



Title: **PIP (Productivity Improvement Programme) Revenue Income Optimisation (RIO)**

Public Agenda Item: **Yes**

Reason for Report to be Exempt: **N/A**

Wards **All Wards in Torbay**

Affected:

To: **Overview & Scrutiny Board** On: **21 September 2011**

Key Decision: **Report for noting**

Change to Budget: **No**

Change to Policy Framework: **No**

Contact Officer: **Clare Tanner - Commissioner of Adults and Operations**

☎ Telephone: **01803 207701**

✉ E.mail: **Clare.tanner@torbay.gov.uk**

1. What we are trying to achieve and the impact on our customers

- 1.1 The Council has needed to respond boldly to the Coalition Government's plans and the state of public finances that became evident through the second half of 2010

As a result of this the Council established the Productivity Improvement Programme (PIP) in October 2010 which aimed to:

- Identify opportunities for improved fees, charging arrangements and proposals for commercial income generation for Torbay Council - known as the "Revenue Income Optimisation Project" (RIO).
- Gain maximum value from the procurement of the Council's £104m annual non-pay spend – known as the "Procurement Project"
- To establish a design for the Council's future way of working – known as the Council Design Project.

This report provides Full Council with information on the RIO project and how each of the business cases will be progressed.

2. Recommendation(s) for decision

- 2.1 None required – this report is for noting. However there is one opportunity dealing with the RIO Business Case for Beach Huts that requires a Full Council decision in the future.

3. Key points

- 3.1 The overall PIP programme was established to help the Council identify significant savings and meet the financial challenges that are set to impact us over the next 4 years. The RIO project has identified a **target** figure of new/increased income of £3.0 million over the next 3 years, and a steady state target income of £1.5 million per annum thereafter. The target levels of income will only be realised if all of the business cases and the opportunities within them are taken forward. If any of the opportunities are removed then the income figure will need to be changed accordingly.
- 3.2 The Council's corporate centre has managed the overall PIP programme to date and therefore have significant knowledge of the business cases, how they have been developed and how they should be taken forward. By the corporate centre managing the process going forward this will ensure that the knowledge of the overall RIO business case is not lost. The corporate centre can help support departments to realise, and track, income targets to avoid double counting of savings/income, and harness income opportunities on an ongoing basis. The corporate centre would also have a key role in further developing commercial awareness and cultivating a commercial culture across the organisation.
- 3.3 The Majority of business cases can be agreed under existing delegated powers. In the future if any major decisions need to be made or if any further investment is sought business cases may be referred to Full Council for a decision.
- 3.4 RIO Business Cases – decision makers:

Business Case	Decision Maker
<p>Harbours (<i>Ring fenced budget</i>)*</p> <p>Opportunities</p> <p>Review the prices charged at the Torquay Town Dock</p> <p>Consider charging the same harbour dues to fishing vessels as to non commercial vessels</p> <p>Target income over 3 years - £122,575</p>	<p>Harbour Committee Budget Working Party</p>
<p>Services to Schools</p> <p>Opportunities</p> <p>School packages to support vulnerable children - CAF return/contribution</p> <p>Review fees for consultation software and charge schools for data packages</p> <p>Review level of charges to schools in general</p> <p>Offer admissions service to academies</p> <p>Early years education - offer advice and support to the private sector</p> <p>Student travel discount scheme</p> <p>A better approach to packaging up support services as an offer to other public/voluntary sector- in particular academies</p>	<p>Officers decision under existing delegated powers</p>

Target income over 3 years - £408,400	
<p>Advertising</p> <p>Opportunity</p> <p>A coordinated approach to advertising, sponsorship and marketing across the authority</p> <p>Target income over 3 years - £651,568</p>	Officers decision under existing delegated powers
Beach Huts	Full Council – but opportunity still being considered at the time of writing
<p>Traded Services</p> <p>Opportunities</p> <p>Legal - Expand the procurement and contracts advice and debt recovery advice to other public sector bodies</p> <p>Customer Services – Offer support to other organisations who are going for Customer Service Excellence awards</p> <p>Security - Provide security patrols and key holding service to other local organisations</p> <p>Target income over 3 years - £172,980</p>	Officers decision under existing delegated powers
<p>Planning & Building Control</p> <p>Opportunities</p> <p>Charge for pre-application advice</p> <p>Charge for the Design Review Panel</p> <p>Charge for planning applications</p> <p>Extend the remit of the Design Review Panel</p> <p>Fully recover costs associated with Council Officers responding to reports of dangerous structures using Section 77/78 of the Building Act 1984.</p> <p>Target income over 3 years - £181,125</p>	Officers decision under existing delegated powers
<p>Highways</p> <p>Opportunities</p> <p>Charge for damage to the highway and grass verges by cars</p> <p>Provide a gritting service for private roads/car parks</p> <p>Charge for street naming and numbering</p> <p>Provide a design service for highway adoptions</p> <p>Provide professional advice to residents regarding</p>	Officers decision under existing delegated powers

