



Buckinghamshire County Council Select Committee

Finance, Performance and Resources Select Committee

Report to the Finance, Performance and Resources Select Committee

Title: Income Generation Update

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Author: Jonathon Noble, Commercial Director

Contact officer: Jonathon Noble
01296 387877 jnoble@buckscc.gov.uk

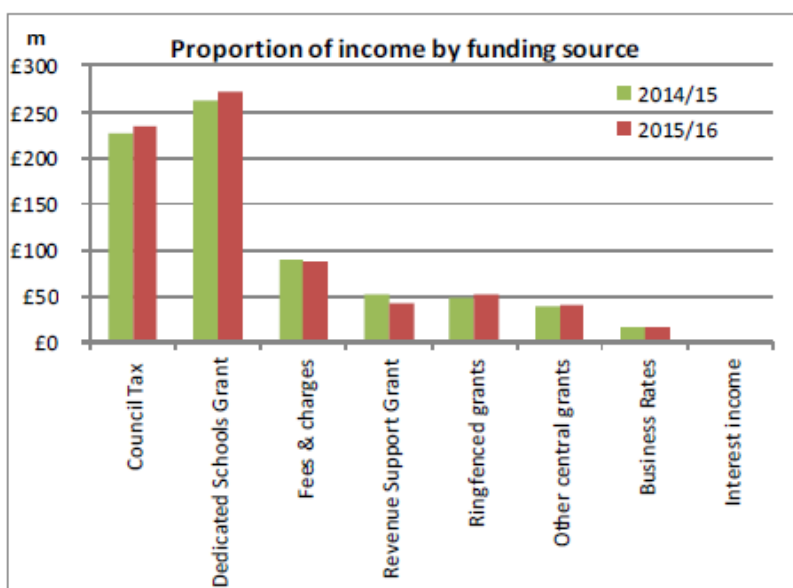
Cabinet Member sign-off: John Chilver, Cabinet Member for Resources

Purpose

This report is for **information** to provide an update to Select Committee on the actions taken following the Committee's inquiry into income generation across the council.

Background

The council receives around £85m in income from fees and charges, making it our second highest source of income after council tax:



(The Dedicated Schools Grant is shown below as its gross value. Of this, around £70m is retained by the county council for central costs, with £205m allocated to individual school budgets).

There is an increase of £9.6m of annual income planned in the MTP by 2020/21. This equates to more than £33m of cumulative additional income over the next four years. Recognising the importance of other sources of income to the council's financial strategy, Select Committee undertook an inquiry into income generation across the organisation and made a number of recommendations to maximise the opportunities. The Cabinet response to the report is included as Appendix 1 for information.

Key issues

Following Cabinet agreement to the recommendations, an action plan has been developed and agreed by One Council Board (OCB). The following action has since been taken, line with the themes and actions identified by Select Committee:

1. Governance

- OCB has nominated Gill Quinton, Managing Director- Business Enterprise and Business Services Plus as the sponsor for Income Generation.
- Managing Directors are accountable for income generation in their Business Units and each Business Unit has nominated an Income Generation Champion, following Select Committee's recommendation based on the Hammersmith and Fulham model.
- OCB has implemented a new process to strengthen its monitoring of all major projects and MTP targets, including income targets. We have also committed to providing regular updates to OCB on external funding opportunities, which of these have been pursued and lessons learned on unsuccessful bids.
- Business Units have set targets for income generation as part of the Commercial Plans and have been asked to add monitoring as a standard item to their Board agendas, which will ensure Managing Director and Cabinet Member(s) visibility of activities. This is already a standing agenda item for some Business Units, e.g. BSP, for which income from traded services makes up around 28% of the total operating budget and so is a crucial part of the makeup of the business model.

2. Skills and Best Practice

- Commercial skills already feature as part of the corporate training programme, which includes some focus on income generation.
- We have organised additional, specialist training where appropriate, including a course on effective bid writing delivered by an external provider. The training was funded by selling places to other organisations at a slightly higher rate which allowed us to deliver it at net zero cost to BCC – itself a great example of commercial thinking in everyday work.
- There are some excellent training opportunities available as part of a commercial apprenticeship under the new apprenticeships scheme. Courses and qualifications are open to existing staff members as well as new apprentices and we can draw down from the apprenticeship levy to fund this training. The opportunities available have been shared with income generation champions for discussion within their Business Units on the potential for upskilling their staff.
- A shared folder has been created for income generation champions to share documentation, including lessons learned and a central bank of business development resources to allow us to respond quickly to opportunities to secure new sources of income.
- The current income generation champions network has been established as a task-and-finish group, specifically to implement the recommendations made by Select Committee. However, following this the group will change its focus to sharing knowledge and best practice across the organisation and embedding this within Business Units.

