

SUSTAINABLE COMMUNITIES
REVENUE INCOME OPTIMISATION (RIO) PROJECT PROPOSALS

COMMENTARY FOR OVERVIEW AND SCRUTINY

Figures included with each Business Case have been taken from the RIO Final Report (Exec Summary) 20/12/10

These figures are not worked on the basis of compounding

1. Environmental Business Case

RIO Project Recommendations

This business case proposes that:

- Scores on the Doors re-assessments are offered.
- The Trading Standards Scheme is extended within Central Bedfordshire and to Cambridgeshire.
- Pest Control prices are increased as a result of a benchmarking exercise and to allow improved cost recovery.
- Health and Safety Training courses are introduced.

Projected additional income

	2011/12	2012/13	2013/14	Total
	Year 1	Year 2	Year 3	
Gross projected income (£)	£65,348	£69,070	£75,263	£209,680
Investment costs (£)	£8,805	£9,236	£11,906	£29,946
Net projected income (£)	£56,543	£59,834	£63,356	£179,734

Sustainable Communities Response to Recommendations

Scores on the Doors Re-Assessments: Food hygiene ratings are popular in Central Bedfordshire. Businesses see the 'Scores on the Doors' as being a big selling point because of the confidence it gives customers. Re-inspections have been requested in the past where proprietors have carried out substantial work following an initial low score inspection. There is a demand for re-assessments. Over three years, based on modest assumptions around our existing database of businesses and a charge of £100 per re-assessment, an estimated additional gross income of £11,500 could be generated over a three year period, giving a base budget saving of £3,800 in 2011/12.

Sustainable Communities Recommendation: To pursue

Extension of Trading Standards Scheme: 'Trading Standards Approved' is a scheme that promotes legitimate local business. Contractors who satisfy the criteria

pay the Council to go on the list. There is an opportunity to expand the scheme outside of our geographical area and to cover other services, e.g. tourism sector. This might include administering schemes in other areas such as Cambridgeshire. This could generate additional income of c£8,500 over a three year period, giving a base budget saving of £2,800 in 2011/12.

Sustainable Communities Recommendation: To pursue.

Increase Pest Control Prices: Residential charges are currently only covering 41% of the cost of the service. There is an opportunity to increase this considerably in charging average prices which would generate an additional net income of £137K over three years, giving a base budget saving of £45,600 in 2011/12. Additionally, a commercial treatment service could be offered. Using the Milton Keynes charge of £80 for half an hour, for 50 x 1 hour visits a net income of £14,000 over a three year period could be generated, giving a base budget saving of £4,600 in 2011/12.

Sustainable Communities Recommendations:

Further work is being done by the Directorate to verify if £45,600 proposed is achievable.

(a) Domestic Charges - To pursue

(b) Commercial Charges – The Council does not currently operate a Commercial Pest Control Service as this could put the Council in a conflict of interest situation as we regulate businesses that could have pest problems. Also we do not have a commercial treatment pest control contract in place. Not to pursue.

Introduction of Health and Safety Training Courses:

The Council offers Food Safety training now and is registered with the Chartered Institute of Environmental Health to offer risk assessment training. There is an opportunity to extend existing training to cover risk assessments and health and safety. This could generate £8,460 over a three year period (delivered within existing capacity), giving a base budget saving of £2,800 in 2011/12.

Sustainable Communities Recommendation: To pursue.

2. Facilities Management CCTV Business Case

RIO Project Recommendations

This business case proposes that the Council explores:

- Collaborating with other authorities to provide a central hub to seek economies of scale
- Monitoring services to more schools
- Making more use of Automatic Number Plate Recognition (ANPR) technology for car parking offences

Projected additional income

	2011/12	2012/13	2013/14	Total
	Year 1	Year 2	Year 3	
Gross projected income (£)	£126,441	£132,441	£150,441	£409,324
Investment costs (£)	£47,000	£2,000	£2,000	£51,000
Net projected income (£)	£79,441	£130,441	£148,441	£358,324

Sustainable Communities Response to Recommendations

Concerns have been expressed by the relevant Head of Service and Service Manager that the income generation opportunities presented by the RIO project may not be achievable.

