



**Full Council**

**Tuesday, 27  
September 2022**

**Matter for  
Information and  
Decision**

**Report Title: Maximising the Council's Income (September 2022)**

**Report Author(s): Tracy Bingham (Strategic Director / Section 151 Officer)**

<b>Purpose of Report:</b>	To seek Council approval of a new Corporate Charging Policy for the Council to support the maximisation of Council income through existing and new areas of income generation, and to review and approve the business case for two new income generating opportunities.
<b>Report Summary:</b>	The Council collects in the region of £1.5m in local sales, fees and charges. As identified by the Local Government Association, the level of locally generated income is lower when compared to peers. In addition, the Council has not previously had a policy in place to guide the setting of levels of sales, fees and charges, or indeed the charging strategy which should determine the basis of such levels. This report seeks Member approval of a policy for determining the levels of sales, fees and charges levied for services. This report also presents Members with several business cases for the generation of new income.
<b>Recommendation(s):</b>	<b>That Members:</b>  <b>A. Approve the new Corporate Charging Policy (a set out at Appendix 1); and</b> <b>B. Approve the proposals for the provision of a Community Lottery and new approach to Events Management and to delegate authority for the Strategic Director and Section 151 Officer to make any required budgetary changes for the schemes to progress.</b>
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<b>Corporate Objectives:</b>	Providing Excellent Services (CO3)
<b>Vision and Values:</b>	Accountability (V1) Respect (V2) Teamwork (V3) Innovation (V4) Customer Focus (V5)

<b>Report Implications:-</b>	
Legal:	There are no implications directly arising from this report.
Financial:	The implications are as set out at throughout this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1)
Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	None.
<b>Background Papers:</b>	<a href="#">Report Entitled 'Maximising the Council's Income (June 2022)' to the Policy, Finance and Development Committee on 28 June 2022</a>  <a href="#">Report Entitled 'Maximising the Council's Income (September 2022)' to the Policy, Finance and Development Committee on 26 September 2022</a>
<b>Appendices:</b>	<b>1.</b> Draft Corporate Charging Policy (September 2022)

## 1. Background

- 1.1. Currently, the Council generates over £1.5m (2020/21) in local income in return for providing a wide range of services to local residents, businesses and visitors. Local income generation presents the Council with an opportunity to maximise its financial position and, in the case of the General Fund, an opportunity to reduce its reliance on government grant. In addition, charging for services can also present opportunities to achieve the Council's corporate priorities, for example by encouraging or discouraging the use of a service or to alter the behaviour patterns of residents or businesses.
- 1.2. The current Fees and Charges to Service Expenditure ratio (a widely used ratio in the sector that measures locally generated income against council spending) for the Council is 13.47% (2020/21). This is at the lower end when compared to peers.
- 1.3. This report presents 2 income generation opportunities and the new Corporate Charging Policy for approval and provides a wider update on other income generation ideas currently under review or previously considered.

## **2.0 New Corporate Charging Policy**

- 2.1 The draft policy at Appendix 1 is based on feedback from Members of the Policy Finance and Development Committee (PFDC), who were consulted on the draft principles and features of this new policy in June 2022.
- 2.2 The policy was scheduled for PFDC approval and recommendation to Council on 13 September. However, as a result of the changes to the Schedule of Meetings following the death of Her Late Majesty Queen Elizabeth II, the Committee are not due to consider the report until 26 September 2022. Therefore, any comments or amendments approved by the Committee will be shared by way of verbal update or additional paper as necessary at the meeting of Council on 27 September 2022.
- 2.3 The draft policy sets out requirements of services to ensure the impact to customers is fully assessed and considered, building on the need for the Council, as a public sector organisation to consider circumstances where it is appropriate to subsidise charges.
- 2.4 In summary, the following four fundamental principles are set out in the policy, but are summarised here:
1. Council fees and charges are consistent
  2. There is a defined Charging Strategy;
  3. The Impact to Customers is considered; and
  4. Charges are reviewed on a cyclical basis
- 2.5 At this stage, it is not possible to quantify the potential additional income that could be generated from the commercialisation of existing income streams, since this will require service areas and finance to work together to determine the net position of chargeable services and propose new charges if income is deemed out of sync with the appropriate charging strategy. However, this new approach will enable services to understand whether the income generated from providing a service cover the costs incurred and given the current position of income generation compared to peers there is scope to better the position of existing income streams as well as new potential areas.
- 2.6 It is intended that a revised policy will take immediate effect and guide fee and charge setting as part of the 2023/24 budget setting process.
- 2.7 In order to balance the resource implications associated with this new approach and the need to raise locally generated income it is proposed that the following income generating areas are reviewed as part of the 2023/24 budget setting process, with a wider review of other income generating areas taking place in 2023 and future years:
- Selective licensing – with a view to looking at the charging position of the scheme and whether changes would need to be made. Consideration to be given as to whether the scheme could be rolled out across any other Borough areas.
  - Cemeteries’ – reason for review is due to cemeteries income having been within the Councils top income generation areas and there have been some recent Q1 adverse forecasts and other scheme changes which warrant a review of charge setting; and
  - Management fees – the Council charges a % management fee across various fees and charges and a review to check the appropriateness of these is required.

