

# Opportunity Outline

*This document is to be used for all new ideas / initiatives as an initial assessment / scope*



**Title:** Income Generation Cross-Cutting Review

**Business Sponsor** Peter Kane **Directorate** Cross-departmental

**Author** Sue Baxter **Date** 18 May 2015

<input type="checkbox"/> <b>Mandatory</b> <i>Compliance with Legislation, Policy and Audit</i>	<input type="checkbox"/> <b>Sustainability</b> <i>Essential for business continuity</i>	<input checked="" type="checkbox"/> <b>Improvement</b> <i>New idea / opportunity that improves or increases Service Levels</i>
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## Case for Change / Objective

*Explanation as to why the proposal has come about (e.g. Audit Requirement; new idea, Service Improvement; Business Plan).*

The Service-based Review process (SBR) identified approximately £21 million in savings from both City Fund and City's Cash. Several income generating proposals were also put forward as part of this exercise totalling £5.6m. Members felt that these proposals could have been more ambitious and that further opportunities should be explored.

This follow-up exercise therefore will compare the Corporation's current income levels against performance by similar organisations, suggesting areas where immediate improvements can be made. In addition, this review will also consider the extent to which the Corporation wishes to embrace a more commercial approach to driving income with reference to the innovative business models being adopted increasingly across the country (and particularly in London) in response to the current regime for public sector finances. Some of the issues highlighted may raise some challenging questions about the operational ethos and organising principles of the Corporation going forwards.

## Opportunity Description

*What is the proposed solution you are putting forward, describe in 50 words (couple of sentences)*

This review will:

1. Benchmark the City Corporation's recent income from fees, charges and reclaimable costs against best practice elsewhere, highlighting service areas where these could be increased
2. Identify the potential for increasing additional external public funding from a wider range of sources by service area
3. Suggest options for increasing income through a more commercial approach to service delivery with regard to the alternatives being explored by local authorities and other comparable institutions
4. Highlight some specific initiatives which could be developed to increase income, including more active and co-ordinated pursuit of private sponsorship.

## Expected Outcomes

*What is the scope of what will be delivered*

### Financial

1. Income from fees, charges and reclaimable costs benchmarked
2. Recommendations for how to better align Corporation practice with best practice elsewhere, unless a different approach has been explicitly preferred
3. An appropriately calibrated set of targets for fees, charges and reclaimable costs for inclusion in business plans
4. Recommendations for a more strategic approach to levying fees & charges based on consistently applied policies and principles and benchmarked against London boroughs where appropriate
5. Top 3 potential sources and scale of additional public funding identified
6. Top 3 commercial income generating / sponsorship initiatives identified + organisational implications considered
7. Indication of scale of resources / investment required to pursue and manage additional public funding identified

### Strategic

8. Structured consideration of the extent to which the Corporation might become more commercial in relation to the models being adopted within the 32 London boroughs and in which service areas
9. Implications highlighted of the importance of strong, coherent marketing for promoting the City of London 'brand'
10. Consideration of which CoLC services might be expanded and commercially 'traded' and which services might be best externally commissioned in relation to alternatives in the market

### Organisational / cultural

11. A final report to the Service Based Reviews Steering Group, Summit/COG and then to relevant committees
12. Raised awareness by service managers of
  - 'Whole costs' of services and associated budgetary and management implications
  - The scope for discretionary charging and any related statutory / regulatory restrictions
  - Commercial approaches taken elsewhere in London and beyond.

## Impact Analysis

*What departments, teams and services are impacted and how*

<input type="checkbox"/> In-Service	<input type="checkbox"/> Multiple Services	<input checked="" type="checkbox"/> Whole of Corporation
<i>Solely impacts the department</i>	<i>Impacts more than one department</i>	<i>Impacts all areas within City of London Corporation</i>

## Outline Costs

*Rough costs, for equipment, software, staff time, contractors*

Description	Estimated Cost
Secondee (Town Clerk's)	
Fundraisers workshops (Barbican)	
Technical support & advice (Chamberlain's)	
Ad hoc advice and input from range of service delivery staff	

## Potential Benefits

*Cashable and non-cashable benefits*

Benefit Description	How you will measure the benefit
1. Structured consideration of the extent to which the Corporation might become more commercial in relation to the models being adopted elsewhere and of the implications for the organisation	Clear committee decisions on way forward : Autumn 2015
2. Potential for increased income from fees, charges and reclaimable costs identified	Final report to contain information
3. Targets for fees, charges and reclaimable costs for incorporation into business plans going forwards	Future business plans in 2016/17 to include stretching targets for fees, charges and reclaimable costs, providing members agree
4. Top 3 potential sources and scale of additional public funding identified	Final report to contain information
5. Top 3 commercial income generating / sponsorship initiatives identified + organisational implications considered	Final report to contain information

## Budget / Funding Source Identified

*Will this be funded departmentally, corporately via capital budget request or a combination of both*

Source of funds	Amount	Status
Departmental Budget		Ongoing staffing costs already approved
Additional Funding Required		
<b>Total</b>		N/A

## Resources / Delivery Team & Assurance

*Will this be funded departmentally, corporately via capital budget request or a combination of both*

Name	Role	Department
Steering group chaired by the Chamberlain as SRO meets monthly and includes:		
Sue Baxter	Project lead	Town Clerk's
Leonora Thomson	Barbican & fundraisers' workshops	Barbican Centre
Caroline Al-Beyerty	Advisory	Chamberlain's
Julie Smith	Technical support	Chamberlain's
Nikki Cornwell	Technical support	Chamberlain's
Neil Davies	For CPDU	Town Clerk's

A cross-departmental sounding board group may also be established to meet 2-3 times as the review progresses in order to test analysis and proposals.

## Timescales

*Is there an inflexible timescale this is needed by? If yes then provide specific reasons. Or is it simply as soon as possible? What would the project milestones look like? E.g. Weeks 1-4, Preparation of project PID*

June Summit 2015:	Opportunity outline / scoping & terms of reference agreed by Chief Officers
End July 2015:	Research & interviews
End August 2015:	Draft report completed
Autumn 2015:	Committees consider review findings and recommendations

## Risks

*Type = Project, Service, Corporate, Regulatory*

*Likelihood = High, Medium, Low*

*Impact = High, Medium, Low*

*Mitigating Plan = Proposed options to address the risk*

Description of Risk	Type	Likelihood	Impact	Mitigation Plan
Lack of sufficiently comprehensive and consistent management information to allow meaningful benchmarking to be achieved	Corporate	Medium	High	Strong technical support on hand if required
Slippage to delivery date due to complexity of work involved	Project	Medium	Low	Project lead has dropped other areas of work to focus on this review

## Assumptions

*What assumptions have been made whilst constructing this Opportunity Outline?*

It has been assumed that it is possible to compare CoLC local authority services proportionately against London boroughs in terms of cost and income

## Dependencies

*Is this opportunity dependent or linked to other projects or initiatives?*

This review is dependent upon

- sufficient levels of consistent management information from which to draw reliable analysis
- prompt response times for responses to requests for information and analysis

## Authorisation

*This must be completed by the Author and the Senior Responsible Officer and Head of Department*

Name	Role	Date Approved
Sue Baxter	Project Lead	
Peter Kane	Project Sponsor	
		At Review Steering Group
		SBR Steering Group – 2/6/15
		Summit Group – 10/6/15