

<b>PUBLIC ACCOUNTS SELECT COMMITTEE</b>			
<b>REPORT TITLE</b>	Income Generation – Update		
<b>KEY DECISION</b>	No	<b>Item No.</b>	4
<b>WARD</b>	N/A		
<b>CONTRIBUTORS</b>	Head of Financial Services		
<b>CLASS</b>	Part 1	<b>Date</b>	30 November 2016

## **REASONS FOR LATENESS AND URGENCY**

It has not been possible to give five clear working days between the despatch of this paper and date of the meeting.

**Lateness:** This report is late in order for officers to have taken full view of the recent discussions at the Income Generation Board and in considering the final report from the consultant.

**Urgency:** This report is it provides a timely update to this committee given its review into income generating activity for the Council. Further views of this committee are being sought to enable officers to continue to move forward with the implementation of proposals which have been set out in the body of this report.

### **1. Summary and Purpose of the Report**

- 1.1 To update the Public Accounts Select Committee on the progress being made with the income generation strand since the conclusion of the income generation review in October 2015.

### **2. Recommendations**

- 2.1 The Public Accounts Select Committee is recommended to:
- 2.1.1 Note the contents of this report, making reference to the elements of income generating activity which has contributed to enable this Council to set a balanced budget over recent years. The schedule of agreed and delivered income proposals has been attached at Appendix 1.
- 2.1.2 Note the content of the consultant's report. This consultant being commissioned as a result of specific recommendation of this Committee to appoint a commercialisation specialist at a senior officer level. The outcome of this review on income generating opportunities for Lewisham is attached at Appendix 2.
- 2.1.3 Agree to officers' developing a commercial strategy for the Council to be formally agreed by Mayor & Cabinet.

### **3. Background**

- 3.1 On the 10<sup>th</sup> March 2015, the Public Accounts Select Committee received a scoping paper setting out the rationale for the in-depth review into income generation and providing some background information on the current situation within Lewisham and some proposed terms of reference for the review. At the time, the Committee stated that it wished to commence an in-depth review which would provide some focus on maximising income generation for the local authority.
- 3.2 The Committee requested that there be three evidence sessions: the first of which would highlight good practice from other councils or public bodies; the second would expand on this and hear from expert witnesses in other councils and public bodies and the third and final session would look at current proposals in Lewisham.
- 3.3 The purpose of this paper is update members of this Committee on the latest position with income generation for the local authority. This particular paper covers:
- An update on the recommendations for the committee to consider. This includes a summary of all areas and leads explored over the course of the last 18 months;
  - Outcomes of the consultants' review into income generating activities opportunities for Lewisham;
  - Policy context
  - Conclusion and the proposed next steps with the programme and how this will link with organisational and cultural change programme currently being developed by the Council.

### **4. Policy Context**

- 4.1 Over the course of the last six years, the Council has undertaken a significant revenue budget reduction programme to manage the difficult financial challenge it has been faced with. In the period from 2010/11 to 2015/16 the Council has identified and delivered revenue budget savings of some £120m.
- 4.2 The Lewisham Future Programme Board (LFPB) was established to transform the way in which Council services are delivered by 2020. The LFPB manages delivery of these changes and has worked with Heads of Service and officers across the Council to develop options to be considered at Mayor & Cabinet and Council. The work to date has focused on developing a range of options via 18 service and cross-cutting based reviews, each led by a Head of Service.
- 4.3 The LFPB continues to assess, challenge and support work strand leads bringing forward a range of possible revenue budget savings options. The focus since the budget in February 2015 has been on targeting £45m of savings proposals (£30m for 2016/17 and £15m for 2017/18). Contained within this has been a focus on generating higher levels of sustainable income.
- 4.4 To this end, various proposals have been and continue to be pursued by council officers as part of the LFPB income generation strategy. Those

proposals previously agreed in earlier budget rounds and delivered as part of the programme include:

- Increasing the amount of Council tax collected
- Generating more income from School Service Level Agreements
- Maximising investment income
- Increasing income from advertising
- Reviewing fees and charges with *a view to increasing income*