- 2.8 The intention is for these specific service areas to present proposed charges from April 2023 as part of the draft budget, along with information around the specific reason for the proposed variation in line with the charging strategy for that income stream

## **2. New Income Generating Opportunities - Summary**

- 2.1. Various updates have been provided to the PFDC since November 2021 on the concepts to generate new income streams.
- 2.2. At its meeting on 26 September 2022, a further update was provided on all concepts, including those that were originally discussed in November 2021 but which were not being progressed by Officers.
- 2.3. The Council retains Capital Programme provision for the purpose of funding potential start-up costs associated with any of these proposals (subject to presentation of a sound business case), through its £350,000 Capital Programme 2022/23 "Invest to Save" budget, which can cover capital costs for schemes which deliver expenditure reduction or income generation.
- 2.4. Two schemes are due to be presented to PFDC on 26 September and are recommended for approval. One other scheme is recommended to progress to the next stage, but there are no firm decisions on this presently. The below paragraphs set out these schemes.

## **3. Community Lottery – proposed for approval**

- 5.1 A representative from Gatherwell, who would partner with the Council to deliver the Community Lottery is due to attend the PFDC meeting on 26 Sept to share a presentation of the scheme.
- 5.2. A Community Lottery is a weekly lottery that raises money for good causes across the borough and all good causes supported by the lottery will benefit the Borough and its residents. The Community Lottery operates on the principle of raising money within the community for the community, empowering local good causes to raise money in a fun and effective way. For every £1 raised, 60 pence goes to local charities. Based on assumed demand in the form of ticket sales, of approximately 6,000 tickets per year, and an initial investment of circa £10,000 in year 1, the net income achievable in year 1 is estimated at £20,000 for year 1 and £29,000 in year 2 and beyond.
- 5.3. Given the low risk and low input required, the recommendation is that Members approve the Council signing up to the scheme.

## **6. Events management and asset review – proposed for approval**

- 6.1. Following SLT review and presentation to PFDC, it is proposed that the Council use existing resources to support events in the Borough with a target level of income of £10,000 for the first year. The intention behind this approach was very much to "start small" and test the market and success of events so that the need for an Events Officer to support going forward could be more accurately determined.

## **7. Repurposing of public toilets – proposed to move forward to next stage**

- 7.1. To move forward, it is proposed that officers undertake a "call for business interest" process and engage the local business community to soft-market test the appetite for businesses to take on the assets to run their business (or prospective business). This would include the need for the "offer" to include the provision of public accessible toilets that are not linked to business sales. This approach is proposed as a means of gathering intelligence on what level of rental income the Council might be able to expect, but also understand the appetite of the

business community for taking occupation and what capital investment requirements there might be and opportunities for meeting those.

- 7.2. It is envisaged that the exercise could identify a role for the Council in supporting businesses/potential businesses and that the UKSPF potentially funds available would form part of a package of business support. This collaborative approach could meet requirements for bringing public assets back into use and income generation and/or expenditure reduction (in the form of public convenience maintenance costs).
- 7.3. If Members are supportive of this approach, Officers will take forward and report back to a future committee on the outcome of the engagement and "call for business interest" exercise and present a final recommendation based on that outcome.

## **8. Financial Implications and Next Steps**

- 8.1. As detailed above, it is difficult to quantify the financial effect the new policy will have on existing income streams without having undertaken the work to review the net cost of providing income bearing services. Additional income forecast as part of varying fees and charges will be reported clearly to members so that they understand fully the income effect of varying fees and charges through budget setting.
- 8.2. The forecast position in respect of the new income opportunities proposed to be taken forward are set out above and summarised below:

<b>Scheme</b>	<b>2023/24</b>	<b>2024/25</b>
Community Lottery	£20,000	£29,000
Events Management	£8,000	£8,000
	<b>£28,000</b>	<b>£37,000</b>