- Collaboration will require agreement from other local authorities and also CCTV Service providers. Local authorities are at varying stages of introducing savings across their services, and therefore are not in a position to enter into detailed discussion on collaboration until 2011/12, with a view to generating income in 2012/13. If collaboration were agreed there would be set up costs, although these costs would be dependant upon the type of collaboration agreed, and there are already some areas of the country where collaboration on CCTV services is generating income.
- Monitoring services to more schools would prove difficult in view of the reduction in resource levels in the CCTV Service
- Working with Highways it may be possible to generate income from parking offences, however this will not be possible until a review of parking enforcement is completed. A review of parking enforcement is underway and a report due in the early part of 2011. The implementation of any recommendations agreed regarding the use of ANPR linked to CCTV and generating income for parking offences would not occur until the latter part of 2011, with income generation beginning in 2012/13.

Sustainable Communities Recommendation: Not to pursue - until detailed analysis of figures provided is carried out.

3. Highways Business Case

RIO Project Recommendations

This business case proposes that the council explores three opportunities:

- Introduction of Highways Licence Fees
- Introduction of a Roof Tax (a strategic S106 agreement or a tariff funding scheme)
- Introduction of pre-application charging by the Highways Development Control Team

Projected additional income (covering Highways Licence Fees only)

	2011/12 Year 1	2012/13 Year 2	2013/14 Year 3	Total
Gross projected income (£)	£4,000	£4,000	£4,000	£12,000
Investment costs (£)				
Net projected income (£)	£4,000	£4,000	£4,000	£12,000

Sustainable Communities Response to Recommendations

Introduction of Highways Licence Fees: The majority of these are out-sourced to Amey and therefore the income potential is limited.

Sustainable Communities Recommendation: Not to pursue – further analysis required to ascertain whether resource required would outweigh additional income generated.

Introduction of a Roof Tax (a strategic S106 agreement or a tariff funding scheme): The Council's recently adopted Section 106 Strategy already ensures that developers contribute towards new transport and highways infrastructure related to local needs and the development proposed. This comes forward through capital provision for highways improvement works, new cycle ways, footpaths etc. Many larger developers also support new revenue contributions to help support new bus services etc. to those developments. In future, the Section 106 Strategy (or a replacement tariff approach) will extend Section 106 requirements to cover the costs of local transport improvements and schemes which are agreed as part of the Council's new Local Transport Plan (LTP3). The extent to which developers will be expected to contribute towards LTP3 schemes will be determined when the Section 106 Strategy is reviewed. **Sustainable Communities Recommendation: Not to pursue.**

Introduction of pre-application charging by the Highways Development Control Team: Income from charging for the Highways Development Control Team is already included in the 2011/12 savings proposals (£100K for pre-application charging).

Sustainable Communities Recommendation: Not to pursue – due to duplication.

4. Libraries Business Case

RIO Project Recommendations

- Charges introduced for using the Internet
- Room Hire Charges are increased and applied across all libraries
- Event charges are introduced (proposal to cover direct costs associated with this – not to make a larger fee). This proposal is therefore cost neutral.

Projected additional income

	2011/12 Year 1	2012/13 Year 2	2013/14 Year 3	Total
Gross projected income (£)	£82,457	£114,187	£114,187	£310,831
Investment costs (£)	£2,400	£0	£0	£2,400
Net projected income (£)	£80,057	£114,187	£114,187	£308,431

Sustainable Communities Response to Recommendations

Charges introduced for using the Internet: Concerns over this item focus upon charging affecting those who need free access the most, e.g. those completing on-line job applications. The preferred approach would be to include at least one hour free, charges thereafter and a concessionary rate as a 'middle way' in the event of this decision. There are also concerns over the amount of income that might be raised. This follows discussions with counterparts in Luton (who have recently re-introduced charging).

Sustainable Communities Recommendation: To Pursue, but as part of the full review of the Library Service, commencing in January 2011, following the appointment of the new Head of Service.

Room Hire Charges are increased and applied across all libraries: It is requested that the rates be adjusted back up to the 2009 rates. These would however only be small increases (and in line with those we suggested in the fines and fees review this year).

Flexibility to provide space free of charge on appropriate occasions should also be retained.

Sustainable Communities Recommendation: To Pursue, but as part of the full review of the Library Service, commencing in January 2011, following the appointment of the new Head of Service.