4.5 In November 2015, Mayor and Cabinet considered the income generating recommendations developed by the Public Accounts Select Committee. To recap, these recommendations and proposals included:

- *To identify and appoint a partner to deliver income through a wireless concession*
- *That a commercialisation ethos be endorsed and embedded throughout the Council*
- *To appoint a commercialisation specialist at Senior Officer Level*
- *That the portfolio of one cabinet post be amended to include specific responsibility and accountability for commercialisation and income generation*
- *That support for staff be embedded in any process or culture change within the Council*
- *That all Heads of Service be engaged in the process of moving to an increasingly commercial culture and in identifying income streams*
- *That in addition to a “top down” approach to identifying commercial strategies and income streams, a “bottom up” approach be encouraged for front line staff to report areas where they feel fee levels are wrong and to identify new areas of potential income streams. A platform for staff to do this should be created with clear feedback provided.*
- *That the true costs of Council services be understood*
- *That any restructures within the Council ensure the right grade of staff for the work.*

4.6 Since these recommendations were agreed as a result of this Committee’s review, the Council’s Income Generation Board has worked actively to implement the recommendations set of above. Significant progress has been made on these and this report provides members with a few specific examples of the progress which has been made. Officers will be able to expand further on these during the discussion at the meeting.

## **5. Income Generating Activity**

5.1 The following section is subdivided into three elements. Firstly, it provides evidence that increased income generating activity has already made a significant contribution to the revenue budget savings process in the Council over

recent years. Secondly, it provides an update on the current progress with the projects of income generating activity being explored. Thirdly, it provides a summary of those activities which have previously been explored by officers, but where for one reason or another has not been continued.

#### The contribution of increased income generation to agreed savings

- 5.2 Each of the LFPB savings has been designated to particular strands. To date, there has been a number of revenue savings achieved through increased levels of income generation and this has come as a result of the work developed by this Committee and the key message reverberating throughout the organisation in that our ability to generate higher levels of income will in turn alleviate the pressure of making cuts to services.
- 5.3 Members should note, that set out at Appendix 1 is a summary of these sustainable income generating activities which have supported the Council in being able to set a balanced budget over these years. In the 2015/16, there was a total £3.12m of income generation targets to be achieved over three years with an additional £4.8m agreed as part of the 2016/17 and 2017/18 budget setting process. Currently, there is a further £3.4m of income generation targets in development which are set to be included within the 2018/19 and 2019/20 budgets.
- 5.4 It is important to note that not all the income has yet been fully realised, but given that have been formally agreed and endorsed by full Council, it is essential that officers continue to actively progress their implementation.

#### Some current progress

##### 5.5 Advertising Income (Large Format)

- 5.5.1 A sustainable income target of £300k per annum has been agreed through increased revenue advertising.
- 5.5.2 Members will recall that the Council previously commissioned Wildstone Media Consulting Ltd to undertake an advertising appraisal identifying 46 sites across the borough which could possibly generate £281k of increased revenue. After further assessment from the Council's estates management department, a large number of the sites were excluded. This was mainly due to sites being misidentified as Council owned within the initial advertising appraisal by the company.
- 5.5.3 The Council has now identified four key sites where large format digital advertising could raise significant revenue. The four sites listed in Table 1 could potentially generate between £155k and £230k per annum.
- 5.5.4 Of these four sites further due diligence will need to be undertaken for those in Catford to ensure that the granting of a minimum 10 year lease for these sites will not cut across the wider regeneration ambitions for the area and the South Circular. This may further reduce the number of sites available, and therefore the total income achieved.
- 5.5.5 Furthermore, the Council currently receives income of circa £30k for some existing large format advertising on the first two of the identified sites below. The contract for these structures has expired but this current income will need to be offset through any new income made. The table below reflects this requirement.

