

Central
Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ



**TO ALL MEMBERS OF THE
CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE**

11 January 2011

Dear Councillor

**CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE –
MONDAY, 17 JANUARY 2011**

Further to the agenda and papers for the above meeting, previously circulated, please find attached the following late report:-

**11. Statutory Review of Fees and Charges and Revenue Income
Optimisation Business Cases**

To consider and comment on a report on the revised Fees and Charges to be effective from 1 April 2011 and the business cases resulting from the Revenue Income Optimisation (RIO) Project.

PLEASE BRING YOUR COPY OF THE EXECUTIVE AGENDA WITH YOU TO THE MEETING. ITEM 9 ON THE EXECUTIVE AGENDA FORMS APPENDIX A TO THE ABOVE REPORT.

Should you have any queries regarding the above please contact me.

Yours sincerely

Leslie Manning
Committee Services Officer

email: leslie.manning@centralbedfordshire.gov.uk
telephone: 0300 300 5132

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Meeting: Customer and Central Services Overview and Scrutiny Committee

Date: 17 January 2011

Subject: Statutory Review of Fees and Charges and Revenue Income Optimisation Business Cases

Report of: Cllr Maurice Jones, Portfolio Holder for Finance, Governance and People

Summary: The report asks the Overview and Scrutiny Committee to consider the report to be submitted to the Executive on the revised Fees and Charges rates to be effective from 1 April 2011 and the business cases resulting from the Revenue Income Optimisation Project.

Advising Officer: Richard Ellis, Director of Customer and Shared Services

Contact Officer: Matt Bowmer, Assistant Director Financial Services

Public/Exempt: Public

Wards Affected: All

Function of: Executive

CORPORATE IMPLICATIONS: as set out in the Executive report.

RECOMMENDATION(S):

1. Note the report.

Reason for recommendation: *To provide the Customer and Central Services Overview and Scrutiny Committee with an opportunity to inform the decision to be taken by the Executive and to provide any comments as necessary.*

1. As Members will be aware, at its meeting of 11 January 2011, the Executive considered the report of its Portfolio Holder for Finance, Governance & People regarding the statutory review of fees and charges (Appendix A). The report set out proposed revised fees and charges rates to be effective from 1 April 2011. The report also noted that new or enhanced charges as a result of the Revenue Income Optimisation 'Case for Change' report may be recommended following consideration through the Overview and Scrutiny Process.

2. In addition to considering the Executive report the Overview and Scrutiny Committees are asked to consider the relevant business cases from the Revenue Income Optimisation Project (Appendix B) and comment as necessary. The Draft Budget Report to the Executive has assumed £1.5M additional income from enhanced charges for 2011/12..

Conclusions and Next Steps

3. The Overview and Scrutiny Committees are asked to provide recommendations by 25th January so they can be considered by the Executive alongside the budget report on 8 February 2011. The full Executive report on fees and charges for 2011/12 has not been attached and the Committee is asked to bring to the meeting the Executive Report of 11 January 2011 and comment just on those areas for which the Committee is responsible. A consolidated report will be prepared of Overview and Scrutiny Committee's recommendations and submitted to the Executive meeting on 8 February 2011.

Appendices:

Appendix A; Executive Report 11 January 2011– Statutory Review of Fees and Charges (Not attached – please use Appendix from Executive report)

Appendix B:RIO Business Case responses.

Background Papers: (open to public inspection)

None

Location of papers: Priory House, Chicksands

Appendix B

Advertising, Sponsorship and Events

RIO Project Recommendation

The opportunities explored in this business case are:

- The co-ordination of corporate advertising and sponsorship across the Council.
- Creation of a centralised advertising function.
- Exploitation of a range of Council owned assets and products to generate income (including publications, buildings, street furniture, vehicles, roundabouts and websites).

Projected additional income

	2011/12 Year 1	2012/13 Year 2	2013/14 Year 3	Total
Gross projected income (£)	£131,100	£177,800	£181,550	£490,451
Investment costs (£)	-£73,500	- £45,000	-£45,000	-£163,500
Net projected income (£) *	£57,600	£132,800	£136,550	£326,951

OCE Response to Recommendations

The co-ordination of corporate advertising and sponsorship across the Council: The Council already generates some income from sponsorship and advertising. However, there is clearly a value in a more co-ordinated approach in order to offer potential advertisers a comprehensive suite of opportunities and maximise revenue potential. There are also more opportunities to protect and manage the brand of the Council through a co-ordinated approach.

