

Income Generation Inquiry Progress Update on Recommendations
Interim Progress Report (12 months on)

Select Committee Inquiry Report Completion Date: December 2016

Date of this update: 14 November 2017

Lead Officer responsible for this response: Jonathon Noble

Cabinet Member that has signed-off this update: John Chilver





Accepted Recommendations	Original Response and Actions	Progress Update	Committee Assessment of Progress (RAG status)
<p>1. That governance arrangements are put in place to ensure oversight and delivery of Income Generation targets across the Council. The Inquiry Group recommends that this includes:</p> <ul style="list-style-type: none"> • The establishment of a One Council Board sponsor for income generation • The regular consideration of the Council's income generation activity by One Council Board • The establishment of Income Generation champions within Business Units to encourage innovative thinking and to report on activity (see slide 20 – highlighted green text from Hammersmith & 	<ul style="list-style-type: none"> • One Council Board has now nominated Gill Quinton, Managing Director- Business Services Plus as the sponsor for Income Generation. • One Council Board has already implemented a new process to strengthen its monitoring of all major projects and MTFP targets, including all of the income targets. • Each Business Unit will be asked to nominate a lead for Income Generation • The new Commercial Plans for Business Units require the explicit consideration of Income Generation. • Delivery against both Commercial Plans and the MTFP will be reported to Business Unit Boards on a monthly basis. 	<ul style="list-style-type: none"> • Gill Quinton (now Executive Director, Resources) continues to fulfil the role of (Corporate Management Team) sponsor for income generation. Day to day actions are co-ordinated by Jonathon Noble (Commercial Director) and Richard Schmidt (Head of Strategic Finance), working with the Income Generation Champions and Finance Directors for each business unit. Following a reorganisation, the business unit Finance Directors now report to the council's Head of Strategic Finance but very closely support Executive Directors and management teams. • Income Generation is now a regular item on the CMT forward plan, with the most recent report on <i>Fees and Charges Benchmarking</i> due to be considered in November. • Business Unit plans include a Commercials section, which includes income generation. • Income Generation Champions have been identified for all business units, who meet regularly to share information. The group recently organised the Buckinghamshire Innovation Summit, which asked teams to develop business cases for income generating ideas. Six outline business cases 	

<p>Fulham)</p> <ul style="list-style-type: none"> • Plans to deliver the Income Generation Strategy are specified as part of Business Unit Plans • Income Generation plans are reported to Business Unit Boards on a regular basis 		<p>were produced and these are now being developed in ongoing working groups.</p> <ul style="list-style-type: none"> • Fees and charges are now reviewed annually as part of the MTFP process, with the default assumption that they are uplifted by 3% unless a rationale is provided for why they should be higher or lower (e.g. as a result of benchmarking or led by demand) • A total of £5.7m of additional income was included in last year's MTFP for delivery this year (2017/18). Based on the mid-year income monitoring position, we are on track to exceed this by around £195k overall. 	
<p>2. That a mechanism is established by which income generation information, best practice and support can be shared across Business Units, including skills development resources.</p>	<ul style="list-style-type: none"> • Commercial training including some focus on income generation is already available to officers and will continue to feature in the corporate training programme • Lead officers for income generation for each BU will be asked to form an action learning set to share best practice 	<ul style="list-style-type: none"> • Best practice and opportunities for collaboration is now shared via the Income Generation Champions Network. • The Innovation Summit provided an opportunity for council staff to learn not just from each other, but from the small and large businesses that attended. This learning is continuing via working groups who are developing the outline business cases. • Funding has been agreed in principle as part of this year's MTFP process for investment in commercial skills - £100k over two years. This funding has been agreed specifically to develop the contract management skills of staff but there clearly there are some transferrable skills that apply equally to income generation, e.g. financial appraisals, negotiation skills • As this funding will not be available until April 2018, we have in the meantime launched a pilot Commercial Academy, with the intention of generating income while training our staff. The first event, on <i>Effective Bid Writing</i>, takes place in December 2017 and some places have been offered to other organisations in order to subsidise for BCC. 	

