

Committee:	Executive	Agenda Item No:	6
Date:	10 June 2013	Status	Open
Category:	Decision within the functions of Executive		
Subject:	Revenue Strategy		
Report by:	Director of Housing, NEDDC		
Other Officers Involved	Joint Assistant Director, Strategy & Performance		
	Joint Assistant Director, Finance & ICT		
	Communications Manager, NEDDC		
Director	Director of Housing, NEDDC		
Relevant Portfolio Holder	Portfolio Holder for Regeneration		

RELEVANT CORPORATE AIMS

CUSTOMER FOCUSED SERVICES - Providing excellent customer focused services

STRATEGIC ORGANISATIONAL DEVELOPMENT - Continually improving our organisation

The proposals will help deliver the corporate aims by making a significant contribution to the Council's long term financial sustainability.

TARGETS

N./A

VALUE FOR MONEY

This report is intended to ensure that the Council has in place value for money services which meet the needs of the district's residents and contribute to the Authority's financial sustainability.

BACKGROUND

Over recent years both Strategic Alliance Councils have made significant efficiency savings in order to address the financial challenges which they face.

Whilst it is clear that these financial pressures and the need for efficiencies will continue into the foreseeable future, it is clear that other measures are also required in order to stimulate economic growth, prioritise the two Councils' strategic priorities, and to bring increased revenue into the two Authorities. It is within this context that work has been undertaken to develop a Revenue Strategy for the two Councils.

The strategy which has been developed is based upon extensive consultation with senior managers and teams across the two Authorities. It identifies the policy, process and procedural changes which are necessary in order to have a more consistent, more corporate - and a more effective - approach to revenue generation.

Sitting alongside these 'policy' issues, significant work has been undertaken to identify specific revenue generating opportunities, in terms of options to review/align existing fees/charges across the two Councils, opportunities to introduce new charged-for services, opportunities to develop trading models, opportunities to drive advertising and sponsorship revenue, opportunities to more effectively market Council services, and opportunities to maximise the level of grant income flowing into the two Authorities.

Members are asked to agree:

- (i) to the policy and procedural changes set out within the strategy;
- (ii) to agree to receive quarterly reports upon progress in implementing the strategy;
- (iii) to note specific revenue generating proposals; and
- (iv) to note that a dedicated resource will be required to drive this activity forward.

Specific proposals are simply highlighted in broad terms at this stage and will be brought forward on a business case-by-business case basis for Members' consideration over the course of the next twelve months.

ISSUES FOR CONSIDERATION

Members are very familiar with the financial challenges facing the Council, and so these will not be repeated here.

Whilst significant - and successful – efforts have been made over the course of recent years to generate efficiency savings it is clear that whilst such efforts will continue, other complementary approaches must also be progressed in order to ensure the Council's long term financial sustainability. The successful delivery of coordinated efforts to drive increased revenue through the Authority is part of that process.

Over the course of recent weeks significant work has been undertaken in this area, which has resulted in the production of the Revenue Strategy attached at Appendix 1.

This work has been overseen by a project group comprising the NEDDC Director of Housing, the Joint Assistant Director, Strategy & Performance, the Joint Assistant Director Finance & IT, and the NEDDC Communications Manager.

In undertaking their work the group has liaised closely with Joint Directors, Joint Assistant Directors, and with other senior managers from across the two Councils. Members have also been heavily involved in the process, through the Executive Member for Regeneration at BDC, and the Portfolio Holder for the Environment at NEDDC

The work undertaken has spanned a number of potential review areas across the two Councils, comprising:

- an identification of potential opportunities to review/align existing fees/charges between the two Councils;
- an identification of potential opportunities to introduce new charged-for services and to introduce charges on activities which are currently delivered for free;
- an identification of possible opportunities to establish trading companies;
- an identification of opportunities to more effectively market and promote existing/new Council services;
- an identification of opportunities to introduce more effective corporate advertising and sponsorship packages; and
- an identification of opportunities to increase the level of grant income flowing into the two Councils.