OCE Recommendation: To support the concept of a corporate advertising and sponsorship policy

Creation of a centralised advertising function: Whilst it is recognised that specialist skills are required to effectively develop and market potential media, the viability of a dedicated resource exclusively for Central Bedfordshire Council is unclear. Given the initial investment requirements (combining both revenue and capital of more than £73,500) a partnership approach could be more realistic. The Council has initiated a strategic communications group, engaging Communication Leads from other Bedfordshire local authorities and public sector organisations. It is proposed that the business case and proposition for development of a dedicated advertising resource be explored through this group in order to share the investment, minimise risk and maximise potential return on the initiatives.

OCE Recommendation: To pursue a partnership approach through the Bedfordshire Strategic Communications Group.

Exploiting Council owned assets for income generation: The proposal suggests use of a wide range of assets for advertising purposes, including News Central, and roundabout sponsorship. Given that there are pre-existing income targets for these assets, it is important that double counting is avoided. Furthermore, the Department for Communities and Local Government are currently considering feedback to a consultation on Local Government Communications which could limit the ability of authorities to generate revenue through advertising.

OCE Recommendation: To actively pursue advertising opportunities in the context of the outcome of the CLG consultation on the new Code of Practice on Local Govt Communications. Such opportunities to be developed through a partnership approach with other Bedfordshire authorities and public sector agencies

Corporate (Debt Reduction) Business Case

RIO Project Recommendation

There are two scenarios that have been prepared. One is a health check and cash collection service the other is a robust proposal if the requirement for cash is considered to be more urgent.

There are two scenarios that have been prepared for Central Bedfordshire.

The first scenario would involve data analysis and interviews by PwC to understand the current Income and Debt Management arrangements. We would then compare the current approach to best practice and prepare a report highlighting our findings and recommendations along with an estimate of the potential debtor reduction, efficiency saving and bad debt reduction available by implementing a best practice approach to Income and Debt Management. Indicative fees for the Health-check: £20k to £25k (excluding Expenses and VAT).

The second scenario would involve the following activities:

1. Off-site recovery of delinquent debts (greater than 60 days past due).
2. On-site training and coordination of both internal and external collections activity.
3. On-site process improvement work to deliver long term sustainability

Assuming that the work delivers the short term cash generation objective (a 30% reduction in overdues), the cost to the Council would be £220,000.

The table below demonstrates the adoption of the full suite of services to be provided by PwC.

	2010/11 Pre- Implementation	2011/12 Year 1	2012/13 Year 2	2013/14 Year 3	Total
Gross projected income (£)		£100,000	£100,000	£250,000	£450,000
Investment costs (£)		£220,000	£0	£0	£220,000
Net projected income (£)	£0	-£120,000	£100,000	£250,000	£230,000

Response to Recommendations

Customer and Shared Services: Pursue the first option of additional consultation to review procedures. A concern has been raised as to the assumptions over the level of working capital savings that are indicated in the recommendation. It is unrealistic to assume that these will be accrued at 5%. Additional focus is being put on the income procedures as part of the SAP recovery programme.

Registration Business Case

RIO Project Recommendation

This business case explores areas including:

- Increase the prices of performing ceremonies to include a higher price on Friday.
- Charging for ceremony rehearsals. Some other authorities provide this service and should be considered by the service and introduced where suitable and after consultation.
- Introducing alteration fees for weddings and civil ceremonies
- Increasing the charge for Approved premises licenses and renewals
- Selling memorabilia
- Change of name deed

Projected additional income

	2011/12	2012/13	2013/14	Total
	Year 1	Year 2	Year 3	
Gross projected income (£)	£89,716	£89,716	£89,716	£269,148
Investment costs (£)	1467	1467	1467	4401
Net projected income (£)	£88,249	£88,249	£88,249	£264,747
From Service proposals	£47,650	£47,650	£47,650	£142,950
From RIO	£88,249	£88,249	£88,249	£264,747
Corrected RIO benefit – accounting for service proposals	£40,599	£40,599	£40,599	£121,797

Customer and Shared Services Response to Recommendations

Customer and Shared Services Recommendation: Pursue but concern has been raised as to the benchmarking Authorities included in the calculations. Recalculation using the Eastern Region benchmarking group revises the RIO benefits as below.

Inclusion of other Authorities with significantly different Register Office venues, which would justify a higher fee.

General Register Office guidance states that fees should not exceed the full cost of delivering the service

Approved Premises license charges were reviewed in 2009/10 in line with Member Group recommendations and a sliding scale introduced. Benchmarking figures are not clear as to methodology used in other Authorities

RIO added value	£2,150	£2,150	£2,150	£6,450
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