<p>3. That the Council maximises income from external funding by:</p> <p>a. Establishing and adopting the most effective and efficient model for identifying external funding for all Business Units, and</p> <p>b. Developing a central register of bids to avoid duplication of work, enable oversight of activity and early identification of support needed to realise opportunities.</p>	<ul style="list-style-type: none"> • The Council will continue to work with both the business and third sector communities, through such vehicles as the LEP, BBF and CVO to attract additional funding into Buckinghamshire. • A register will be established to increase the visibility and co-ordination of funding bids. 	<ul style="list-style-type: none"> • We have established a ‘hub and spoke’ model for income generation, with accountability in business units for their income generation activities but greater support and co-ordination from the corporate centre. This has had the effect of promoting greater collaboration while ensuring that income targets and accountabilities remain with the budget holders, Executive Directors and Cabinet Members. • The central funding register has been established and is managed by Commercial Services. This currently has 15 live opportunities and we are preparing or have submitted bids for 7 of these. This has enabled us to pull together teams from across the council to work on bids, e.g. a member of the Commercial Services team is currently supporting the TEE Business Improvement Team on a bid for Rural Broadband Infrastructure funding, in partnership with BBF and the LEP. Duplication is gradually being replaced with collaboration. 	
<p>4. That the “investing for income generation” section in the Income Generation Strategy be widely publicised to enable ‘pump priming’ activities to be considered by the Business Units to deliver income generation projects which require initial funding.</p>	<p>A number of the existing communication channels will be used to promote the Income Generation Strategy in general and this aspect in particular.</p>	<ul style="list-style-type: none"> • The Income Generation Strategy has been recomunicated. We expect business units to bid into the various available investment mechanisms to pump prime the ideas that were developed at the Innovation Summit. Teams are currently working up the details of their business cases, including required investment and pay back period. 	

<p>5. That the speed of culture change in relation to Income Generation be improved by:</p> <p>a. Developing a corporate policy for credit card payment charges</p> <p>b. Ensuring income generation targets are specified in the objectives for Managing Directors, and</p> <p>c. Exploring the potential for incentivising staff who have identified income generation activity & whose ideas have been realised.</p>	<ul style="list-style-type: none"> • The policy on credit cards will be reviewed • Due to the different nature of Managing Director responsibilities it may not be possible to set specific targets However it will remain the responsibility of Managing Directors to deliver the Commercial Plans which will include income targets. • Consideration will be given to how staff can be rewarded via our contribution based pay system, for generating successful ideas for additional income. 	<ul style="list-style-type: none"> • The corporate policy on credit card payments is to charge a 1% fee per transaction. However, this will cease with effect from 13th January 2018 as a result of new legislation which prohibits organisations from passing on charges to customers. The cost implication of this for the council is negligible (around £3,700) and it is possible that it will result in more payments being made by credit card, which is the most efficient payment method and safest for customers • We have discussed incentives for income generation with staff and Unison. Evidence of innovation and income generation will contribute positively to staff appraisals but Unison told us they would be uncomfortable with the introduction of anything more radical than this (e.g. a commission model). Moreover, the Employee Reps told us that they didn't believe this was the motivation most staff had for contributing ideas and that, in most cases, having their ideas considered and, where viable, implemented, would be reward enough. The Innovation Summit received excellent participation and feedback from all attendees and demonstrated that staff still have a huge amount of enthusiasm and creativity; the working groups established following the event are developing their business cases and will hopefully see some of the ideas implemented. • Over and above the recommendations from Committee, we have undertaken a review of all of our fees and charges. We were due to do this as part of a CIPFA benchmarking survey but, due to the delay in this starting, have undertaken our own benchmarking survey to look for opportunities to increase our fees and charges. 	
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RAG Status Guidance (For the Select Committee's Assessment)

	<i>Recommendation implemented to the satisfaction of the committee.</i>		<i>Committee have concerns the recommendation may not be fully delivered to its satisfaction</i>
	<i>Recommendation on track to be completed to the satisfaction of the committee.</i>		<i>Committee consider the recommendation to have not been delivered/implemented</i>