- 5.5.6 In addition to the appraisal undertaken by Wildstone Ltd, the Council liaised with the Commercial Director for Hammersmith and Fulham Council to discuss their experiences of the out-of-home advertising market. It was advised that given the specialist nature of the market, the Council should appoint a Media management company to help with the tendering process and management of the leases.
- 5.5.7 Officers are currently in the process of obtaining quotations for these services and will be looking to appoint a provider before the end of December 2016.
- 5.5.8 Furthermore, it was also advised that out-of-home rental deals were considered to be property leases and as such would not be subject to the Council constitution or EU procurement rules.
- 5.5.9 It should be noted that to deliver the savings target aligned to this element of income generating activity, planning permission will be required for all sites and will therefore require support from the Strategic Planning Committee with regards to the application of planning policy. Furthermore, this will all need to be considered in the context of re-development activity taking place within the borough.

Table 1 – Large Format Advertising Sites

Location	Type	Status	Min	Max
Lewisham Shopping Centre	2x D96	Existing	£70,000	£100,000
Molesworth Street Car Park	Digital 48	Existing	£25,000	£35,000
South Circular Road by Canadian Avenue	2x Digital 48	NEW	£35,000	£45,000
Land at South Circular Road by Rushey Green	P10	NEW	£25,000	£50,000
<b>Total</b>			<b>£155,000</b>	<b>£230,000</b>
<u>Existing income to be replaced</u>			-£30,000	-£30,000
<u>Risk of site loss due to Catford Regeneration</u>			-£25,000	-£45,000
<b><u>Potential Total</u></b>			<b>£100,000</b>	<b>£155,000</b>

- 5.5.10 With the risks identified above and uncertainty with regards to the achievement of planning, it may be prudent to consider whether the income target of £300k should be reduced and the balance of the income re-allocated. Whilst Council officers will continue to seek suitable sites for large format advertising, and with regeneration and development new opportunities may arise, but these will not be delivered within the timeframes required.

## 5.6 Business Intelligence

- 5.6.1 The Council has seen an increase in its tax base by 6.2% since 2014/15. The tax base increase has been driven by the additional 2,300 properties now on the valuation list. Furthermore, this will continue to rise with the Mayor's commitment to build 500 new homes by the end of 2018, as well as those new homes which will be built as part of the Council's Regeneration programme which includes

Catford and Ladywell. Developer led schemes such as Lewisham Gateway, Catford Green Convoys Wharf etc., will continue to increase this tax base.

5.6.2 To build upon the already increasing tax base, the Council has looked at acquiring a transactional based business intelligence system to increase their income. The Council has previously worked with DataTank, who use Experian data to identify cases where the Council may be granting single person discount where it is no longer applicable. Once these cases are identified, letters are sent out requesting the resident re-confirm their status. Then where applicable the discount is claimed back to the beginning of the current financial year. This process is undertaken every three years and in 2013, the annual recoverable amount increased by £750k.

5.6.3 The London Borough of Hammersmith & Fulham has recently developed a system that uses both external data and Council held data to identify income opportunities in particular areas. This system could help identify false single person discount claims, additional new homes bonus opportunities and additional properties which should be on the Council Tax register.

5.6.4 Based on data available, it is forecast that potential total revenues of between £1.4m and £2m could be achieved.

#### 5.7 Schools' Traded Services

5.7.1 The Schools' Traded Services Review undertaken by Lisa Bibby Consultancy in May 2016 estimated that annual turnover is in the region of £4.9m, with around 30 to 40 services sold to schools encompassing a range of activities. Overall, services are traded from three directorates involving nine Heads of Service and twenty-six business units. The review concluded that information on service charges should be in one place, and discretionary services should recover costs, or provide a business case for any subsidies.

5.7.2 There is a contextual background to schools traded services which members will need to note. Schools' funding reforms are driving increased transparency in relation to the use of Dedicated Schools Grant (DSG). DSG funding previously retained by the authority is planned to be replaced by a reduced central schools block. In addition, the government has announced the ending of the Education Services Grant. This reduction in revenue to the council will put even greater pressure on already reducing resources and it may no longer be viable to provide what can be deemed as discretionary services to schools as interdependent statutory services reduce.

5.7.3 Initial modelling of the impact of a national funding formula for schools suggests that, even with transitional protection, Lewisham schools will face financial challenges.

