

## Appendix 1:

# Business Case for the Formation of an Income Generation Working Party

## Justification

### Background

Since 2016, the City Corporation has been exploring ways to improve its ability to generate commercial income.

Through 2024, the Chamberlain's Department's Transformation team has been working to understand the City Corporation's commercial maturity, analysing opportunities as well as past missed opportunities to generate income and building the infrastructure to develop an 'entrepreneurial spirit' within the City Corporation.

By 27/28, City Fund will show a £24 million deficit, in which a number of income generation initiatives have been identified to reduce the gap. Some of which, will require a cultural shift to commercial thinking with key decisions on prioritisation and potential policy changes to maximise commercial potential.

An Income Generation strategy to guide the City Corporation and its institutions, is sought to plan the City Corporation's income generation over the coming years, and it has been suggested that a Working Party should be formed to oversee this strategy and ensure that the City Corporation is able to properly enact it, and so improve the outlook of the Medium Term Financial Plan.

### Income Generation Vision and Objectives

The City Corporation's income generation vision is to achieve long-term financial stability by leveraging our unique assets, services and commercial opportunities. Objectives include diversifying income, reducing traditional funding reliance, unlocking commercial potential, and fostering entrepreneurialism and innovation. The City Corporation is hoping to focus an Income Strategy on 3 key focus areas:

- Develop Strategic Enablers
  - Building the foundations to create a commercial culture throughout the organisation through leadership, new policy and capability building.
- Targeted Financial Sustainability and Commercial Modelling
  - Identifying specific City assets or areas that require financial sustainability or large-scale modelling.
  - Supporting service Committees and departments in optimising high-value assets and institutions to maximise long-term revenue, interventions and developing tailored action plans.
  - Reviewing opportunities for increased commercial utilisation and income generation
- Deliver Tactical Projects
  - Shore up the Medium-Term Financial Plan (MTFP) for 26/27 and 27/28
  - Proof of concept initiatives to scale up for commercial growth
  - Learning to inform strategic enablers to maximise potential

### Why a Working Party?

A Working Party on Income Generation would oversee the generation of an Income Generation Strategy and provide Member supervision for Officers responsible for delivering income for the City Corporation.

Whilst interrelated with performance, this differs from the work of the Finance Committee's Efficiency and Performance Working Party, which has an objective of assessing whether the "resourcing of policies represent value for money" – which is separate from, and may require a

different skillset to - policies related to generating income. The inclusion of Members from Finance will avoid duplication and help provide insight into work around performance and efficiency, as well as supporting the organisation's budgets, done elsewhere.

The desire for the creation of a Working Party has been discussed at informal meetings of the Resource Allocation Sub-Committee and repeated by the Chairman of the Finance Committee at the March 2025 meeting of the Court of Common Council.

Having a Working Party solely focussed on income generation, should demonstrate the urgency of this task, and shift 'talk' to action across the Corporation.

## Resource requirements

If Members choose to establish a new Working Party, additional clerking/administration resource will need to be identified (either as part of the programme budget or otherwise). Currently, there is insufficient resource within the Governance and Member Services Team to support additional governance structures.

It is estimated that this Working Party will command administrative support equivalent to 0.5FTE at a cost of approximately £31,000 per annum (to increase with any staff pay increments). If Members are supportive of the proposal within this paper, resource demand can be met through PIF funding.

## Life expectancy

The initial period for the Working Party should be a trial of one year, to provide strategic direction, guide the development of an Income Generation Strategy and oversee income generation projects. If successful, this should then be reviewed annually. It would be expected for the Working Party's first meeting to be in June 2025, with items regarding an income generation strategy and advertising to be on the agenda. The Working Party would then be expected to meet once every three months.

## Terms of Reference

### **Responsibilities:**

The Working Party will make recommendations to the Policy and Resources Committee on matters relating to:

1. Guiding a unified income generation strategy
2. Providing strategic direction on prioritisation on new and emerging income generation projects including decisions on strategic enablers such as policy decisions to maximise commercial potential
3. Ensuring accountability and monitoring performance against the Corporate Plan Priorities and income generation targets
4. Supporting adaptability include mechanisms for reviewing and adjusting strategies
5. Providing a steer to the Policy and Resource Committee on the development of the Income Generation Workstreams and subsequently monitoring delivery progress and outcomes.
6. Scrutinising whether income generation targets already built into the medium-term or five-year financial plans for departments are likely to be met, and unlocking barriers to achieve targets and make recommendations to Efficiency and Performance Working Party where there are opportunities and/or concerns around efficiencies.

### **Composition:**

- The Chair of the Policy and Resources Committee (Chair) and Deputy Chair of Policy and Resources Committee (Deputy Chair);
- Up to seven other Members of the Court of Common Council.
- NB: At least 3 Members of the Working Party (including the Chair) must sit on the Policy and Resources Committee and 2 must sit on the Finance Committee (not in an ex-officio capacity).
- 3 Members must be present to form a quorum

**Appointment Method:**

It is proposed that vacancies will be advertised to all Members of the Court of Common Council setting out a requirement to submit an expression of interest, of no more than 250 words. Applications will then be assessed by the Chairman and Deputy Chairman of the Policy and Resources Committee in consultation with the Chamberlain. The preferred candidates will then be recommended to the Policy and Resources Committee for endorsement.