Event charges are introduced: As indicated above this is cost neutral.

Sustainable Communities Recommendation: To Pursue, but as part of the full review of the Library Service, commencing in January 2011, following the appointment of the new Head of Service.

5. Licences Business Case

RIO Project Recommendation

This business case explores three areas:

- Increase the prices of non-statutory licences where neighbouring authorities charge more to bring the Council's prices in line with market rates and help to ensure cost recovery – forecast of £7,602 per annum.
- Some other authorities offer a wider range of licences and these should be considered by the service and introduced where suitable.
- Charges for pre-application advice on licence applications, e.g. taxi licences – forecast of £6,370 per annum.

Projected additional income

	2011/12	2012/13	2013/14	Total
	Year 1	Year 2	Year 3	
Gross projected income (£)	£13,972	£13,972	£13,972	£41,916
Investment costs (£)				
Net projected income (£)	£13,972	£13,972	£13,972	£41,916

Sustainable Communities Response to Recommendations

A number of the licences being suggested in the table below are already offered by Public Protection (in bold). There are also licences being suggested (in italic) which would not be applicable to premises in Central Bedfordshire as they are not of a size/capacity which would warrant these types of licence.

Sustainable Communities Recommendation: Pursue but concern has been raised as to the levels of uptake on the new licences and the introduction of pre-application fees for help in completing applications.

Appendix B

Licences Description	Already highest or only Council	Increase	Introduce	Total
Access Licences			1	1
Alcohol Licensing			26	26
<i>Animals</i>	1	3	3	7
Application Deposit Fee	1			1
Community Premises			1	1
Customer Services			11	11
DVLA Enquiry		1		1
<i>Explosives</i>			8	8
Gambling	1	41	72	114
Hackney Carriage & Taxi Licensing	34	9	65	108
Licence a building for worship			1	1
Licence a religious building for marriage			1	1
Lotteries and Amusements			2	2
Materials placement on highway			1	1
Mobile Artists			4	4
MOT / Vehicle Inspection Fee			3	3
Motor Salvage Operators			4	4
Paper prints			1	1
Petrol			9	9
Poisons			6	6
Pools Promoter			1	1
<i>Premises licences</i>			23	23
Returned cheque			1	1
Road Occupation / Opening Permit			1	1
Safety Glazing Checks			1	1
Safety of Sports Grounds			3	3
Scaffolding licence			3	3
Skip licence			3	3
Street Trading (being introduced April 2011)			12	12
Street Works			3	3
Tables and Chairs			2	2
Temporary Excavation Licences - Deposit			1	1
Transfer of Permit			2	2
Grand Total	37	54	275	366

Appendix B

The table set out below shows those potential income from an increase in cost of those licences already offered based on the current uptake for those types of licences.

Licence Description	Service	Suggested Action	2009/10 Price	Suggested Price	Volume	Potential Increase
Animals	Pet Shop - New Application (including vet fees)	Increase	£215.50	£240.47	18	£0.00 assumed to be a one off licence
Animals	Dog Breeding Establishments - New Application (including vet fees)	Increase	£203.50	£240.47	3	£0.00 assumed to be a one off licence
Animals	Animal Boarding Establishments - Annual Renewals	Already highest	£206.00		31	£0.00
Hackney Carriage & Taxi Licensing	Drivers licence (new or renewal) - Hackney Carriage - Vehicle Licence	Already highest	£266.00		182	£0.00
Hackney Carriage & Taxi Licensing	Stretch Limousine licence (initial) - Grant of Licence	Already highest	£148.00		3	£0.00
Hackney Carriage & Taxi Licensing	Grant of Private Hire Drivers / Hackney Carriages Drivers Licence	Already highest	£53.50		250	£0.00
Hackney Carriage & Taxi Licensing	Renewal of Hackney Carriage / Private Hire Drivers Licence	Increase	£82.00	£103.00	260	£5,460.00
Hackney Carriage & Taxi Licensing	Grant of Private Hire / Hackney Carriage Vehicle Licence (3 year)	Already highest	£158.00		200	£0.00
Hackney Carriage & Taxi Licensing	Grant of Private Hire / Hackney Carriage Vehicle Licence (1 year)	Already highest	£148.00		175	£0.00
Hackney Carriage & Taxi Licensing	Private Hire - Vehicle - Annual Renewal	Increase	£266.00	£283.00	126	£2,142.00
Hackney Carriage & Taxi Licensing	Grant of Private Hire Operators Licence (1 year)	Already highest	£164.00		31	£0.00
					TOTAL	£7,602.00