#### 5.8 Wireless Concession

5.8.1 A key recommendation from the Committee's in-depth review was to appoint a partner to develop a wireless concession and or small cell network across the borough, the benefit being to increase wifi coverage and speeds for residents and those visiting the borough.

5.8.2 The Council have since partnered with Shared Access (SA) Ltd, who is currently running a pilot scheme for the council to gain greater clarity of the market

appetite for a network within Lewisham. This pilot scheme gives the company no exclusivity across the Council's asset portfolio.

- 5.8.3 SA Limited has been set the target of identifying and delivering, as a minimum five sites across the borough within this financial year, where each of these sites will be host to two small cell antennae. The expected revenue from these five sites for this financial year would be in the region of £60k of sustainable income.
- 5.8.4 At this current time, the company is marketing the Council's sites to the mobile operators to stimulate the market and generate further interest. Both the Council's and company's legal team are also finalising the standard lease agreement that will be used for each site.
- 5.8.5 Officers have given the company until 31 March 2017 to achieve this target, after which the pilot scheme will be reviewed. The Council is currently provided with monthly progress reports by the company and this will continue throughout the duration of the pilot.
- 5.8.6 Subject to the performance of the pilot scheme, the Council could still undertake a concession procurement exercise. However, based on the information obtained during market testing, the revenue to be gained through this route is considerably reduced.

#### 5.9 Fees and Charges

- 5.9.1 The review of fees and charges for some regeneration and customer services related activities to ensure that they fully recover costs resulted in a 5% increase in income. Based on the 2014/15 Revenue Account Outturn, figures of a similar level of increase across all income from fees and charges would amount to £2m. Officers now have a complete and up to date database of fees and charges activity across the Council. What is being developed now, is a consistent cost modelling approach. This is underway, therefore it is not yet possible to say how much additional income may be secured simply by ensuring full cost recovery.

#### Examples of previously explored proposals

#### 5.10 Early Payment Programme

- 5.10.1 In 2014, the Council engaged with Oxygen Finance Limited. The objective of the Oxygen Finance Early Payment Programme (EPP) for Lewisham was to generate income through early payment rebates for suppliers in return for early payment of its invoices. This would be achieved whilst delivering efficiencies and improvements in the procure-to-pay processes and supplier relationship management activities.
- 5.10.2 The business case is predicated on an enrolment of existing suppliers to join EPP on a voluntary basis and future suppliers through embedding early payment into tenders. Once a supplier had signed up, their invoice would be subject to payment ahead of terms in exchange for a fee (rebate). The fee taken would be calculated dynamically based on the number of days ahead of term that payment had been achieved, i.e. if the invoice is delayed for payment for some reason – such as a dispute – no fee would be taken.
- 5.10.3 Officers spent the best part of a year on this engagement with Oxygen Finance undergoing a full feasibility assessment. Ultimately, it was decided not to proceed with this proposal for various reasons including what appeared to be

prohibitive contract terms and the extent to which exclusivity could have hampered the Council in its progression of other complementary solutions.

#### 5.11 Advertising Income – Fleet Vehicles

5.11.1 Another aspect of potential advertising income arose when officers explored the viability of advertising commercially on the Council's fleet vehicles.

5.11.2 The Council's previous fleet advertising provider, Agripa Ltd, had been in discussions with the Council to actively sell the Council's fleet advertising space on their behalf. This was expected to generate revenue for both the Council and Agripa Ltd at an agreed percentage split.

5.11.3 Unfortunately, after many discussions and development of the project, in March 2016 Agripa Ltd informed the Council that they would no longer be looking to provide this service. Subsequently, in April 2016, the company went into administration.

5.11.4 Officers has made attempts to continue with this project and the Council undertook soft market testing, issuing surveys to local businesses and opening a dialogue with other boroughs. Following a relatively poor response, and given the limited returns which other boroughs had been experiencing in pursuing this, it was decided not to continue with this project.

