

Business Change Mandate (Including Budget Mandates) Proposal Number: B13

Title: Highways infrastructure - Income Generation

All information requested must be completed on the proposed mandate to enable the Cabinet to decide whether to proceed with the proposal.

Mandate Completed by	<i>Roger Hoggins</i>
Date	<i>20/09/2015</i>

How much savings will it generate and over what period?
Assumed income generation of £150,000 in a full financial year through increased advertising and additional car parking spaces (net of prudential borrowing for reinvestment into car park and traffic mgt infrastructure).
Directorate & Service Area responsible
Operations, Highways, Transport
Mandate lead(s)
HoS – R Hoggins, – Lead Officer –Highways – Steve Lane, Transport – Deb Jackson (car parks & fleet), Richard Cope (Buses, bus stops etc.)

Final mandate approved by Cabinet	Date:
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1. Vision and Outcomes of the Mandate

Give a business context for the mandate. This must pick up on the vision and what the new / improved / reduced service will look like in the future including the anticipated experience of users. It must also consider any impact on the Council's key priorities and strategic outcomes. Similarly does it impact on service performance within the immediate service area or any impact on other services provided by the authority / any other providers. In doing so, the mandate must be tested against the equality impact assessment and sustainable development impact assessment and must consider impact in relation to the new Future Generations Bill.

What is the issue that the proposal is seeking to address?
The proposal seeks to exploit the advertising policy agreed by Cabinet in July '15 to generate significant levels of additional income. The income will be incorporated in the development of the Council's 16/17 revenue budget assuming the mandate is approved. A car park order is being prepared following Cabinet decision earlier this year, this will include further statutory consultation, after which a final decision of Cabinet is required of the extent of changes to the car park service. It includes investment into new equipment and improvements to car park layouts along with changes to policies but additional car parking spaces will offset investment by contribution to revenue.
What evidence have you got that this needs to be addressed?
The MTFP shows massive strain upon the revenue budgets for at least 3 years which is being addressed by expenditure cuts or income. The advertising income helps address this and the car park revenue income offsets capital budget investment. The need for additional parking and reorganising of existing parking to improve management in the towns has been demonstrated through extensive consultation already undertaken.
How will this proposal address this issue
Information from neighbouring authorities suggest that advertising on Council assets (verges, roundabouts, vehicles, car parks etc) will generate significant income streams. Car parking has been subject to extensive reporting outside of the budget process but this mandate acknowledges the effect upon revenue budgets through investment and additional parking .
What will it look like when you have implemented the proposal
Advertising signs will be erected alongside MCC highways (not trunk roads or motorways) where it is safe to do so. Sign boards will be erected in car parks and advertising opportunities on buildings, vehicles etc. will be taken. Car park facilities will be improved and extra parking created albeit some car park policies are changing to generate the income to offset investment and contribute to revenue costs surrounding car park management, traffic management, etc.

Expected positive impacts
Businesses will get valuable advertising opportunities around the county which will support commerce in the county. Car parking facilities in the towns will be improved and extra parking spaces created (Monmouth). Existing car parking regime will be reorganised to assist commerce in the towns.
Expected negative impacts
Criticism will arise about MCC defacing Monmouthshire countryside with advertising and some small businesses will complain that they cannot afford advertising costs (although we will offer smaller advertising sections where feasible to suit smaller businesses). Car parks charges will be introduced in car parks that are presently free (albeit other free options remain), some car parks will be short stay (to improve turnover for shoppers), charging blue badge holders is being considered although mitigation is also envisaged e.g. an additional 'free' hour.

2. Savings proposed

Show how the budget mandate will make savings against the current service budget. This must cover each year implicated. This section must also cover any other efficiency that will arise from the mandate.

What savings and efficiencies are expected to be achieved?								
Service area	Current Budget £	Proposed Cash Savings £	Proposed non cash efficiencies – non £	Target year				Total Savings proposed
				16/17	17/18	18/19	19/20	
All advertising opportunities and estimated revenue income from car parking (capital budget is required)	£50k assumed in 15/16	Further gross £100k assumed for 16/17 from advertising plus a revenue income of £100k from car parking	None, in fact costs will be incurred in installing advertising boards and managing the service – say £50k. Car park facilities ,access and					For 15/16 and £16/17 combined for advertising it is £150k but nets at £100k after costs are allowed at £50k for advertising costs. Car park income assumed at £100k based upon additional spaces.

			management will be improved by the introduction of the proposals (reported previously)					

3. Options

Prior to the mandate being written, an options appraisal will have taken place. Summarise here the outcome of the Options considered and detail the rationale on why they were disregarded. (see options appraisal guide for further information)

Options	Reason why Option was not progressed	Decision Maker
Not to pursue advertising opportunities	Cabinet has agreed the advertising policy so not to pursue this opportunity places more pressure on other service areas. Options to generate income are also, on balance, more preferable to service cuts	Cabinet, Head of service
Employ a private sector agency to manage MCC's advertising policy	Feedback from other authorities that are already advertising is that third party agencies take up to 50% of income and the management can be facilitated in house for less cost.	Operations officers
Sell the car parks to a private provider	Still to be assessed, will lose direct control of the car parking	Cabinet

