

Committee: Community & Children's Services Committee	Date: 08 April 2016
Subject: Income Generation - Report of a Cross-Cutting Service Based Review	Public
Report of: The Chamberlain (on behalf of the Performance and Strategy Summit Group)	For Decision
Report author: Susan Baxter	

Summary

A cross-cutting review of the potential for the City Corporation to exploit new sources of income was commissioned as part of the Service Based Review programme. The review was undertaken from April - September 2015, with a final report cleared by the Chief Officers Summit Group in January 2016. A summary of the review report and its recommendations are attached at Appendix 1.

The review found that there are:

- Opportunities to increase certain fees and charges to bring income into greater alignment with costs, in line with the approach taken in London local authorities;
- Opportunities to drive increased income from a more entrepreneurial approach in certain areas;
- Limited scope to increase revenues from public sector grants
- Potential opportunities to unlock increased corporate sponsorship and private giving to the benefit of the City's cultural and artistic institutions by taking a more co-ordinated approach.

Recommendations

All Committees are asked to endorse the overall report.

The **Community & Children's Services Committee** is asked to agree detailed recommendation i) ("that the Department of Community & Children's Services lead the preparation of a business case presenting options, costs, resources, risks and timetables for establishing the commercial expansion of central support services tied to the expansion of academy schools over the next one to three years.")

Main Report

Background

1. The review:

- Benchmarked the City Corporation's income in relation to costs for its public services against those of London local authorities (on a consistent basis and taking account of the differences in scale);

- Assessed the opportunities to increase revenues from a more commercial approach to providing services;
- Assessed the scope to increase income from public grants and
- Considered the scope to increase income from commercial sponsorship and donations, particularly for the cultural and artistic initiatives.

Current Position

2. In relation to the City Corporation's income from fees, charges and reclaimable costs from its public services, the City Corporation compares favourably with London local authorities in over half of London's services which are almost wholly self-financing. The areas of Off-street Parking, Development Control and Museums & Galleries offer the greatest opportunities for increasing charges to achieve levels more approaching London averages for cost-efficiency.
3. Upwards of £3m in additional income could be derived by taking a more overtly commercial approach to expanded services in several areas, the top three being:
 - Animal transit and inspections at London's airports
 - Property services: provision of an 'intelligent client' service for public bodies seeking to manage and develop their property assets
 - Venue hire and events management
4. Different commercial models would be deployed according to the nature of the service and certain of the City Corporation's decision-making processes and operating procedures might require adjustment to enable these services to operate with optimum commercial efficacy.
5. There is limited scope to drive significant additional income from domestic and EU public sector grants, since these sources are geared towards supporting new public sector initiatives and/or special needs – which the City Corporation does not generally tend to focus on due to its relatively small scale and its customer base as a public authority.
6. There is more scope to work in partnership with the City's cultural and artistic institutions to take a more structured and co-ordinated approach to securing corporate sponsorship and giving. This might unlock levels of funding and patronage that organisations are currently unable to secure at an individual level.

Options, Proposals and Implications

7. These are set out for each of the areas identified above in the tables of recommendations at Appendix 1.

Appendix

Appendix 1 - Income Generation Cross-Cutting Review: Summary & Recommendations.

Background Papers

A copy of the full report and its Annexes is available to Members as a PDF on the intranet at: <http://vmtcapp12/documents/s60865/IncomeGenerationFullReport.pdf>

PDF and paper copies are also available on request from the Committee and Member Services Team.

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