#### 5.12 In Summary

5.12.1 Since the original 2015/16 budget savings were agreed, there have been a range of income generation projects which officers have pursued, some of which have not been fully achievable, whilst others have come to fruition.

5.12.2 It is important to re-iterate that a significantly growing proportion of the 'savings' being delivered as part of the budget process each year, stem from income generating and commercial activity from across the authority.

### **6. Outcomes of the consultants' review into income generating activities opportunities for Lewisham**

6.1 Plans to recruit a specialist in commercialisation were put in place. However, following initial recruitment activity in late spring 2016, the need to be clearer on the requirements of the role was identified. Interim plans were developed including the appointment of a consultant to work with officers to understand better the current internal context and readiness for change, and specifically to:

- map and analyse detailed information on the range and effectiveness of current income generation activity together with associated structures and behaviours
- identify relevant local and national policy relating to income generation and commercialisation and any other strategic developments and initiatives that may impact on future activity
- work with officers to identify opportunities for income generation together with the enablers and barriers that might exist to realise the potential benefits

- to undertake an environmental scan to ensure that best practice from other local authorities and public bodies are considered in the context of developing the council's income generation and commercial strategies.
- 6.2 Officers commissioned Lisa Bibby Consulting to undertake this work. The short piece of work was planned to be delivered by July 2016 however, following an initial document review it was recognised that more detailed engagement with key officers was required to develop a clearer map of current income generation activities together with existing enablers that support income generation and barriers faced. A series of one to one interviews were planned with all but one Head of Service, Group Services Managers and key project leads for current income earning projects. Officer availability, reflective of the current capacity issues, meant that engagement was spread over a three month period, impacting on the initial project timeline.
- 6.3 Attached at Appendix 2 is a summary report of the consultant's review, which goes further in developing the recommendations established by this Committee in autumn 2015 and really provides a much firmer and clearer basis on which to build commercial and enterprising culture for the authority. Members should note that the full report together with a number of technical appendices have been submitted to the Income Generation Board to inform its work in detail.
- 6.4 Following a presentation to this Committee of the interim report in July 2016, this final report encapsulates those discussions into one complete document. By way of headlines, the full report sets recommendations into four main categories:
- *Vision and Strategy*
  - *Leadership and accountability*
  - *Modelling and best practice*
  - *Culture and communication*
- 6.5 The full summary of the consultant's report is attached at Appendix 2. As summary of the key themes are set out in the following paragraphs in Section 6, with a summary of the final recommendations set out in Section 7 of this report.

### **Consultant's review – key themes**

- 6.6 *Vision and Strategy*
- 6.6.1 A major hindrance to the Council embedding a commercial ethos, is lack of clearly defined commercial strategy.
- 6.6.2 Given the lack of a clear strategy, there is also a lack of understanding around 'commercialisation'. During the officer engagement, it was found that commercialisation is often seen purely as mirroring the private sector. Furthermore, there was concern in the investment currently being made in commercialisation where 80% of the Council's duties are statutory.
- 6.6.3 It would appear as though there is a conflict between the current vision of the Council and how income generation and commercialisation fits within this vision. Furthermore, there is a definite need to improve the general understanding of what it means to be commercial within the public sector.

- 6.6.4 The current focus of the income generation programme seems to be predominantly on cost reduction or income management. Similarly 'fees and charges' work is aimed at full cost recovery ensuring services are sustainable.
- 6.6.5 Where the Council wishes to make actual net profit to offset the level of savings required, there is need to set up separate trading companies. These although beneficial, come with a multitude of risks such as reputational and financial risk.
- 6.6.6 There is a focus on '*enterprise to reduce costs, developing better understanding of the market (i.e. customers/ residents) in terms of needs and expectations and delivering value, in the form of social and financial benefit*'. This intertwines the focus of income generation with the assurance of delivering social value.
- 6.6.7 The commercial strategy and vision should be developed and agreed at a political level so that there is a clear remit to officers when undertaking income generation and more commercial activity. This would then help develop officers understanding of what commercialisation means to the Council and how it should develop. Moreover, it would give a clear direction for both future income generation and procurement and commissioning activity.