The Revenue Strategy identifies the policy, process and procedural changes which will be necessary in order to support efforts to bring more revenue into the two Councils. A wide range of measures have been identified, including the introduction of a consistent corporate approach to annual fee/charge reviews, the establishment of clear advertising/sponsorship policies, the introduction of an 'invest to earn' fund, and the concept that individual services are able to retain a portion of the increases in revenue which they generate. (The full range of proposals is set out in Action Plan A of the strategy.) In order to ensure that these proposals are implemented it is proposed that progress against the strategy is reported back to Executive on a quarterly basis for the next twelve months, commencing in September 2013.

The strategy is supported by specific revenue proposals. The proposals range from potentially aligning pest control fees across the two Councils and introducing new paid-for advertising on council vehicles, through to reviewing waste charges and introducing pre-planning application consultation fees.

Further work is needed to develop a work programme around these opportunities. At this stage Members are not being asked to make decisions upon any of these proposals. Rather, Executive is simply being asked to agree that a business case for each specific proposal will be prepared and brought to Members for consideration on a phased basis over the course of the next twelve months.

It must be stressed that the Revenue Strategy is not a panacea. It will not address all of the fiscal challenges facing the Council. However, alongside activities to grow the district's economy, progress asset rationalisation, prioritise the Council's priorities, and other measures, it will make a meaningful and significant contribution. While it is impossible to be definitive at this stage it is anticipated that the successful implementation of the identified actions will generate full year net increases in revenue of £50,000 - £60,000 per Authority.

In order to ensure that the strategy is effectively delivered its implementation will be managed by the Joint Assistant Director for Policy & Performance. To work alongside the

Assistant Director, it is proposed that a new dedicated post is established within the Communication Team spanning both authorities to deliver marketing, advertising and sponsorship activity, and to more directly drive the optional delivery of the identified proposals. A detailed proposal for this post will be presented to a future Executive meeting.

OTHER OPTIONS CONSIDERED AND REJECTED

As highlighted, the Council has made significant efficiency savings over the course of recent years. While these efficiencies will continue, adopting such an approach as the exclusive way forward bring significant risks to the Authority. Adopting a more balanced approach, including activity to drive increased revenue, represents a more effective strategy to ensuring the Council's long term financial sustainability.

FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report.

Individual business cases for specific revenue opportunities will be presented to Executive on a phased basis over the course of the next twelve months. These business cases will set out the specific financial implications of each individual proposal.

As highlighted at s.3.10, it is anticipated that the successful implementation of all of the identified measures will generate full year additional net revenue of £50,000 - £60,000 per Council.

In order to drive this activity it will be necessary to establish a dedicated post within the Communications Team, spanning both authorities. Specific proposals for this post will be brought forward for Members' consideration in due course.

OTHER CONSIDERATIONS

It is imperative that in reviewing/introducing any paid for services the Council has due regard to the impact of such proposals upon its communities. These impacts will be at the heart of individual business case proposals.

An Equalities Impact Assessment (EIA) has been undertaken upon the Revenue Strategy and is attached at Appendix 2. Individual EIAs will be undertaken upon each specific business case proposal as it comes forward.

A thorough Risk Assessment will be undertaken upon each detailed business case.

RECOMMENDATIONS

That Executive:

- 1 Approves the Revenue Strategy attached at Appendix 1.
- 2 Agrees to receive progress updates upon the Strategy on a quarterly basis over the next twelve months.

- 3 Agrees to consider the business case for individual revenue proposals as they come forward over that period.
- 4 Notes that a dedicated post will be required within the Communications Team to deliver advertising/sponsorship/marketing activity and to drive the operational delivery of the Revenue Strategy.

REASON FOR DECISION TO BE GIVEN IN ACCORDANCE WITH THE CONSTITUTION

- 1 For Executive to agree a clear Revenue Strategy.
- 2 To ensure that the strategy is proactively driven forward, and that Executive is aware of progress.
- 3 To ensure that Executive is able to consider the detailed business case for each revenue proposal prior to agreeing its implementation.
- 4 To ensure that adequate resource is in place to drive the delivery of the strategy.

ATTACHMENTS Y

Revenue Strategy (Appendix 1) – To follow

Revenue Strategy Equalities Impact Assessment (Appendix 2) – To follow

FILE REFERENCE N/A

SOURCE DOCUMENT N/A