4. Consultation

Have you undertaken any initial consultation on the idea(s)?		
Name	Organisation/ department	Date
Operations mgt team. SLT		

Has the specific budget mandate been consulted on?		
Function	Date	Details of any changes made?
Department Management Team	20/07/15	
Other Service Contributing to / impacted		
Senior leadership team		
Select Committee	October	
Public or other stakeholders		
Cabinet (sign off to proceed)		The policy is already adopted – this implements more widely the approved policy. Car parking options have been reported extensively to select committees and cabinet

Will any further consultation be needed?		
Name	Organisation/ department	Date
No for advertising but statutory consultation required through the preparation of a new car park order		

5. Actions to deliver the mandate

Describe the key activities that will be undertaken to deliver the mandates and the action holders. This includes any actions contributed to by other services. Give the timescales to complete the work. This must also factor in any business activities that will need to be done differently or cease in order to achieve the mandate.

Action	Officer/ Service responsible	Timescale
Ascertain all advertising places and acquire all permissions as necessary to use. Install all necessary infrastructure to provide advertising space	Lead officers and Richard Cook (PTU)	

Promote, sell and manage advertising space/customers	Richard Cook (PTU) plus admin support from highways	
Recruit officer (initially part time to promote advertising and manage clients – dependant upon workloads arising and capacity of existing staff to manage workload.	Roger Hoggins, Lead officers	
Complete car park order, consult, report to cabinet, approve capital budget, introduce changes as reported to cabinet	Legal team and Car Park officer (Amanda Perrin)	

6. Additional resource/ business needs

Describe any additional finance, resource and capability needed in order to carry out the proposed mandate successfully. For example new funding, expertise e.g. marketing and knowledge etc..

Any additional investment required	Where will the investment come from	Any other resource/ business need (non-financial)
Depending upon the success of the initiative it may prove necessary to recruit extra staff to promote and manage the service (allowed in the £50k mentioned above)	Taken from gross income assessment	
Advertising boards and panels will be purchased and erected – verges, car parks etc.. Allowed in overall contingency sum of £50k mentioned earlier	Taken from gross income assessment	May need to apply for planning for some advertising sites which will delay the process.
Investment in creating extra car parks, new equipment and refurbishment of existing car parks	Prudential borrowing	

7. Measuring performance on the mandate

How do you intend to measure the impact of the mandate? This could include: speed of service; quality of service; customer satisfaction; unit cost; overall cost. For advice on developing performance measures you can contact Policy and Performance Team, for advice on unit costs speak with your directorate accountant.

Focus- Budget / Process / Staff / Customer	Indicator	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Target 2016/17	Target 2017/18	Target 2018/19	Target 2019/20
Budget	Gross income versus expenditure and timeline for generating income	Net £150k							

8. Key Risks and Issues

Are there any potential barriers and risks that will need to be managed in delivering the mandate, including any negative impacts identified in section 1 that need to be accounted for. Also, set out the steps that will be taken to mitigate these. The risks should be scored in accordance with the [council's policy](#).

Barrier or Risk	Strategic/ Operational	Reason why identified (evidence)	Risk Assessment			Mitigating Actions	Post mitigation risk level
			Likelihood	Impact	Overall Level		
Lack of interest from business community	Operational	No interest – no income	low	high	low	Increase promotion of service (cold calling etc.). revert to 3 rd party advertising support	Dependant upon success of mitigation?
Member rejection of scheme as advertising complaints arise	Strategic	There will be negative comments about introducing advertising in public spaces	low	high	low	Ensure members are aware of initiative before it is extended more widely	low
Final decision on introduction of a revised car park order is withheld or the order significantly altered.	strategic	Changes to the car park service has proven emotive already.	low	high	high	Consultation has already been undertaken and already provided to cabinet. Mitigation is proposed in relation to charging blue badge holders and some changes are intended to assist commerce in the towns.	

9. Assumptions

Describe any assumptions made that underpin the justification for the option.

Assumption	Reason why assumption is being made (evidence)	Decision Maker
The level of income depends upon take up of advertising options and the extent to which we exploit opportunities to create advertising space	New initiative with no precedent in MCC so our assessment is based upon feedback from private sector businesses with whom the option for them managing the service was discussed. It is quite possible that the income has been overstated but this will be assessed after the 1 st year in operation.	Head of Service
Need for additional staff and the cost of creating advertising space is not assessed by detailed plans for advertising hoardings in each position	The assumption is made to create an expenditure budget which will be essential to develop the opportunity.	Head of Service
That car parking proposals already laid before select committee and cabinet will form the basis of the new car park order	Consultation and research already undertaken	Head of Service

10. Monitoring the budget mandate

The budget mandates must be monitored through directorate budget monitoring. This will lead into corporate budget monitoring. In addition the action plan, performance measures and the risk assessment must be transferred into the service plans for the business area in order to monitor and challenge the delivery of the budget mandate, including the savings being achieved and the level of impact.

11. Evaluation

It is important to evaluate the impact of the mandate once it has been fully delivered to know whether it has successfully achieved what it set out to do and to ensure that findings can be used to inform future work.

Planned Evaluation Date	Who will complete the evaluation?
January 2016	Head of Service and Lead officers in line with usual monitoring and reporting.