#### 6.7 Culture and Community

- 6.7.1 Currently, there is significant existing pressure on officer time and resources. Additionally, specialist skills needed to support service design are in short supply. This means that for large scale developments often external resources are commissioned. Critical to a cultural change programme is investment in people and as such there should be a consideration to developing a training programme for service managers. This would provide the skills necessary to help embed a more commercial ethos across the Council.
- 6.7.2 Currently, corporate financial and information management systems are not designed to easily or effectively inform or track income generation activities. Similarly, there are no standard processes or templates to fully facilitate officers in commercial ways of working. This can lead to difficulties in getting a good understanding of current service demand as well as an understanding of the market services operate within.
- 6.7.3 Over the past three years, the Council has begun to take a more commercial outlook across services. It is acknowledged by the consultant's review that there are excellent examples of service leadership resulting in increased income. It is crucial that these skills are being fully utilised and are directed into the areas with the highest need.
- 6.7.4 Many of the services currently provided by the Council cannot statutorily generate a profit and thus the Council can only fully recover their costs. This means that income generation cannot be used to reduce the level of saving necessary, unless a fee or charging based service is not fully covering its costs. There is a clear emphasis on ensuring services use a robust costing model and have a good understanding of full cost recovery.
- 6.7.5 Similar to many local authorities, the Council commissions out a large proportion of their services. Based on the 2016/17 budgets, it is estimated 75% of the Council's services and supplies are provided by external suppliers. There are some significant opportunities to how we propose to strengthen our clienting arrangements for such contracts.

- 6.7.6 Given the amount the Council spends on commissioning services, it is a fair assumption that a proportional amount of officer time is spent on both procurement and commissioning of contracts. This is likely to be the largest commercial element of officers' roles across the services. Currently, the Council has a devolved procurement and commissioning function with pockets of expertise across the Council.
- 6.7.7 The key drivers behind a more commercial culture can then be reduced down to four areas, these being: a clear commercial strategy; a solid understanding of full cost recovery; market intelligence and good and effective contract management.
- 6.8 Leadership and Accountability
- 6.8.1 Current strategic leadership arrangements are within the gift of the LFPB. Recently, there has also been a revitalisation of what was previously the 'fees and charges' working group. Furthermore, the Income Generation Board convenes each month. This consists of Heads of Service from across the Council.
- 6.8.2 Having redrafted the terms of reference, it is recommended that these should include a corporate gateway process for any new income generating developments, to ensure that council resources are being used as efficiently as possible to deliver best value for money.
- 6.8.3 During the review, a perceived lack of access to procurement and contract management capacity, skills and expertise was highlighted as challenging by a number of Heads of Service. Recent budget cuts have resulted in loss of capacity in these areas. As with effective income generation, commercial skills, knowledge and expertise are at the heart of effective procurement and contract management. A number of authorities have brought these functions together to maximise efficiencies and effectiveness.
- 6.9 Modelling and best Practice
- 6.9.1 Historically a number of best practice initiatives have been created by the Council to enhance officer's commercial awareness and acumen. In 2013, there was a creation of a full cost recovery calculator to help service managers think more about the full cost of their service. In 2015, the income generation strategy and guideline was agreed by Mayor & Cabinet. Due to lack of resource and a formal roll out, both initiatives unfortunately did not create the benefits originally anticipated.
- 6.9.2 Currently, there is a dispersed leadership and management of income generation activity. Furthermore, there are no actively used corporate costing or pricing policies. Research from other authorities has found that having these in place often provides greater assurance and helps manage risk. Officers equally identified that there is a need for a suite of documents, software packages and guidance, whilst being mindful processes are proportionate to risk and return.
- 6.9.3 A crucial tool in understanding markets is benchmarking. The level of benchmarking across council services varies. In some areas it can be problematic to attain suitable data, especially given the reduction in local government reporting requirements. However, services should where possible ensure there is active benchmarking being undertaken.
- 6.9.4 There is a significant opportunity to integrate a focus on income generation and commerciality within the digital transformation programme. Good systems are

key to facilitating commercial processes and talent within the Council. Investment into integrated data systems creates a firm foundation for the Council to build a more commercial infrastructure.

- 6.9.5 Where services are being commissioned, the only way costs can be reduced is through effective and diligent contract management. When the new Public Contract Regulation 2015 was published, the Council updated all standard templates and guidance for officers. Currently, there is no specialist expertise within the Council. Given the high level of external spend, reducing third party expenditure by a small margin could help realise large cost savings to the Council.
- 6.9.6 It is crucial that where services are competing with the private sector and or procuring their services, that they have a clear understanding of the market. This means that in depth market testing, planning and appraisal should be undertaken. There is also a need to understand how the service is performing currently. This requires good transactional data to facilitate useful analysis. Currently, the Council does not have systems in place to produce this kind of data.

## **7. Summary of Consultant's recommendations**

### **7.1 These are in summary:**

- 7.1.1 The Council to set-out an agreed definition of 'commercialisation' with the development of a commercialisation strategy aligning with the wider vision.
- 7.1.2 Investment in income generation activities should be prioritised to make best use of limited leadership and technical resource. It is recommended that the Council prioritise those need low levels of investment.
- 7.1.3 The Terms of Reference of the Income Generation Board to encompass a corporate 'gateway process' for business case developments related to income generation.
- 7.1.4 To bring together strategic leadership of procurement management, contract management and income generation into a Head of Commercial Services role.
- 7.1.5 Refresh the income generation strategy to be aligned with the development of the proposed commercial strategy. This should include consultation with Heads of Service.
- 7.1.6 The following Guidance and documents to be produced and used by service managers:
- *Guidance, templates and mandated costing methodology*
  - *Refreshing of pricing policies*
  - *Identification of benchmarking data*
- 7.1.7 Digitalisation programme to consider specific needs of income generation and commercialisation programme;

- 7.1.8 A programme of networking, knowledge exchange and partnership working on issues of income generation and commercialisation should be developed with Lewisham's CIPFA nearest neighbours;
- 7.1.9 A change programme should be developed to support the delivery of the Council's commercial strategy;
- 7.1.10 Investment should be made into both systems and people in the form of templates, models, guidance notes and digital solutions;
- 7.1.11 Wherever possible staff should be involved in both the development of strategy and procurement or piloting of resources;
- 7.1.12 Continue to use existing officer and staff forums to facilitate knowledge exchange and collective capacity building. Regular updates should be made through existing council communication channels.

## **8. Financial implications**

- 8.1 There are no specific financial implications directly arising from agreeing the recommendations to this report. However, any 'buying-in' of additional resources to support officers in the drive to increase income generation and develop a more commercial focus for the authority, will come at a cost. These costs will be defined more clearly and reported to members in due course.

## **9. Legal Implications**

- 9.1 There are no specific legal implications arising from the report. Any legal implications arising will be considered in full when individual proposals are progressed through the committee.

## **10. Crime and Disorder Implications**

- 10.1 There are no crime and disorder implications relevant to this report. Any specific crime and disorder implications will be considered when individual proposals are progressed through the committee.

## **11. Environmental Implications**

- 11.1 There are no environmental or health implications from the matters arising within the report. Any specific environmental implications will be considered when individual proposals are progressed through the committee.

## **12. Equalities Implications**

- 12.1 There are no specific equalities implications arising from the report. Any specific equalities implications will be considered when individual proposals are progressed through the committee.

## BACKGROUND PAPERS AND APPENDICES

<b>Short Title of Report</b>	<b>Date</b>	<b>Location</b>	<b>Contact</b>
Income Generation Review (Scope and Sessions 1, 2 & 3)	10 <sup>th</sup> March 2015, 14 <sup>th</sup> April 2015, 14 <sup>th</sup> July 2015, 29 <sup>th</sup> September 2015 (Public Accounts Committee)	5 <sup>th</sup> Floor Laurence House	Selwyn Thompson

For further information on this report, please contact:

Selwyn Thompson, Head of Financial Services on 020 8314 6932