments			
Item / Project area	Cost	Comment	
Environment fees and charges	Potential revenue cost		
Trade waste	Needs BC		
Market expansion	Not outlined (TBC)		

Car parks, markets, events	Needs BC, potential revenue and capital		
Castle park café	Possible capital and revenue costs		
Identification of name and number of posts reduced in FTE	2021 - 2022	2022 - 2023	2023 – 2024
	0	0	0
Identification of name and number of new posts in FTE	2021 - 2022	2022 - 2023	2023 – 2024
	0	0	0
Conclusion	<p>As shown above there are a number of opportunities for increasing income across the organisation.</p> <p>Some may be unpopular but easily achievable in an operational sense and will give returns in 20/21, whilst others are more difficult and longer term, will need resource and project management to undertake detailed business cases but could provide longer term opportunities.</p>		