<p>trees and provide a hedge cutting service</p> <p>Provide maintenance service for private streets, housing areas or private car parks</p> <p>Deregulate Vaughan Parade and charge rent for table and chairs put on the precinct</p> <p>Target income over 3 years - £231,764</p>	
<p>Children's Services</p> <p>Opportunities</p> <p>Consider a charging policy for school transport for families with mobility benefits</p> <p>Market and develop the Short breaks centre's Saturday Club and play scheme to children from other local authorities</p> <p>Target income over 3 years - £75,000</p>	<p>Officers decision under existing delegated powers</p>
<p>Regulatory Services</p> <p>Opportunities</p> <p>Charge for non-statutory food hygiene inspections, health and safety inspections, HMO inspections and licensing inspections and other advice visits</p> <p>Charge an administration charge at the cost recovery rate for national assistance burials</p> <p>Increase charge for export certificate books</p> <p>Charge the mussel bed operator the true cost of sampling and attendance</p> <p>Introduce a means tested charge for pest control treatments</p> <p>Target income over 3 years - £89,378</p>	<p>Officers decision under existing delegated powers</p>
<p>Licensing</p> <p>Opportunities</p> <p>Benchmark licensing fees against other South West Local Authorities</p> <p>Charge for changes to the Torquay United safety certificate</p> <p>Target income over 3 years - £31,800</p>	<p>Officers decision under existing delegated powers</p>
<p>Registrars</p> <p>Opportunities</p> <p>Benchmark all charges for registrars services and introduce differential charging</p> <p>Introduce non-returnable deposits for ceremony bookings</p>	<p>Officers decision under existing delegated powers</p>

Charge for changes to provisional bookings Introduce extra services at ceremonies including live web link and instant digital photographs Provide local history/ family history and archive service through Registrars services Target income over 3 years - £83,908	
---	--

****Please note:** the Harbour budget is ring fenced therefore any income generated within this business case will be reallocated back into the Harbour budget. The decision on progressing this business case will be made at the Harbour Committee Budget Working Party.*

Clare Tanner
Commissioner of Adults and Operations

Supporting information

A1. Introduction and history

- A1.1 The Council needs to respond boldly to the Coalition Government's plans and the state of public finances that became evident through the second half of 2010. As a result of this the Council established the Productivity Improvement Programme (PIP) in October 2010. PIP included the following three projects: 1. Torbay Council Design (currently on hold); 2. Procurement; and 3. Revenue Income Optimisation (RIO). This work was undertaken in partnership with PricewaterhouseCoopers (PWC).
- A1.2 The Council has not previously undertaken a strategic review of income. Prior to the RIO project there has only been a history of service by service reviews of fees and annual consideration of blanket charge increases as part of the annual budget setting process.
- A1.3 A collaborative approach was used to identify and develop income generating opportunities working closely with lead officers from across the Council. The project identified over 300 income generating opportunities. These opportunities were presented to the Productivity Improvement Programme (PIP) Board at a workshop where they were filtered and prioritised and 11 business cases were established.
- A1.4 The RIO project has challenged current income generation practice across the Council to establish 11 business cases which offer new and/or increased target income streams to the Council totalling £3.0 million over 3 years and a target steady state income of £1.5 million per annum thereafter. However it must be stressed that the £3.0 million income stream is a target and further work will need to be undertaken to verify this.
- A1.5 In all cases we have worked with lead officers to identify proposals which are practical and reasonable. The officers have been active in providing information and data to support the assumptions and calculations for the income projections. Where it has been relevant, benchmarking data has been used to provide evidence of similar activity or charging in other local authorities.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

- A2.1.1 Each business case does contain a "Risks & Issues" section. A full "Risks & Issues" log will also be kept by the Project Manager when and if the business cases progress.

A2.2 Remaining risks

- A2.2.1 N/A

A3. Other Options

- A3.1 N/A

A4. Summary of resource implications

- A4.1 Business units across the Council will be required to support this process, as they have already to date. This project will help the Council to meet the budget cuts imposed by Central Government.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

A5.1 An initial overview impact assessment (EIA) for the RIO project has been completed. A full impact assessment will be carried out once the decision is made regarding which opportunities can be taken forward.

A6. Consultation and Customer Focus

A6.1 Consultation will be carried out where appropriate once the decision is made regarding which RIO opportunities can be taken forward

A7. Are there any implications for other Business Units?

A7.1 All business units across the Council will be required to support this process. Many of the income streams identified are as a result of increased charging levels in areas where we charge currently. Therefore no additional work would be required. Where additional work is required this will be carried out within existing resources. It should be noted that if the demand on a service exceeds the demand forecasted additional resources may be required.

Appendices:

Documents available in members' rooms:

Background Papers: