

Appendix 1 – Detailed Recommendations

Recommendation	Update at November 2015
<p>1.1 The Committee supports the following projects identified by the newly established Commercial Board:</p> <ul style="list-style-type: none"> • Advertising (advertising boards, fleet vehicles and green space locations) • Commercial rent (refurbished property in Old Street) • Wireless Radio Network • Commercial Waste Service • Film • Energy Consultancy • Planning – Duty Planning service 	<p>Updates on projects covered in Section 3-5 of the main report.</p>
<p>1.2 The Committee noted that there are many dimensions to the generation of income and that the example of increasing advertising income and that the example of increasing advertising income whether this be on street or using our green spaces or encouraging more commercial activity in the Borough brought with it dilemmas for the Council. It is therefore recommended that some guiding principles be adopted to allow the Council to maximise income in these areas but not at the expense of general amenity</p>	<p>Principles to govern our approach to advertising have been drawn up and are being discussed with Planning. The first batch of advertising applications were considered by the Planning Committee in December 2015.</p>
<p>1.3 The Director of Finance and Property Services will prepare detailed costing for the savings proposals for consideration to the Executive</p>	<p>Each proposal is considered by the Commercial Board as part of a wider programme that is now emerging. These proposals will go forward as part of the MTFS and will be scrutinised by the Director and Property Services.</p>
<p>1.4 That it be noted that this scrutiny has already recommended an amendment to the Budget proposals for 2015/16 in relation to income generation from photovoltaic solar panels, which has been agreed by Executive and which was included in the Budget proposals agreed by Council on 27 February 2015</p>	<p>The Government's decision to consult on drastic cuts in the Feed in Tariff (FIT) rates from 1st January 2016 has meant we have had to reduce the number of systems we install. We will install larger installations on four buildings (222 Upper St, Sobell Leisure Centre, Islington Leisure Centre & 1 Cottage Road) where we will be installing 85% of the original proposed capacity. The anticipated financial return has subsequently reduced to £46k from 68k with an annual energy bill</p>

	saving of £44k.
<p>2.1 The Committee considered a number of potential areas where further income growth may be possible. The Committee suggests that the Executive consider a risk based approach to considering these options based on the challenges in terms of delivery weighed up against the potential income opportunity. This should be considered through the Commercial Board and/or Islington Company Ltd (iCO) if this is the optimal route.</p>	<p>This process for this has been set up by the Commercial Board which is working its way through the relevant ideas.</p>
<p>2.2 The Committee identified a number of thematic areas for further investigation, subject to assessment of an acceptable business case – these include:</p> <ul style="list-style-type: none"> • Selling of a range of existing services as set out in the Executive summary e.g. caretaking, grounds maintenance, building maintenance services to schools, pest control and Telecare. (This is not an exhaustive list and the Committee request that officers undertake wide ranging review of all opportunities) and that there may be opportunities to package a range of services to make them more competitive • Investigate whether Local Housing Management Services could be offered to RSL's • Receiving and securing courier deliveries and allowing access to utility companies for residents for a fee • Working with other Councils • Encouraging commercial events in the Borough e.g. markets, ice rinks etc. • Wider use of sponsorship and advertising • Sharing of services with other boroughs/organisations • Alternative models e.g. the consideration of Co-operatives or Mutuals • Extension of heat and power schemes and consideration of additional heat and power schemes throughout the borough • Further use of remote working and 'hot-desking' for staff to free up office accommodation and to consider whether additional savings can be made in this regard • Introducing the concept of Local Development Orders to shorten the planning process 	<p>All of these recommended themes are being or will be explored by the Commercial Board as part of its work programme.</p> <p>The Board is cognisant of the level of change taking place throughout the Council, especially in areas like Housing Repairs where services have recently returned to the Council. This has meant prioritising initially those areas that are in a position to consider commercial options sooner rather than later.</p>

<ul style="list-style-type: none"> • Review all services that have or come back ‘in house’ to ascertain whether there are any additional income generation opportunities that can be pursued • Call out services/other services that could be offered to leaseholders • Out of hours service to landlords – this could be marketed through the ‘in house’ lettings agency • The selling of services provided by the ‘in house’ repairs team to Partners, RSL’s and private residents and, if the scaffolding scrutiny review, currently being undertaken by the Housing Scrutiny Committee recommends an ‘in house’ scaffolding team, assess whether there is a business case for marketing this service. It should be noted that there will be ‘peaks and troughs’ in demand for work, which will necessitate some use of agency staff, however we feel that in the longer term this could be managed effectively, both in resource and financial terms, when the ‘in house’ employment agency is established 	
<p>3.1 The Committee was pleased to hear of the creation of the Commercial Board and progress made so far on commercialism and income maximisation. The Committee believes that the following, set out below, will enhance the progress made to date</p> <ul style="list-style-type: none"> • Invest in staff training to develop commercial awareness and skills within the organisation • Complete a skills/expertise audit across the Council to determine what other services could compete in the market place • Develop a means of incentivising staff to generate commercial ideas for the Council, for example, through a competition • Develop clear policy and guidelines for the use of parks and public spaces for events, such as ice rinks and farmers/Christmas markets • Develop a financial accounting process that assesses the business case for trading a particular service and subsequently that reports profit and loss for services participating in commercial activity • Develop a performance framework, governed by the Commercial Board to measure progress of the Council becoming more commercial • Effectively publicise and market the services that the Council offers in order to maximise income generation opportunities 	<p>A training programme has been developed and external commercial advice has been enlisted. A wider communications programme and Directorate Commercial Champions are soon to be identified to try and generate further opportunities. Staff incentives are being considered, both in the context of Council Services and its Trading Company.</p>

<ul style="list-style-type: none"> • Utilise the trading company and recognise what other services could be placed in the trading company to enable greater flexibility for services to generate profit 	
<p>3.2 The Committee recommend that all Directorates set an income generation target in percentage terms in relation to their budget and progress be assessed regularly to ensure they are meeting these targets, and if not, the reasons therefore</p>	<p>All departments have been considering income opportunities as part of the budget setting process. Immediate opportunities will be presented to Executive as part of the budget setting process. All projects are monitored by the Commercial Board to ensure that progress is being made and barriers are removed.</p> <p>At this stage, the work is focussing on which services have the best opportunity to generate additional income. Once this has been completed, each Directorate will be given an income target.</p>
<p>4.1 The Committee request the Executive to endorse that –</p> <ul style="list-style-type: none"> • Commercial activity should not come at the expense of local businesses or the London Living Wage • A progress report is submitted to the Policy and Performance Scrutiny Committee for the consideration of the Committee in 12 months 	<p>Covered in section 7 of the report.</p> <p>A further update can be provided to the Committee in March 2016</p>