6. Planning and Building Control Business Case

RIO Project Recommendation

The opportunities explored in this business case are:

- Pre-application planning advice charges
- Analysis of the CLG Consultation on Planning Fees
- Selling additional acoustic advice/expertise

Projected additional income

	2011/12	2012/13	2013/14	Total
	Year 1	Year 2	Year 3	
Gross projected income (£)	£111,100	£131,750	£152,400	£395,250
Investment costs (£)				
Net projected income (£) *	£111,100	£131,750	£152,400	£395,250

*A target of £100,000 additional income has already been included within the 2011/12 budget for the service but plans had not been developed when the RIO project commenced as to how this additional income would be generated. The service was then keen to use the RIO project to help develop their plans to meet this target. Therefore the value of this business case is as per the figure above but in agreeing future budgets it should be recognised that of the net projected income, £100,000 per year of additional income is already included in the services budget.

Sustainable Communities Response to Recommendations

Pre-application planning advice charges: Income from charging is already included in the 2011/12 savings proposals (£100,000 for pre-application charging).

Sustainable Communities Recommendation: Not to pursue through the RIO Project

Analysis of the CLG consultation on planning fees: The outcome of this consultation could allow Local Authorities to make charges for planning applications, unrestricted by flat rates. It is recommended that further changes to these fees and charges are therefore not made at this point.

Sustainable Communities Recommendation: To pursue when the outcome of the consultation is fully understood

Selling additional acoustic advice/expertise: This proposal involves relinquishing already stretched resource from the Building Control Team to Local Authority Building Control (LABC) services for a 10% share of income generated by this work. This needs to be compared to the opportunity cost of the income generation working on existing fee earning building control work.

Sustainable Communities Recommendation: Not to pursue – the lost income from Building Control work would be far greater than that generated from working for LABC services.

7. Waste Business Case

RIO Project Recommendation

This business case proposes that:

- Bulky waste charges are revised so that the initial collection is not at a reduced rate.
- Fridge/freezer collection charges are revised so that the first collection is not free.
- Charges are introduced for replacement bins.
- Charge for education visits, e.g. for the recycling officer to go to schools or colleges. This is done free of charge now but could be charged at around £50-£150 per session.
- Introducing a charged service for the collection of a contaminated bin which has been left by waste collection crew - residual or recycling. Currently the bin is left and the resident responsible for sorting the waste into appropriate bins.

Other options were considered but are not appropriate yet, for example, green waste, which many councils charge for. However the BEaR project is currently tendering for organic waste disposal so introducing charges now is not considered appropriate.

Projected additional income

	2011/12	2012/13	2013/14	Total
	Year 1	Year 2	Year 3	
Gross projected income (£)	£156,677	£156,677	£156,677	£470,031
Additional costs (£)				
Net projected income (£)	£156,677	£156,677	£156,677	£470,031

Sustainable Communities Response to Recommendations

Bulky Waste Charges:

It is felt that the demand for the service being maintained at last year's rates in the business case is overestimated. It appears that no account has been taken of the fact that the number of requests for service may be reduced due to the price for the first collection more than doubling. A 25% reduction has been factored on the spreadsheet included in this Appendix.

Sustainable Communities Recommendation: Pursue

Fridge/ Freezer Collection:

As above, the numbers do not appear to have taken into account a drop in demand. The service is currently free of charge and the suggested price is £35.25, the average price charged by other local authorities. Also, the business case does not appear to take into account the fact that one fridge/freezer per year can be taken by the resident to any Household Waste Recycling Centre (HWRC) free of charge which will mean that where they can residents will use this method of disposal rather than a charged service. Since the introduction of a free collection there has been a shift in the number of fridges collected from HWRCs to bulky collections. It is anticipated that in this scenario the effect will be reversed and that a 50% reduction in demand is more realistic. There would also be some costs related to this for administering the charge.

