

<b>Committee:</b>	<b>Date:</b>
Finance Committee	16 February 2016
Policy & Resources Committee	18 February 2016
Education Board	3 March 2016
Epping Forest and Commons Committee	7 March 2016
Culture, Heritage and Libraries	7 March 2016
Efficiency and Performance Sub-Committee	7 March 2016
Port Health & Environmental Services Committee	8 March 2016
Property Investment Board	9 March 2016
Planning & Transportation Committee	10 March 2016
Community & Children's Services Committee	11 March 2016
General Purposes Committee of Aldermen	15 March 2016
Barbican Centre	16 March 2016
<b>Subject:</b> Income Generation - Report of a Cross-Cutting Service Based Review	<b>Public</b>
<b>Report of:</b> The Chamberlain (on behalf of the Performance and Strategy Summit Group)	<b>For Decision</b>
<b>Report author:</b> Susan Baxter, Town Clerk's Department	

### 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

The **Finance Committee** is asked to agree the overall report and all of its recommendations.

The **Policy & Resources Committee** is asked to agree the overall report and all of its recommendations.

**All Committees** are asked to endorse the overall report.

The **Planning & Transportation Committee** is asked to:

- a) approve headline recommendation 1 (“Harmonise the approach to setting all charges, fees and debt recovery for City Fund services with those of other relevant authorities within 12 months, unless a compelling business case is agreed for individual exceptions.”)
- b) approve the introduction of Planning Performance Agreements to increase income from Development Control services (detailed recommendation a); and
- c) agree to review options to maximise full deployment of capacity and increase charges to align with neighbouring authorities / NCP charges to increase income from off-street parking (detailed recommendation b).

The **Education Board** is asked to note 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”).

The **Culture, Heritage and Libraries Committee** is asked to:

- a) endorse headline recommendation 5 (“That a feasibility study be commissioned to explore the potential cost-benefits of adopting a more co-ordinated approach to securing commercial sponsorship for the City’s cultural, heritage and arts institutions with the long term aim of ensuring they become less dependent upon public funding”);
- b) agree detailed recommendation c) (“that the Department of Culture, Heritage & Libraries prepare options to review charging and income generation opportunities from the City Corporation’s museums and galleries”); and
- C) endorse the recommendation g (“to adopt a proactive approach to marketing the Corporation’s filming locations ensuring consistent coverage of professional film location handling services across the Corporation’s entire land and property portfolio”) and endorse the proposal to seek income from filming commercials on Tower Bridge.
- D) agree detailed recommendation j) (“that the Department of Culture, Heritage & Libraries commission a marketing consultancy to explore ways in which the City’s offer to visitors can be better developed, co-ordinated and promoted to increase revenues to the City Corporation”).

The **Efficiency and Performance Sub-Committee** is asked to agree headline recommendation 1) (“Harmonise the approach to setting all charges, fees and debt recovery for City Fund services with those of other relevant authorities within 12 months, unless a compelling business case is agreed for individual exceptions.”)

The **Port Health & Environmental Services Committee** is asked to:

- a) agree detailed recommendation d) (“that the Department of Markets & Consumer Protection prepare a business case for expanding the animal transit and inspections services to London’s airports on a more commercial basis to maximise potential income”); and
- b) agree detailed recommendation h) (“that the Department of Markets & Consumer Protection prepare a business case for maximising the commercial potential of business regulatory advisory services via the Primary Authority

partnership model”).

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.”)

The **Barbican Centre Board** is asked to:

- a) endorse headline recommendation 5: (“That a feasibility study be commissioned to explore the potential cost-benefits of adopting a more co-ordinated approach to securing commercial sponsorship for the City’s cultural, heritage and arts institutions with the long term aim of ensuring they become less dependent upon public funding”);
- b) note detailed recommendation j) (“that the Department of Culture, Heritage & Libraries commission a marketing consultancy to explore ways in which the City’s offer to visitors can be better developed, co-ordinated and promoted to increase revenues to the City Corporation”).

The **Property Investment Board** is asked to agree detailed recommendation e (“That the City Surveyor prepares a business case for the relevant Committees presenting options, costs, resources required, risks and timetables for establishing an “intelligent client” service for public bodies seeking to manage and develop their property assets.”)

The **General Purposes Committee of Aldermen** is asked to endorse the recommendation g (“to adopt a proactive approach to marketing the Corporation’s filming locations ensuring consistent coverage of professional film location handling services services across the Corporation’s entire land and property portfolio”), noting the specific reference to actively marketing Mansion House as a filming location.

The **Epping Forest and Commons Committee** is asked to endorse the recommendation g (“to adopt a proactive approach to marketing the Corporation’s filming locations ensuring consistent coverage of professional film location handling services services across the Corporation’s entire land and property portfolio”), noting the specific reference to the opportunity to in relation to Burnham Beeches.

## **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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