3. External Funding Opportunities

- A central register of funding opportunities has been created, which is maintained by the BSP Commercial Team. At time of writing, there are 17 live opportunities on the register.
- Income generation champions in each Business Unit have access to the register and can add and update opportunities to allow for more effective identification and co-ordination of cross-council opportunities.
- The register will not only prevent duplication and effort and internal competition for the same funding but allow us to work better together to deploy teams from across the organisation to bid for specific opportunities. Managing Directors have committed to release staff from their Business Units to create multi-disciplined bid teams.
- The register also highlights which partner organisations we are working (or could work) with to jointly bid for funding. In general, partnership bids have a greater chance of success, particularly in securing central Government funding to solve multi-agency problems within a geography, e.g. anti-radicalisation, child sexual exploitation. We will seek to partner with other agencies on funding applications wherever we have complementary goals.
- The council already works with business and with the third sector and through agencies such as the Local Enterprise Partnership and Buckinghamshire Business First (BBF) to

attract additional funding into Buckinghamshire. TEE Business Unit has established a partnership arrangement with BBF for the joint sourcing of funding opportunities.

- We have also discussed with BBF the option to share their software for managing funding applications to make our processes more sophisticated. We are evaluating this option against using software the council already has in place, e.g. Salesforce.

4. Investment Funding for Income Generation

- The Head of Strategic Finance has issued a guidance note to the council's Leadership Team (Managing Directors, Service Directors and Heads of Service), outlining the opportunities for investing in income generation activities and the sources of funding available. Cabinet has reaffirmed that this is an initiative they fully support.

5. Culture Change

- Income generation forms part of the Commercial Plan for all Business Units and, as previously noted, Managing Directors and Cabinet Members have been asked to monitor progress against targets as regularly at Business Unit Board meetings.
- We have consulted the Employee Reps on ways to incentivise staff to identify income generation opportunities. We have received around 20 suggestions, most of which centre on recognition by management rather than financial reward. We will continue to recognise staff for their innovative ideas and exceptional contributions through the existing Celebrating Success and Workplace Heroes schemes.
- Income generation is a key theme in the council's compelling story to staff under the Better Every Day programme. The programme focuses on developing the skills, tools and mind sets of our middle management to create a culture of greater engagement and empowerment in their staff. Research has shown that for every 5% increase in employee engagement, organisations in the commercial sector typically see a 0.5% increase in revenues.
- The council's first 'hackathon' in 2015 brought together staff and businesses to creatively solve challenges. This led to the development of a 10 year business plan for our country parks, which includes an innovative strategy for growing income through maximising the retail and hospitality potential of the sites. Following the success of this event, we have begun preparations for a second hackathon-style event, themed around commercial opportunities.

6. Other Actions

A number of other actions have been taken which did not form part of the inquiry report but which may be of interest to Members:

- We have almost collated the council's first complete schedule of fees and charges. Other authorities publish their fees and charges but BCC has historically not done this (as a single document). Completion of the schedule will allow us to benchmark against other authorities to see how the council's fees and charges compare with our statistical peers. This may identify opportunities to increase some of our fees and charges.
- We have committed to keep this schedule up to date and to regularly review it against those of other authorities.
- We have begun to explore the income generation potential of Buckinghamshire's unique demographic, for example by evaluating the potential to introduce adult care services to self-funders commercial rates. The county has around 60% self-funders for care services compared to a national average of 40% and so there are favourable market conditions in which to develop commercial propositions for services such as brokerage and therapies.

Resource implications

Members are asked to note the progress made since the inquiry and that this has been done within existing resource. We will continue to work at pace to deliver the recommendations and this will be done by co-ordination of resources involved in income generation activities across the organisation.

Next steps

An update on progress against the action plan will be submitted to OCB in June. Officers welcome a call-back to Select Committee when next year's membership is set following the County Council elections.

Appendix

Select Committee inquiry recommendations and Cabinet response