Sustainable Communities Recommendation: Pursue

Replacement Bin Charges:

We are awaiting case studies from the RIO Project regarding how this approach is implemented in other councils. There are a number of reasons a bin might need replacement - loss, damage, stolen, fallen in to the back of the collection vehicle, request for a different size. There will be complications around where the fault lies and whether the resident or the Council should stand the cost. Until this information has been gathered it has been estimated on the following spreadsheet that a conservative 10% of residents would pay for a replacement bin. There would also be some costs related to this for administering the charge.

Sustainable Communities Recommendation: Pursue - challenge required to ensure proposals are realistic and achievable

Education Visit Charges:

Reasonable assumptions of a third less demand in the business case. Other councils have been charging for some time. It would be useful to further split costs for assemblies, half day workshops and full day workshops. There would also be a small cost related to this for administering the charge.

Sustainable Communities Recommendation: Pursue

Charged Service for collection of contaminated bins:

We are awaiting case studies from the RIO Project regarding how this approach is implemented in other councils. There will be complications over proving that the bin was left due to contamination as the resident is likely to contest this as they do now. This will be more so if a charge is introduced. Also residents may decide to wait until their next collection or take waste to the HWRC rather than pay. It also gives a negative impression of recycling to residents. Again a more conservative 10% has been estimated rather than the 50% in the business case. There would also be some costs related to this for administering the charge.

Sustainable Communities Recommendation: Pursue - challenge required to ensure proposals are realistic and achievable

A general comment related to all of the above is that it would be useful to have a bedding in period to establish actual annual demand. Any savings in 11/12 can be offered up at year end and these, more realistic amounts, then removed from base budgets in 12/13.

RIO Changes to Fees & Charges

	2010/11 Fee	No. in previous 12 months	Est. Income 10/11	RIO Suggested Fee 11/12	Est. Collections 11/12	Est. Income 11/12	Est. Additional Cost	Est. Additional Income generated
Bulky Waste Collections								
1st	£20.00	1535	£30,700.00	£45.00	1151	£51,806.25	£0.00	
2nd and subsequent	£45.00	712	£32,040.00	£45.00	534	£24,030.00	£0.00	
1st Concession	£10.00	693	£6,930.00	£22.50	520	£11,694.38	£0.00	
2nd and subsequent concession	£22.50	13	£292.50	£22.50	10	£219.38	£0.00	
Total		2953	£69,962.50		2215	£87,750.00	£0.00	£17,787.50
<i>Assumes 25% less requests due to higher costs of 1st collection</i>								
Fridges/Freezers								
1st	£0.00	826	£0.00	£35.25	372	£13,102.43	£1,000.00	
2nd and subsequent	£35.00	12	£420.00	£35.25	6	£211.50	£0.00	
1st Concession	£0.00	ic in 1st (above)	£0.00	£17.63	41	£728.12	£0.00	
2nd and subsequent concession	£17.50	12	£210.00	£17.63	6	£105.78	£0.00	
Total		850	£630.00		425	£14,147.82	£1,000.00	£12,517.82
<i>Assumes 10% will be concessions (we don't have actual splits) and 50% reduction in demand as fridges can be taken to the HWRCs FOC</i>								
Replacement Bins								
Replacement of lost/damaged bin	£0.00	2879	£0.00	£38.00	288	£10,940.20	£500.00	
Total		2879	£0.00		288	£10,940.20	£500.00	£10,440.20
<i>Assumes 10% will pay for new bin</i>								
Contaminated Bin								
Collection of contaminated bin	£0.00	951	£0.00	£15.00	95	£1,426.50	£0.00	
Total		951	£0.00		95	£1,426.50	£0.00	£1,426.50
<i>Assumes 10% of 951 inspections will request collection of bin at a charge</i>								
Educational Visits								
Workshops & Assemblies	£0.00	120	£0.00	£50.00	80	£4,000.00		
Total		120	£0.00		80	£4,000.00		£4,000.00
<i>Assumes 33% drop in demand</i>								

8. Transport Business Case

The business case was not progressed because there is already a holistic Passenger Transport review underway scheduled to achieve base budget savings of £2.060m between 2010/11 and 2012/13.

9. Public Parking Business Case – being dealt with as a separate item